

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

PARLIAMENT
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LIBRARY

OF

THE AUDITOR-GENERAL

ON

LAIKIPIA WEST TECHNICAL AND
VOCATIONAL COLLEGE

FOR THE YEAR ENDED

30 JUNE, 2025

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 05 MAR 2026

DAY.

Thursday

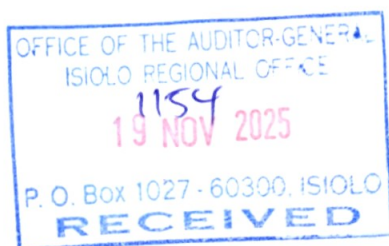
TABLED
BY:

Hon. Owen Bayart, MP

Deputy leader of Majority Party

CLERK-AT
TABLE:

Ar. Chiboko



LAIKIPIA WEST TECHNICAL & VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2025**

**Prepared in accordance with the Accrual Basis of Accounting Method under the International Public
Sector Accounting Standards (IPSAS)**

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
LWTVC	Laikipia West Technical & Vocational College.
PSC	Public Service Commission.
MP	Member of Parliament
BQ	Bill of Quantities
CEO	Chief Executive Officer
HOD	Head of Department.
MOE	Ministry of Education
ICT	Information communication technology
TVET	Technical and Vocation Education and Training
CDACC	Curriculum Development, Assessment and Certification council
TVETA	Technical and Vocational Education and Training Authority
KUCCPS	Kenya Universities and Colleges Central Placement Service
HELB	Higher Education Loans Board
NGCDF	National Government Constituency Development Fund
BBA	Bachelor of Business Administration
BED	Bachelor of Education
CPA-K	Certified Public Accountants of Kenya
R&D	Research & Development
NITA.	National Industrial Training Authority

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Laikipia west technical and vocational college is established and derives its authority and accountability from TVET Act of 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is education and training. The college is under the Ministry of Education.

The college is located in Laikipia county, Laikipia West constituency, Marmanet ward, karaba location in kabage sub-location.

The Laikipia west TVC project commenced on 16th June 2016 and ksh. 55,471,853 was spent in funding the project.

Kiirua technical training institute was the mentor institution.

The college was formally started on 9th January 2023.

The college is under 3.585 acres.

(b) Principal Activities

The core mandate of Laikipia West Technical and vocational college (LWTVC) is well outlined in our vision and mission as well as stated by TVET Act of 2013 laws of Kenya. The College's operations are also carried out in accordance with the Government policies and procedures as spelt out in official documents and circulars. The institution operates under the management of the Board of Governors appointed by the Minister in charge of Education. The principal is the institution's CEO and the secretary to the BOG. On the day-to-day operations of the college, the principal is assisted by the Deputy Principal, the Registrar, the Dean of Students and Heads of Departments. The students participate in College's governance through a student's association led by an elected student board.

Trainees trained in LWTVC are competently prepared emotionally, intellectually and spiritually. They are equipped with Hands on Skills and Technology to make a difference in this generation and generations to come. The Laikipia West Technical and Vocational College is committed to offering the best and top-quality training.

Trainees trained in LWTVC are competently prepared emotionally, intellectually and spiritually. They are equipped with Hands on Skills and Technology to make a difference in this generation and generations to come. The LWTVC is committed to offering the best and top-quality training.

We offer courses from Diploma, Craft, Artisan and skill upgrade levels for those people who are practicing and have no formal certificate. There is no age limit for you to be admitted at LWTVC because we offer regular, part-time and school based trainings.

Vision

A catalyst in engaging partners to bring educational solutions to individual, employers and community - transforming challenges into opportunities.

Mission

To provide quality TVET skills using appropriate technology to empower trainees for global competitiveness.

Our core values are;

- Team work
- professionalism
- Transparency and Accountability
- Creativity and Innovativeness
- Integrity
- Excellence
- Equity and Social Justice
- Leadership

(c) Key Management

The colleges day-to-day management is under the following key organs:

- Board of Governors
- Accounting officer/ Principal
- Deputy Principal
- Registrar admission and marketing.
- Dean of students
- Finance officer
- Industrial Liaison Officer
- Academic Heads of departments

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	Mr. Simon M. Njoroge
2.	Deputy principal	Mr. James M. Ngechu
3.	Registrar	Mr. Geoffrey Maina Kabucho
4.	Head of Finance	Mr. Justus Kairu
5.	Assessment officer	Mr. Wesley Kiptoo Kirui
6.	Dean of students	Ms. Monica J. Wambugi
7.	HOD Computing & Informatics	Mr. Julius Maina Kiongo
8.	HOD Fashion & Cosmetology	Ms. Florida C. Kilel
9.	Industrial Liaison Officer	Ms. Nyambura King'ori

(e) Fiduciary Oversight Arrangements

LWTVC has the following oversight arrangement

Audit and risk committee activities

- Establish Internal Audit Functions
- Formulate whistle blowing Policy in the College
- Formulate and Review of OHS Policy
- Insurance of all asset's general accident cover for trainees and BOG employees
- Formulation and Implementation of Anti- Corruption Policy
- Putting in place Security Surveillance Mechanisms
- Enhance Security of the Institution
- Formulation and Review of Security Policy
- Establish and Maintain Archives
- Formulate and Implement ICT Policy
- Carry out an audit on values of governance
- Ensure all financial transactions are properly authorized
- Ensure proper fees collection mechanisms
- Ensure proper systems controls in all service points

Finance and operations committee activities

- Resource Mobilization
- Prepare Annual Procurement Plan
- Prepare Annual Budget
- Quarterly Financial Report
- Establish Internal Financial Control Systems
- Ensure adherence to Procurement Act and Regulations

- Final Financial Accounts
- Human Resource Management
- In Charge of Assets Management
- Formulation of Policies
- Communication
- Infrastructural Development and Maintenances
- Adherence to Principles of Governance
- Development of Organizational Structure
- Establishment of Key Management Committees
- Strategic Planning
- Monitoring and Evaluation
- Ensure that external audit of financial statement is completed and submitted in time.

Academic Committee Activities

- Formulation and Review of the Academic Policy
- Quality Assurance
- Development and Implementation of New Programmes
- Determination of Resources:
 - Human Resource
 - Teaching/Learning Materials
- Curriculum Evaluation
- Establish Linkage between the College and Industry
- Ensure Relevance of Courses to Market Needs

(f) Colleges Headquarters

P.O. Box 602 -20300
Along Nyahururu, Muhotetu, Sipili Road
Laikipia county, KENYA

(g) College Contacts

Telephone: (254) 792 474 296
E-mail: laikipiawesttvc@gmail.com
Website: www.laikipiawesttvc.com.

(h) College Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200

NAIROBI, KENYA

Equity Bank
P.O BOX 1931
Meru, KENYA

Co-operative bank
P.O BOX 11005
Meru, Makutano
Meru, Kenya

(i) Independent Auditors

Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya.

(j) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3.The Council/Board of Governors

<i>SN.</i>	<i>Member</i>	<i>Details</i>
1.	 Moses Maina Njoroge Chairman Board of governors	Born in 1962 Degree in Business administration Retired career civil servant, business administration Ministry of Agriculture and Livestock Development.
2.	 Peter Kaume County Director TVET.	Born in 1972 Holds a Bachelor Degree in Education (science) and Master in Education (Educational planning County Director TVET Representative of principal secretary.
3.	 Nicholas Mbugua Njoki Council/ BoG Member	Born in 1991 Holds Master from University of Nairobi MSc Finance certified public accountant (CPAK) He has seven years of experience in finance & accounting. He Work with Sidian bank, Kingdom bank
4.	 Priscilla Wahito Githinji Council/ BoG Member	Born in 1990 Holds Masters in Law Degree in Tax and Customs Administration (Ongoing) Holder of CPA(K), CS(K) Advocate of the High Court of Kenya

5.	 Eng. John Ekale Aruma BoG Member	Born in 1978 MSc. Telecommunication Engineering-DeKUT. MA. Project Planning and Management-UoN BSc. Electrical Engineering & BSc. Mathematics-Utah State University -USA Assistant-Lecturer, department of Electrical and Communication Eng (ECE), Moi University School of Engineering. Experience: Academia, Engineering, Project planning & management, Human Resource management and leadership.
6.	 Eng. Joseph M Githinji Council/ BoG Member	Born in 1966 Holds a degree. Bachelor of science in civil engineering Has wide experience in governance of public institutions.
7.	 Bett Gideon Council/ BoG Member	Born in 1994 Holds a degree Bachelor of Education in Technology Education and Computing (Electrical technology)
8.	 Sharon wanja Council/BOG Member	Born in 1993 Holds a Bachelor Degree in Tourism, Tours and Operations Management. Postgraduate Diploma in Global Diplomacy and International Organisation Management.

9.	 Simon Muturi Njoroge Principal/BOG Secretary	Born in 1967 Hold Bachelor Degree in Business Administration (KEMU) Holds a diploma in building in civil engineering (KSTVET) Higher diploma in entrepreneurship development (Kisumu Poly). He has enormous experience in teaching and managing various TVET institutions having worked with various institution which includes Michuki National polytechnic where he was a Deputy Principal and Kandara Technical and Vocational college and currently CEO Laikipia West Technical and Vocational College and the secretary of the board. Current age 57 years.
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4. Key Management Team

1.		Mr. Simon Muturi Njoroge Principal/Secretary BOG BBA Entrepreneurship	CEO/Accounting Officer
2.		Mr. James M. Ngechu Bachelor of commerce CPA -K	Deputy Principal Administration.
3.		Mr. Justus Kairu Diploma in accounting, Certified public accountant level 5.	Finance Officer.
4.		Mr. Wesley Kiptoo Kirui HND in building technology	Registrar exam& timetabling/Hod building & Civil Engineering/Centre assessment officer.
5.		Mr. Geoffrey Maina Kabucho Diploma in Building & technology	Ass. Registrar Marketing & admission/Head of games & sports.

6.		Ms. Monica Jacqueline Wambui Diploma electrical & electronics	Deans of students/HOD electrical & electronics
7.		Mr. Julius Maina Kiongo Degree in ICT & Mathematics	HOD computing & informatics
8.		Ms. Nyambura Kingori Diploma in cosmetology Diploma in ICT	Industrial liaison officer/ Greening Champion
9.		Ms. Florida chemutai Kilel Diploma in clothing technology	HOD fashion design & Cosmetology.

5. Chairman's Statement

Our esteemed stakeholders, on behalf of the Board, it gives me great pleasure to present to you the LWTVC Annual Report and Financial Statements for the FY 2024/2025. It's a time to lay down Plans, policies, guideline and procedures of governing the college in the next three years. The board of governors were able to hold 4 board meetings within the financial year. It's imperative to report that the college had some teething challenges that required intervention from main stakeholders.

Top among them is low enrolment of trainees. Without numbers the college could not marshal enough finances to buy basic necessities. Majority of trainees come from their homes. The location is a bit in the interior where accommodation facilities are not readily available. As a board we envisage to mobilize investors to seize the opportunity and construct hostels that will accommodate both trainees and trainers. We are also liaising with Ministry of Urban Development and Housing with the intention of putting up students Hostel within the college compound. The board however, aims to use the facility empty rooms to accommodate trainees as a temporary measure.

Water is a major challenge to the college. The college spends its minimal resources in buying water for use. The provision of gutters to harvest rain water and storage reservoir was unavailable. The Board addressed the issue by giving suggestion that will solve the water problems in future. It included approach to the county government to drill boreholes and provide gutters and plastic tanks for storage. A proposal to National Draught Management Authority (NDMA) to drill a borehole has also been posted.

Other challenges include lack of basic learning and training equipment, low human resource for training and other functions. Inadequate Furniture for offices and ICT resources which are needed in this era of digital dispensations. Poor roads leading to the college is also a matter requiring Board intervention to enable access to the facility. Within the financial year we received officials from state department concerned with equipping TVET institutions and we are hopeful the narrative will change in the near future as we expect positive results.

The board had eight members. In terms of gender, the board did not meet the 1/3 gender rule since it had two ladies in its composition. Also the County Government Representative was yet to be put in place. Intervention to ensure a complete composition was discussed with an aim of filling the gaps through the appointing authorities.

The board underscored the need to increase the number of classrooms, workshops, trainers, non-teaching staff, furniture, computers and internet. In terms of acreage the board envision the need to increase land to enable expansion, since the 3.585 acres are not adequate for infrastructural development. In the three years tenure that this board will be in place it will strive to ensure prudent use of resources by offering continued oversight.

Finally on behalf of the Board of Governors, I wish to thank the area MP, County and National Government and all stakeholders for their continued support. When there is teamwork and goodwill, LWTVC can only soar high.

Thank you and God Bless

Signed  Date 18.11.2025

Mr. Moses Maina Njoroge
Chairperson of the board

6. Report of the Principal

I wish to present the 2nd Annual Financial Statement for Laikipia West Technical and Vocational

College for the year ending 30 th June 2025. Since inception ,the college has been able to enrol trainees in various courses comprising Building and Civil Engineering ,Electrical and Electronic Engineering, fashion design and cosmetology ,ICT and Business and Entrepreneurship .

We have been able to transit from traditional KNEC examination to Competence Based Education and Training which is more practical oriented. In September 2023, we enrolled Cycle one CBET trainees, and cycle 2 in September 2024 repsectively. Currently we are in Cycle 3 since May 2025 which is Modularised.

The College has two Bank Accounts both in Equity and Cooperative banks respectively Meru Branch .On staffing we have 9 public service trainers and 2 BOG trainers. Other staff are 3 including the finance ,secretary and security officer. the current trainees stand at 85 and hopefully shall increase upward in the subsequent intakes. It's imperative to report that the college started with some teething challenges that included lack of water, lack of electricity, poor road access, inadequate furniture and basic learning and teaching equipment and materials. The college located in a remote interior lacked accommodation facilities for both trainees and trainers. As the management we have however, tried to put measures to reduce these challenges. We have continuously increased the number of basic learning and teaching resources. The acquisition of land Title is at an advanced stage and the land is fully fenced courtesy of our area Member of Parliament.

The college was also registered with TVETA, KUCCPS and HELB. We are also able to assess our trainees through TVET CDACC and KASNEB. We have also graduated 13 trainees in various courses upon full completion. Upon inauguration of a Board of Governors, we are able to strategize on taking the college to the next dispensation. We have a 5 years Strategic Plan, robust marketing strategy to increase trainees' population and plans of mobilizing resources to meet various financial obligations. I also received a Deputy Principal to help me in driving the academic agenda which is our core mandate.

To steer the college to the next level, we are planning to increase the acreage from 3.585 acres to 15 acres, add teaching and training basic equipment, construct additional classroom and utilize maximally what is at our disposal. Also through sensitization we are urging the local community to invest in putting up Hostel and open hotels within the vicinity to serve the increasing population.

We are grateful to the National Government for financial support through operational grants that we receive quarterly. The debt emanating from delay in disbursement of capitation, scholarship, and HELB and very low sponsorship from county and NGCDF bursaries had hampered our activities. We however are looking forward to continued support from all stakeholders to ensure LWTVC achieve its intended goals.



.....
Simon M. Njoroge
PRINCIPAL/SECRETARY BOG

7. Statement of Performance against Predetermined Objectives

Section A

Laikipia West TVC has 7 strategic pillars /issues/ themes and objectives within the current Strategic Plan for the FY 2024/2025. These strategic pillars are as follows:

Pillar 1: Access and Equity

Pillar 2: College Corporate Governance/Management

Pillar 3: ICT (Equipment and Technology)

Pillar 4: Financial resources

Pillar 5: Publicity of the College

Pillar 6: Collaboration and Linkages

Pillar 7: Infrastructure Development

Laikipia West TVC develops its annual work plans based on the above 7 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College achieved its performance targets set for the FY 2024/2025 period for its 7 strategic pillars, as indicated in the diagram below:

Pillar no	Strategic issues	Strategic Objective	Key Performance Indicators	Activities	Achievements
1:	Access and equity	To enhance access and equity to quality in TVET training	No. of students enrolled No. of programmes launched	Design flexible and blended learning programmes	Increased enrolment from 28 to 85 trainees and 3 new courses introduced
2:	Institutional, Corporate Governance Management	Improve Institutional corporate governance/Management	Organisational structure, Drug and substance Abuse, Safety measures, Gender mainstreaming, Disability Mainstreaming Affirmation policies	Establish college policies, strategies and programmes that are responsive to effective governance and management of TVET	Number of policies in place- all the policies were developed
3:	ICT	Promote effective application of ICT	Acquisition of some desktop to facilitate learning	Acquisition of some desktop to facilitate learning	Enrolment increased
4:	Financial Resources	Enhance fees collection	To improve the financial position of the college	Control systems established and implemented	Enhanced fees collection and more liquidity
5:	Human Resource	Liaise with the PSC for meeting gaps in teaching and support staff	4 PSC trainers engaged 3 support staff hired	-Teaching staffing gaps addressed	4 Trainer recruited by PSC and 3 support staff engaged by BoG
6:	Collaboration and Linkages	Review and strengthen existing frameworks for	Mechanisms for benchmarking and joint cooperation	Number of mechanisms implemented	Number of mechanisms implemented

Laikipia West Technical & Vocational College**Annual Report and Financial Statements for the year ended 30th June 2025**

		collaborations and linkages in TVET	in TVET developed and implemented		
7:	Infrastructure improvement	To provide adequate infrastructure for quality service delivery	Increased capacity for quality service delivery	- Develop infrastructure plans and designs - Source for funding	Improved service delivery

8. Corporate Governance Statement

Corporate governance statement in TVET Kenya” would detail the framework and principles guiding the management and operations of Technical and Vocational Education and Training (TVET) institutions in Kenya, outlining key aspects like board composition, accountability measures, financial transparency, and compliance with relevant regulations. Laikipia West TVC present a document format for easy reference

Board Structure and Roles:

Laikipia West TVC is governed by Board of governors. Our college have members who have expertise in Academia, Technology, Finance, Industry and Law. In each discipline the college is able to make informed decision guided by the relevant experts. The chairperson oversees the leadership of the board. He controls discussions and order committees in coming up with the best course of actions to a particular task, event or policies. Members are tasked with contributing to matters pertaining to their field in the best interest of the college.

The secretary who is the college CEO comes up with the agenda in consultation with the management team, affecting the college and are required to be deliberated on. This is also in consultation with the Board chair. He also comes up with reports of the achievements and challenges that require deliberations.

He accounts for the expenditure, and oversee prudent use of the college resources. Generally, the working of the Board is done by committees. These committees are Audit and risk, Finance and operations and Academic Committees

In Laikipia west TVC the Board guided by the TVET Act 2013, have the following roles;

- i. Meeting regularly and at least once every quarter as per LWTVC Almanac. Sometimes when issues dictate more meetings are held.
- ii. Provide oversight to the management – work plan, strategic plan, approved curriculum, enrolment and resources.
- iii. Budget approval- a college budget must be presented to the B.O.G for approval before expenditure. The budget should have estimates of income and expenditure.
- iv. Curriculum implementation: all training in the institution must be approved by the board, entry requirement for all the courses and hire staff and trainers so that services can be delivered to required standards – both co- curricular and training.

- v. Provide strategic direction to the management: approve all the long- term goals of the institution. Strategic Plan has a mission, vision set targets in terms of enrolment and trainers required to grow the institution.
- vi. Develop the policies that will be used by the management to govern the institution. This will include the academic policy- that include rules and regulations, entry behaviour, graduation and discipline issues, Human Resource policy Finance policy and I.C.T policy.
- vii. Staff schemes of service for the B.O.G staff that determine the salary and terms of service.
- viii. Administering and managing the property of the college
- ix. Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the college.
- x. Determining the fees payable and prescribing conditions under which fees, grants, subscriptions, donations, bequests or other monies and to make disbursement to the college or other bodies or persons.
- xi. Regulating the admission and exclusion of trainees from the college, subject to a qualification framework and the provision of this act.
- xii. Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the board.
- xiii. Recruiting and appointing trainers from among qualified professionals and practicing trade persons in relevant sector of industry.
- xiv. Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the relevant authority.
- xv. Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the college

Despite the aforesaid provisions, the board did not fully execute these roles as anticipated due to financial challenges.

Board Remuneration

During every Board meeting, present Board members are entitled to a sitting allowance, lunch allowance (in lieu of lunch being provided), allowance and transport allowance where applicable within government set limits for State Corporations.that is chairperson and county director ksh. 13,000 and other member

ksh.10, 000. And for virtual meeting chairperson and county director are given allowance of ksh. 5,000 And other members ksh, 3,500 each.

Conflict of Interest

At the start of all meetings of the Board meeting, the Directors are required to declare any conflict issues or any interest they may have in the business under discussion. The Director is obligated to exclude himself/herself from the quorum, and the vote in respect of any matters in which they have an interest. No material conflicts were reported by Directors in the year under review

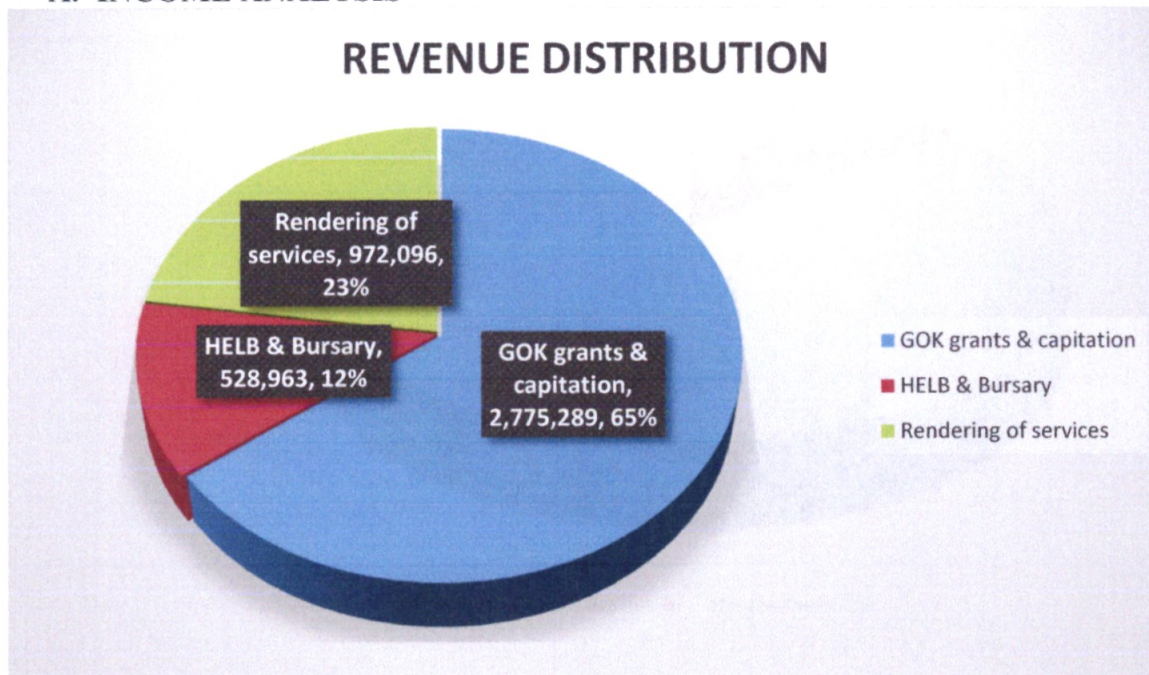
9. Management Discussion and Analysis

Section A

The College's Operational and Financial Performance

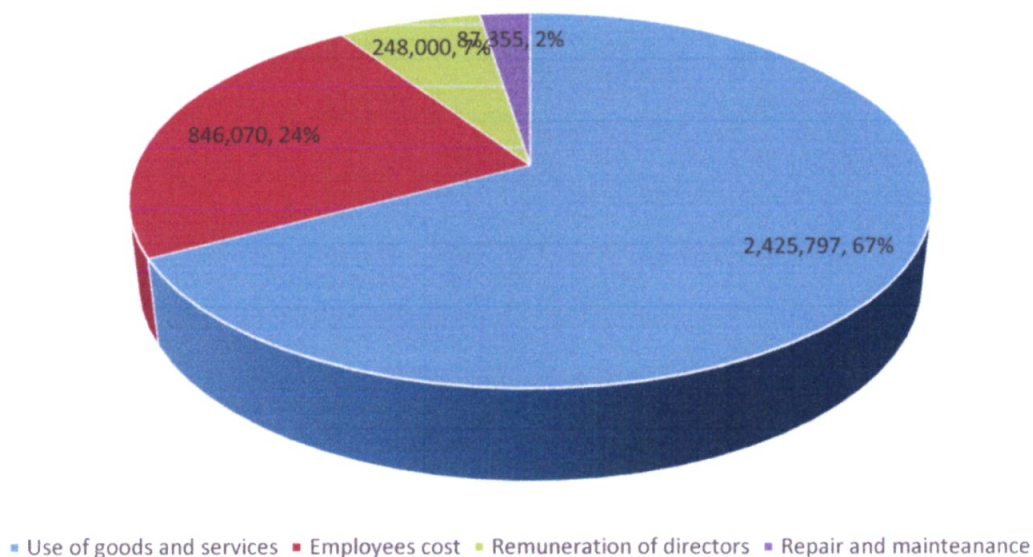
FINANCIAL PERFORMANCE.

A. INCOME ANALYSIS



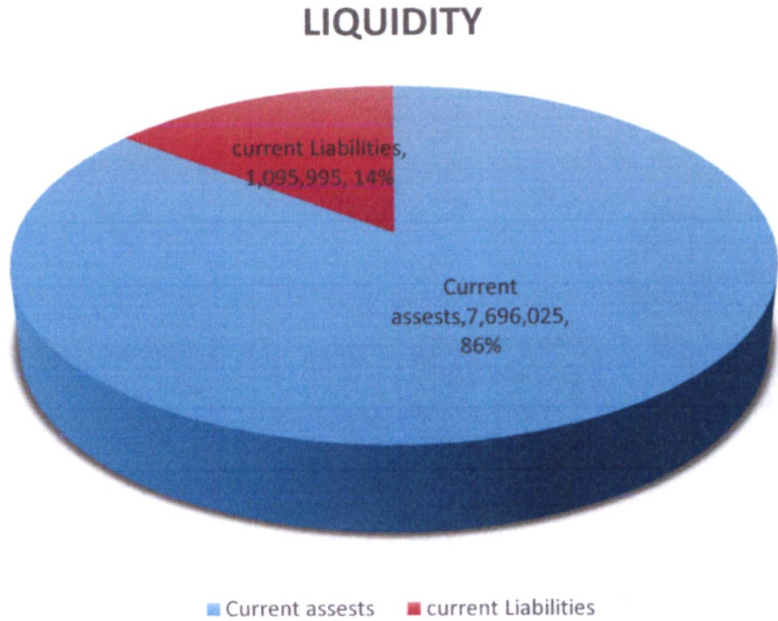
B. EXPENDITURE ANALYSIS

Expenditure analysis as at 30/06/2025



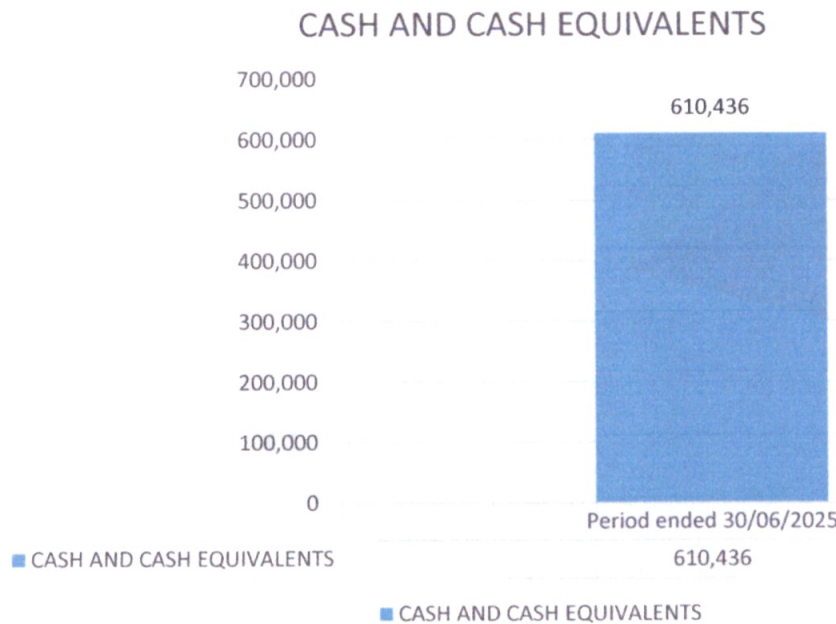
FINANCIAL POSITION

Current Assets vs current Liabilities



C. STATEMENT OF CASHFLOWS

Cash and Bank Balances



Section B

College's compliance with statutory requirements

The college has been complying with all statutory requirements.

Section C

Key projects and investment decisions the college is planning/implementing.

The college does not have any on-going project.

Section D

Major risks facing the entity

Financial Risk Management

The college activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The college's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The college does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The college financial risk management objectives and policies are detailed below:

(i) Credit risk

The college has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors.

The carrying amount of financial assets recorded in the financial statements representing the college maximum exposure to credit risk without taking account of the value of any collateral obtained.

The customers under the fully performing category are paying their debts as they continue trading.

The college has significant concentration of credit risk on amounts due from 2023

The board of governors sets the college's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the college board of governors, who have built an appropriate liquidity risk management framework for the management of the college short, medium and long-term funding and liquidity management requirements. The college manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

(iii) Audit risk.

The board has put in place an internal audit function to assist it in assessing the risk faced by the college on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

(iv) Market risk.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the college income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The college's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the college exposure to market risks or the manner in which it manages and measures the risk.

(iv) Capital Risk Management

The objective of the college capital risk management is to safeguard Laikipia West TVC's ability to continue as a going concern.

Section F

The entity's financial probity and serious governance issues

The college does not have any financial probity and serious governance issues

10. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

(a) Sustainability strategy and profile

The college steered by the Board of Governors has an ambitious strategic plan to improve service delivery and growth. The institution management is working closely with the Public Administration and the offices of elected leaders to seek support through training bursaries and development grants.

The board has embarked on an ambitious marketing plan to increase student population and popularise the College services in the community and further beyond.

(b) Innovation and technology-

The college has put a lot of Effort in sustainability related R&D in order to reduce environmental impacts in new products and in business activities of training. The college uses BAT (best available techniques) and integrated environmental technologies, we concentrate on cleaner production and zero-emission technologies.

(c) Collaboration

The college maintained a good cooperation and active collaboration with various business partners which included suppliers, TVET institutions, universities and others working in common programmes and networks on innovative products and technologies. Exchange of information and knowledge through conferences

(d) Knowledge management –

The college have planned, developed, organized, maintained, transferred, applied and measured specific knowledge and to improve the organizational knowledge base.

Processes- Clear processes and roles are defined so that college activities are efficiently conducted and that every employee knows what the college management expects from him or her.

Purchase- the college had a good Relationship with suppliers focusing also on sustainability.

(e) Sustainability reporting

The college maintained Considerable reporting of sustainability issues within the board meeting reports.

Environmental performance

This dimension deals with environmental impacts due to corporate activities. These environmental impacts are caused by resource use and emissions into air, water, ground and hazardous waste.

This dimension is mainly measured by impacts, but within corporate sustainability strategies the focus has to be laid on the effects causing these impacts, e.g., the higher the maturity levels are the more it has to be concentrated on causes rather than on effects.

Emissions into the air-

The college does not emit any pollution to air as we are training and not manufacturing

Employee welfare

Corporate governance

Transparency in all its activities in order to ameliorate relationship towards its stakeholders. During the financial year, the college recruited staff using the laid down recruitment procedures. This was done through the guidance of public service commission who Give insight into all relevant data; following rules of on recruitment of the corporate governance and defining responsibilities and behaviour of the board.

Staff Motivation and incentives

This is an Active involvement and exemplary function of management on sustainability of all the Employees Being Aware of their needs, claims and motivation factors of employees in order to implement sustainability sufficiency into the organization due to support of management for acting in sustainable way (e.g. time, money, resources). The management Developed and implemented incentives and reward systems (monetary and non-monetary).

Health and safety

The college guarantee that no health and safety risks occur when working in/for the college. No negative impact of employees' physical health at any time was reported. The college has Operation of programmes for employees to prevent dangers and to stay generally fit and healthy.

Human capital development

Development of human capital for sustainability related issues through specific programmes is key to any organization. The college has sponsored staff to various seminars and workshops and also allowed others join holiday classes. The college has also encouraged Broad cross-working education (job enrichment, job enlargement) for staff in order to become aware of the different challenges and issues of corporate sustainability

Market place practices-

a) Responsible competition practice.

The college practices responsible competition by following normal procedure of marketing. The college has developed an anti-corruption policy and non-political adherence

b) Responsible marketing and advertisement

The college carries out normal marketing through media and organized talks.

c) Product stewardship.

Trainees trained in Laikipia west Technical and Vocational College are competently prepared emotionally, intellectually and spiritually. They are equipped with Hands on Skills and Technology to make a difference in this generation and generations to come. The Laikipia west Technical and Vocational College is committed to offering the best and top-quality training

Corporate Social Responsibility / Community Engagements

Laikipia west College being a public entity embraces the policy of Corporate Social Responsibility (CSR) through engaging herself with greening agenda as it is key pillar of the government by giving the community the tree seedlings.

11. Report of the Council/Board of Governors

The Board chair person submit his report together with the audited financial statements for the year ended June 30, 2025, which show the state of the college's affairs.

Principal activities

The principal activities of the College are to offer technical skills and training in courses examined by the Curriculum Development Assessment and Certification Council (CDACC) and Modularized curriculum. These are not limited to the following:

- a) Diploma Courses-Level 6
- b) Craft Certificate courses –Level 5
- c) Artisan courses –Level 4
- d) Government Grade Test and Vocational Courses –Grade 3,2,1

Results

The financial statements of the college for the year ended June 30 2025 are set out on page 1 to page 7

Council/Board of Governors

The members of the Board /Council who served during the year are shown on page xi to xii.

Auditors

The Auditor General is responsible for the statutory audit of the College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

Simon M. NJOROGE
.....
Secretary of the Board/Council
Nairobi
Date: *18/11/2025*

Sage

12. Statement of Board of Governors/ Council's Responsibilities

Section 81 of the Public Finance Management Act, 2012 require the Board members to prepare financial statements in respect of the college, which give a true and fair view of the state of affairs of the College at the end of the financial period and the operating results of the College for that period. The Board members are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Board members are also responsible for safeguarding the assets of the College.

The Board members are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial period ended on 30th June, 2025. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the College;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and TVET Act. The Board members are of the opinion that the College's financial statements give a true and fair view of the state of College's transactions during the period ended 30th June, 2025, and of the College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the *entity's* ability to continue as a going concern, Nothing has come to the attention of the Board members to indicate that the College will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The college's financial statements were approved by the Board on 27 / 08 /2025 and signed on its behalf by:

Moses M. Njoroge

Name

Chairperson of the Board/Council

Simon M. Njoroge

Name

Accounting Officer/Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON LAIKIPIA WEST TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Laikipia West Technical and Vocational College set out on pages 1 to 35, which comprise of the statement of financial

Report of the Auditor-General on Laikipia West Technical and Vocational College for the year ended 30 June, 2025

position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Laikipia West Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Property, Plant and Equipment

The statement of financial position and Note 19 to the financial statements reflect property, plant and equipment balance of Kshs.55,754,442. However, the College did not maintain an asset register, and furniture and fittings valued at Kshs.912,000 were not tagged. Further, the College occupies 1.451 hectares (3.585 acres) of land still registered under Mukurumondai Technical Institute and ownership had not been formally transferred to the College as at the time of audit in November, 2025. The disclosed land value of Kshs.1,645,000 was not supported by valuation report.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.55,754,442 and ownership of land could not be confirmed.

2. Long Outstanding Student Receivables

The statement of financial position and Note 16 to the financial statements reflect receivables from exchange transactions amounting to Kshs.4,654,591, comprising students' and rent debtors. However, the balance was not supported by debtors' schedule showing opening balances, current billings, payments received and outstanding amounts. Further, receivables amounting to Kshs.657,856, or 15% of the total receivables had been outstanding for more than two years. The College had no established policy or mechanism for the timely collection of student fees nor impairment policy for doubtful or un-collectable debts.

In the circumstances, the fair presentation, accuracy and recoverability of the receivables balance from exchange transactions of Kshs.4,654,591 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Laikipia West Technical and Vocational College Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other

ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amounts on comparable basis of Kshs.15,375,125 and Kshs.4,256,348 respectively resulting to a shortfall of Kshs.11,118,777, or 72% of the budget. Similarly, the College spent Kshs.3,696,735 against the actual receipts of Kshs.4,256,348, resulting in under-absorption of Kshs.559,613, or 13% of the actual receipts.

The revenue shortfall and under absorption affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Unresolved Prior Year's Audit Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the College in the year 2024/2025 revealed that the following matters remained unresolved:

1. Property, Plant and Equipment
2. Variance in Revenue from Non-Exchange and Exchange Transactions
3. Variance in Rendering of Services
4. Late Submission of the Financial Statements to the Auditor General
5. Non-Compliance with PSASB Reporting Requirements
6. Non-Compliance with Board Meeting Requirements and Composition
7. Long Outstanding Payables
8. Irregular Procurement of Teaching and Learning Materials
9. Lack of an Internal Audit Function and Audit Committee
10. Irregularities in the Management of Imprest

Other information

Management is responsible for the Other Information set out on page iv to xxix which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Senior Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Board of Governors, Statement of Board of Governors' Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the College's financial statements, my responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

Review of the financial statements presented for audit revealed that the ICPAK number for the Finance Officer who signed the financial statements was not indicated in the statement of financial performance and the statement of financial position as required.

In the circumstances, the financial statements as prepared and presented do not fully comply with the reporting format prescribed by the Public Sector Accounting Standards Board (PSASB).

2. Non-Compliance with Imprest Management Regulations

The statement of financial performance and Note 10 to the financial statements reflect Kshs.2,425,797 in respect to use of goods and services, which includes Kshs.331,096 in respect to local travelling and accommodation issued through imprests. However, the

Report of the Auditor-General on Laikipia West Technical and Vocational College for the year ended 30 June, 2025

College did not maintain an imprest register and the applications were not processed through imprest warrants as required under Regulation 91(2) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, Management was in breach of the law.

3. Unsupported Procurement of Teaching and Learning Materials

The statement of financial performance and Note 10 to the financial statements reflect Kshs.2,425,797 in respect of expenditure on use of goods, which includes Kshs.823,545 in respect to expenditure on teaching and learning materials. However, there was no evidence provided to confirm whether competitive procurement process was used to source and procure the materials, as required of Regulation 158 of the Public Procurement and Asset Disposal Regulations, 2020 which states that procurement of goods, works and services under these Regulations shall be competitive in accordance with the provisions of Section 157(3)(b) of the Act.

In the circumstances, Management was in breach of the law.

4. Lack of Staff Establishment

The statement of financial performance and Note 11 to the financial statements reflect employee costs of Kshs.846,070. Review of records provided for audit revealed that the College did not have an approved staff establishment detailing the number of positions, job titles, reporting structures and approved salary scales. As a result, it was not possible to confirm whether staff were recruited and engaged within an approved and legally recognized framework, contrary to Section B.2 of the Public Service Human Resource Manual, 2016.

In the circumstances, Management was in breach of the law.

5. Trade and Other Payables Not Paid as First Charge

The statement of financial position and Note 20 to the financial statements reflect trade and other payables from exchange transactions balance of Kshs.1,064,995, out of which Kshs.912,000 had been outstanding for more than one (1) year. The payables did not form the first charge of the budget during the year under review, contrary to Regulation 42(1)(b) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, Management was in breach of the law.

6. Non-Compliance with Data Protection Requirements

The College had not registered with the Office of the Data Protection Commissioner (ODPC) as a data controller and data processor, despite actively collecting, processing, and storing personal data of staff, members of the county assembly, and service providers during the year under review. This was contrary to Section 18(1) of Data Protection Act, 2019 which requires that no person shall act as a data controller or data processor unless registered with the Data Commissioner.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of a Disaster Recovery Plan and Emergency Procedures

Review of the College's internal control environment revealed that the College did not have an approved Disaster Recovery Plan (DRP) and lacked formal, documented, and tested emergency procedures. The absence of these key preparedness mechanisms exposes the College to significant operational risks, including the inability to restore critical services in the event of system failures, disasters, or other disruptions.

In the circumstances, the College's ability to ensure business continuity and safeguard its operations in the event of an interruption could not be confirmed.

2. Weaknesses in Inventory Management

The statement of financial position and Note 18 to the financial statements reflect a balance of Kshs.2,430,998 in respect to inventories. However, Management did not conduct quarterly stock takes as required, and the annual stock sheet reflects item quantities without indicating unit costs or total values. In addition, the College lacked an Inventory Policy to guide Management of inventories, stores, and purchased assets.

In the circumstances, the effectiveness of internal controls on the inventory could not be confirmed.

3. Lack of Internal Audit Function and Audit Committee

The College had not established an operational audit function, contrary to Section 73 (1)(a) of the Public Finance Management Act, 2012, which requires that each National Government entity ensure it has appropriate arrangements for conducting internal audits. Further, the financial statements disclosed that the Board had an Audit and Risk Committee as part of the fiduciary oversight arrangement. However, there was

no evidence of minutes of meetings provided for audit review, casting doubt on whether the Committee held meetings in the year under review.

In the circumstances, the effectiveness of internal controls and risk management could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Governors is responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 December, 2025

Laikipia West Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

14. Statement of Financial Performance For The Year Ended 30 June 2025

	Notes	Period ended 30 th June 2025	Period ended 30 th June 2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	2,755,289	2,070,000
Grants from donors and development partners	7	0	0
Transfers from other levels of government	8	528,963	314,646
		3,284,252	<u>2,384,646</u>
Revenue from Exchange transactions			
Rendering of services- fees from students	9	3,816,477	2,086,996
Rental revenue from facilities and equipment		0	0
Revenue from Exchange transactions		3,816,477	2,086,996
Total Revenue		7,100,729	4,471,642
Expenses			
Use of goods and services	10	2,425,797	1,565,185
Employee costs	11	846,070	870,408
Board /Council Expenses	12	248,000	99,000
Depreciation and amortization expense	13	1,258,987	1,223,437
Repairs and maintenance	14	87,355	00
Total Expenses		4,866,209	3,758,030
Other Gains/(Losses)		0	0
Net surplus (deficit) for the year		2,234,520	713,612

(The notes set out on pages 1 to 7 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 5 were signed by:

<u>Moses M. NJORGE</u>	<u>Simon M. NJORGE</u>	<u>Justus K. Muthuri</u>
Chairman of Council/Board	Principal	Finance Officer
		
Date	Date	Date
18.11.2025	18/11/2025	18/11/2025

Laikipia West Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

15. Statement of Financial Position As At 30th June 2025

Description	Notes	Period ended 30 th June 2025	Period ended 30 th June 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	610,436	50,823
Current portion of receivables from exchange transactions	16(a)	4,654,591	1,810,210
Receivables from non-exchange transactions	17	00	500,000
Inventories	18	2,430,998	647,847
Total Current Assets		7,696,025	3,008,880
Non-Current Assets			
Property, plant, and equipment	19	55,754,442	56,923,916
Total Non-Current Assets		55,754,442	56,923,916
Total Assets (A)		63,450,467	59,932,796
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	20	1,064,995	1,064,831
Refundable deposits from customers	21	31,000	7,000
Total Current Liabilities		1,095,995	1,071,831
Non-Current Liabilities		0	
Total non- current liabilities		00	
Total Liabilities (B)		1,095,995	1,071,831
Net Assets (A-B)		62,354,472	58,860,965
Represented By:			
Accumulated Surplus		4,207,119	713,612
Capital Fund		58,147,353	58,147,353
Net Assets		62,354,472	58,860,965

The Financial Statements set out on pages to 5 were signed by:

MOSES M. NJOROGE SIMON M. NJOROGE

Chairman of Council/Board

Principal

Finance Officer

Date

Date

Date

ICPAK No

16. Statement of Changes in Net Asset For The Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2024 (current year)	00	713,612	58,147,353	58,860,965
Revaluation gain	00	-	-	00
Surplus/(deficit) for the year	-	2,234,520	-	2,234,520
Capital grants received during the year	-	-		
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	1,258,987	(00)	1,258,987
At June 30, 2025	00	4,207,119	58,147,353	62,354,472

17. Statement of Cash Flows For The Year Ended 30 June 2025

Description		Period ended 30 th June 2025	Period ended 30 th June 2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	2,755,289	1,570,000
Transfers from other levels of government	8	528,963	314,646
Public contributions and donations	7	00	00
Rendering of services- fees from students	22	972,096	300,600
Total Receipts		4,256,348	2,185,246
Payments			
Use of goods and services	10	2,425,797	1,565,185
Employee costs	11	846,070	870,408
Board /Council Expenses	12	248,000	99,000
Repairs and maintenance	14	87,355	00
Total Payments		3,607,222	2,534,593
Net Cash Flows from operating activities		649,126	349,347
Cash flows from investing activities			
Purchase of property, plant, equipment		89,513	(118,500)
Proceeds from sale of property, plant and equipment		00	00
Net cash flows used in investing activities		(89,513)	(118500)
Cash flows from financing activities			
Proceeds From Borrowing		00	00
Repayment Of Borrowings		(00)	(00)
Net cash flows used in financing activities		(00)	(00)
Net Increase/(Decrease) in Cash and Cash equivalents		559,613	(90,012)
Cash and Cash equivalents at 1 JULY		50,823	140,835
Cash and Cash equivalents at 30 JUNE	15	610,436	50,823

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025

Description	Original annual Budget	Adjustments	Final Annual Budget	Actual on a comparable basis	Budget utilization difference	% of Utilization
	A	B	C=(a+b)	D	E=c-d	F=d/c
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers from National Government entities- grant	2,000,000	0	2,000,000	2,499,135	(499,135)	125%
Capitation	00	0	00	256,154	256,154	N/A
Grants from donors and development partners	3,500,000	0	3,500,000	00	00	00%
Public contributions and donations	00	0	00	00	00	
Rendering of services- Fees from students & bursary	9,875,125	0	9,875,125	1,501,059	8,374,066	15.0%
Total Revenue	15,375,125	0	15,375,125	4,256,348	11,118,777	28%
Expenditure		0				
Use of goods and services	11,679,125	0	11,679,125	2,425,797	9,253,328	21%
Employee costs	1,609,875	0	1,609,875	846,070	763,805	53%
Remuneration of directors	1,679,000	0	1,679,000	248,000	1,431,000	15%
Repairs and maintenance	407,125	0	407,125	87,355	319,770	21%
Total Recurrent Expenses	15,375,125	0	15,375,125	3,607,222	11,767,903	20%
Capital items				(89,513)	89,513	
Total expenses Development						
Total expenses						
Surplus/deficit		00		559,613	(559,613)	

Budget notes

1. The projected total revenue is Ksh. 15,375,125 and we managed to collect ksh. 4,256,348 that is 28%, the 72% uncollected revenue is unpaid tuition fee from trainees who most of them are unable to pay the amount owned due to high level of poverty. But management is committed with coming up with strategies to make sure the debtors from trainees are paid for better services.

2. Total Recurrent Expenses for the year were 3,607,222 compared to budget amount of ksh. 15,375,125, resulting to shortfall of 80%, this was due to delay by the government to release capitation and operational grants.

Budget Reconciliation

Laikipia West Technical & Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	559,613
1	Reason for differences	50,823
	Closing Cash and Cash Equivalent as per the statement of Cash flows	610,436

19. Notes to the Financial Statements

1. General Information

Laikipia west TVC is established by and derives its authority and accountability from TVET Act of 2013. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College's principal activity is technical & vocational training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *College's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in the notes. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the College. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

There are new standards in the year ended 30th June 2025

ii. New and amended standards and interpretations in issue some have been implemented while others are not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. Laikipia west TVC IS affected by the change in this standard during financial year 2024/2025 but we do not have any leases.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. Laikipia west TVC is affected by the change in this standard during financial year 2024/2025 but we do not have any Non- Current Assets Held for Sale and Discontinued Operations
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. Laikipia west TVC IS affected by the change in this standard during financial year 2024/2025.

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IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. Laikipia west TVC IS affected by the change in this standard during financial year 2024/2025
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. Laikipia west TVC was not affected by the change in this standard during financial year 2024/2025
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. Laikipia west TVC was not affected by the change in this standard during financial year 2024/2025
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. Laikipia west TVC was not affected by the change in this standard during financial year 2024/2025

iii. Early adoption of standards

Laikipia west TVC –adopted any new or amended standards in year 2024/2025.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2024/2025 was approved by the Board 05/7/2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 5 under section 2 of these financial statements.

c) Taxes

Current income tax

The college is exempt from paying taxes as per income tax Act. It is not for profit making.

Sales tax/ Value Added Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The college does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The college classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

Impairment

The college assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The college recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Inventories

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *college*.

k) Provisions

Provisions are recognized when the *college* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *college* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The *college* does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The *college* does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the *college* in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Social Benefits

Social benefits are cash transfers provided to

- i) specific individuals and/or households that meet the eligibility criteria,
- ii) mitigate the effects of social risks and
- iii) Address the need of society as a whole.

The *college* recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

The *college* creates and maintains reserves in terms of specific requirements.

Changes in accounting policies and estimates

The *college* recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

n) Employee benefits

Retirement benefit plans

The *college* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

o) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

p) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

q) Related parties

The *college* regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the *college*, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

r) Service concession arrangements

The *college* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *college* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *college* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

s) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

t) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *college's* financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the *college*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

6. Transfers from other National Government entities

Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	256,154	70,000
Operational Grant	2,499,135	2,000,00
Development grants	00	00
Total unconditional Grants	2,755,289	2,070,000
Conditional Grants amortised/ recognised in revenue		
Library Grant	00	00
Hostels Grant	00	00
Administration Block Grant	00	00
Total Government Grants and Subsidies	2,755,289	2,070,000

7. Grants from Donors and Development Partners

Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
JICA- Research Grant	00	00
World Bank Grants	00	00
Total Grants from Development Partners	00	00

8. Transfers from Other Levels of Government

Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Bursary from County Government of Laikipia	120,000	18,000
Bursary from NG CDF Laikipia West	242,000	42,000
Transfer from HELB FUND	166,963	254,646
Total Transfers	528,963	314,646

9. Rendering of Services

Description	Period ended 30th June 2025	Period ended 30th June 2024
	Kshs	Kshs
Tuition Fees	3,816,477	2,086,996
Total Revenue from The Rendering of Services	3,816,477	2,086,996

10. Use of Goods and Services

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Teaching and learning materials	823,545	458,505
Industrial attachment costs	5000	00
Electricity & Water	96,894	49,881
Administration cost	39,510	134,300
Professional and consultancy services	20,000	00
Subscriptions	27,300	70,000
Advertising & marketing	213,608	25,814
Examination fees	329,550	95,850
Hospitality & Welfare	120,705	65,000
Local Travelling and accommodation	331,096	540,630
Sport & Activity expenses	27,100	5,950
Insurance	00	00
Greening expenses	5,280	16,200
Cleaning expenses	3,765	00
Postage	7,725	7,725
Printing and stationery	77,720	10,170
Bank charges	7,699	00
Telephone & Internet expenses	124,550	4,000
TVETA expenses	73,000	00
Training expenses	91,750	81,160
Other (<i>specify</i>)		
Total good and services	2,425,797	1,565,185

11. Employee Costs

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Salaries and wages	716,561	839,062
Employee related costs – statutory deduction	129,509	23,546
Casual	00	7,000
Social contributions	00	00
Employee Costs	846,070	870,408

12. Board/Council Expenses

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Chairman's Honoraria	5,000	00
BOG Allowances	243,000	69,000
Other Allowances	00	30,000
Total	248,000	99,000

13. Depreciation and Amortization expense

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Property, plant and equipment	1,258,987	1,223,437
Intangible assets	00	00
Investment property carried at cost	00	00
Total depreciation and amortization	1,258,987	1,223,437

14. Repairs and Maintenance

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Building	77,655	00
Equipment and machinery	00	00
Vehicles	00	00
Furniture and fittings	1500	00
Computers and accessories	8,200	00
Total Repairs and Maintenance	87,355	00

15. Cash and Cash Equivalents

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Current Account	574,771	52,823
Cash in hand	35,665	(2,000)
Total Cash and Cash Equivalents	610,436	50,823

15 (a). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	Period ended 30 th June 2025	Period ended 30 th June 2024
		Kshs	Kshs
a) Current Account			
Co-operative Bank	01139020668104	374,053	1,952
Equity Bank,	1040273638568	200,718	50,871
Sub- Total		574,771	52,823.60
b) Others(Specify)			
Cash in Hand		35,665	(2,000)
Sub- Total			000
Grand Total		610,436	50,823

16. Receivables from Exchange transactions

16 (a) Current Receivables from Exchange transactions

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Current Receivables		
Student Debtors	4,635,091	1,810,210
Rent Debtors	19,500	00
Total Current Receivables	4,654,591	1,810,210

16 (b) Ageing Analysis of Receivables from Exchange transactions

Description	Period ended 30 th Ju 2025		Period ended 30 th June 2024	
	Kshs		Kshs	
	Current	% of total	Comparativ FY	% of the total
Less than 1 year	3,996,735	85%	1,480,000	71%
Between 1- 2 years	657,856	15%	329,978	18%
Total (a+b)	4,654,591	100%	1,810,210	100%

17. Receivables from Non-Exchange transactions

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Current Receivables		
Capitation Grants*	00	00
Transfers from Other Govt. entities	00	500,000
Total Current Receivables	00	500,000

18. Inventories

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Consumable stores	145,754	225,000
ICT stores	250,125	00
Building & plumbing stores	625,000	47,888
Electrical stores	1,111,524	176,729
Cleaning Materials stores	30,000	26,650
Fashion Design stores	233,045	00
Maintenance stores	35,550	171,580
Total Inventories at lower of Cost and Net Realizable Value	2,430,998	647,847

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19. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & electronics	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2023	1,645,000	55,471,853	000	912,000	000	000	58,028,853
Depreciation rate (straight line)	0	0.02	0.25	0.125	0.3	0.125	
Depreciation		(1,109,437)		(114,000)			(1,223,437)
Additions	-	-	-	-	118,500	-	118,500
Disposals	(000)	(000)	-	-	(000)	-	(000)
At 30th June 2024	1,645,000	54,362,416	000	798,000	118,500	000	56,923,916
Depreciation rate	00	0.02	0.25	0.125	0.3	0.125	
Depreciation	00	(1,109,437)	000	(114,000)	(35,550)	0.00	(1,258,987)
Additions	00	00		89,513			89513
Disposals		00					00
At 30th June 2025	1,645,000	53,252,989	0.00	773,513	82,950	0.00	55,754,452

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Notes to the Financial Statements.

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were not revalued and stated As per their historical cost.

19 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	1,645,000	00	1,645,000
Buildings	55,471,853	2,218,874	53,252,989
Computers and Related Equipment	118,500	35,550	82,950
Office Equipment, Furniture, And Fittings	1,001,513	228,000	773,513
Total	58,236,866	2,482,424	55,754,442

20. Trade and Other Payables

Description	Period ended 30 th June 2025		Period ended 30 th June 2024	
	Kshs		Kshs	
Trade payables	145,650		152,831	
Fees paid in advance	7345		00	
Salary deductions	00		00	
Loan of furniture's from michuki National polytechnic.	912,000		912,000	
Total Trade and Other Payables	1,064,995		1,064,831	
Ageing analysis:	Period ended 30th June 2025	% of the Total	Period ended 30th June 2024	% of the Total
Under one year	152,995	15%	152,831.00	14%
1-2 years	912,000	85%	912,000	86%
Total (to tie to totals above)	1,064,995	100%	1,064,831	100%

21. Refundable Deposits from Customers/Students

Description	Period ended 30 th June 2025		Period ended 30 th June 2024	
	Kshs		Kshs	
Consumer deposits	00		00	
Caution money	31,000		7,000	
Other refundable deposits	00		00	
Total Deposits	31,000		7,000	
Ageing analysis:	Period ended 30th June 2025	% of the Total	Period ended 30th June 2024	% of the Total
Under one year	31,000	100%	00	%
1-2 years	00	%	7,000	100%
Total (to tie to totals deposits above)	31,000	100%	7,000	%

22. Rendering Of Services-Cash Receipts

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Tuition Fees	297,196	300600
Accommodation Fees	23,500	00
Industrial Attachment Fees	7,500	00
Examination Fees	508,500	00
Library Fees	00	00
Facilities And Materials	00	00
Registration Fees	135,400	00
Total Revenue from The Rendering of Services	972,096	300,600

23. Employee Benefit Obligations

The College also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 6% of gross salary per employee per month.

24. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The entity's financial risk management objectives and policies are detailed below:

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Financial risk management.

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

(iii) Market risk

The entity has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

b) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign

exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

iv) Related Party Balances

Nature of related party relationships

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the *college*, holding 100% of the *college's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;

25. Events After The Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

26. Ultimate And Holding Entity

The entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

27. Currency

The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Property, plant and Equipment were not valued.	Committed to find the services of professional valuar.	<i>Not Resolved</i>	30\06\2026
2.	Inaccuracies in the financial statement	The management is committed in preparation of zero fault financial statement.	<i>Resolved</i>	
3.	Late submission of the financial statements to the auditor General	The management is committed in preparing and submitting financial statement in stipulated time frame	<i>Resolved</i>	
4.	Non compliance with the public sector accounting standards board (PSASB)	Committed to find the services of professional valuar on matters relating to Biological Assets	<i>Not Resolved</i>	30\06\2026
5.	Non Compliance with Board Meeting Requirements and Composition	Management is committed for holding all four BOG meeting as per the guideline of the of TVET Act 2023	<i>Resolved</i>	
6.	Long outstanding payables	The management is committed in paying all suppliers when fall due. This financial year we have paid some of payables.	<i>Resolved</i>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
7.	Irregular Procurement of Teaching and Learning Materials	The management is committed in adhering with guidelines of public procurement and Asset Disposal Act.	<i>Resolved</i>	
8.	Lack of an internal Audit function and Audit Committee.	The management is committed in adhering with guidelines of PFM Act 2012. And it has engaged the services of internal auditor from the other institution.	<i>Resolved</i>	
9.	Irregularities in the management of Imprest	The management is committed in adhering with guidelines of PFM Act 2012. And it will engage the government printers for purchase of Imprest register.	<i>Not Resolved</i>	

Name *Simon M. NJOROE*
Accounting Officer
(Laikipia west tvc) *Signature*
Date *18/11/2025*

Appendix II: Projects Implemented by

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

The college has no ongoing project.

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity..... N.A

Name of beneficiary entity... LAIKIPIA WEST TVC

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (2025)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
N.A	N.A	N.A	N.A	00	
Total					

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:

Name Justus K. Kuti Sign [Signature] Date 18/11/2025

Head of Accounts Department - Beneficiary Entity:

Name Sign Date.....

Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
N.a	N.a	N.a	N.a	0	0	0