

REPUBLIC OF KENYA



Enhancing Accountability



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REPORT DATE: 18 JUN 2025	DAY. Wednesday
TABLED BY:	Hon. Owen Baya, MP Deputy leader of majority
CLERK-AT THE-TABLE:	Womale

REPORT DATE:

18 JUN 2025

DAY.

Wednesday

OF

TABLED
BY:

Hon. Owen Baya, MP
Deputy leader of majority

CLERK-AT
THE-TABLE:

Womale

THE AUDITOR-GENERAL

ON

LIMURU TECHNICAL TRAINING INSTITUTE

**FOR THE YEAR ENDED
30 JUNE, 2024**



LIMURU TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2024**

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

Limuru Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024



Limuru Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
CPAK	Certified Public Accountant of Kenya
DOB	Date of Birth
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
PSC	Public Service Commission
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
TVETA	Technical Vocational Entrepreneurship Training Authority

B. Definition of Key Terms

Fiduciary Management	Members of Management directly entrusted with the entity's financial resources.
Comparative Year	The prior period.

2. Key Entity Information and Management

(a) Background information

Limuru Technical and Vocational College was established under the TVET Act 2013. The College is domiciled in Kenya and has no branches. The College is under the Ministry of Education. It started operations in June 2021 and admitted its first batch of students in September 2021.

The College has seven academic departments; Building and Civil Engineering, Electrical and Electronic Engineering, Mechanical Engineering, Hospitality and Institutional Management, Information Communication Technology, Business Studies and Liberal Studies.

(b) Principal Activities

The Principal activity/mission of Limuru TVC is to teach and train at TVET level as outlined in the TVET Act, 2013.

i. Vision

A world class centre of excellence in Technical Education, Business, Research and Innovation.

ii. Mission

To produce competent graduates with relevant knowledge and practical skills for career development.

iii. Strategic Objectives

- Provide market driven and competency based training for students.
- Promote good governance to enhance service delivery
- Establish partnership, linkages and collaboration.
- Increase access to and use of ICT.
- Develop Human Resource Capacity and improve Corporate Image.
- Enhance Financial sustainability

(c) Key Management

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

- Board of Governors
- Accounting officer/ Principal
- Management

Key Entity Information and Management (Continued)

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

S/No.	Designation	Name
1.	Principal	Dinah Akoth Obonyo
2.	D/ Principal	Peter Mbuu Kang'ora
3.	Accountant	Esther Njeri Wainaina
4.	Ag. Registrar	George Gitau Mwangi
5.	Ag. Dean of Students	Elizabeth Wambui Ndiguitha

The management outsourced accountancy services by engaging a professional accountant to update the books of accounts and prepare quarterly and annual financial statements.

(e) Fiduciary Oversight Arrangements

Finance, Administration and Development Committee:

The Finance, Administration and Development Committee is appointed to oversee and monitor the development of the College and report status to the Board and any recommendations for approval and implementation. The committee monitors finance performance and administration of the College.

Education, Training and Research Committee:

The Education, Training and Research Committee monitor the academic performance of the College.

The committee is mandated to handle academic issues for the trainers and students.

Risk, Audit and Compliance Committee:

The committee monitor the integrity of the financial statements of the Institute, review the Institute's internal financial controls systems and oversee the internal audit function.

Key Entity Information and Management (Continued)

Senior Management:

Senior management comprise of Principal, Deputy Principal, Registrar and Dean of Students.

Management:

The management report direct to the senior management. The management comprise of Head of Departments and their deputies. The management is responsible in day to day running of their departments.

Key Entity Information and Management (Continued)

(f) Entity Headquarters

P.O. Box 1584 – 00217
Limuru,
Located in Kamandura area, behind PCEA Joshua Matenjwa Church /Parish head
quarter
Along Nairobi-Nakuru Highway, near Mai Mahiu Junction

(g) Entity Contacts

Telephone: (+254)708 652 364
E-mail: limurutvc@gmail.com
Website: www.limurutvc.ac.ke

(h) Entity Bankers

Kenya Commercial Bank Limited
Limuru Branch
P.O. Box 933-00217
Limuru

(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 Board of Governors

No.	Name	Passport-size photo	Member's date of birth, key qualifications, and work experience. Indicate whether the member is independent or an executive member and which committee the member chairs where applicable.
1.	Mr. Samuel Ngaruiya Gitau		<p>Chairman, Board of Governors</p> <p>DOB: 11th Nov, 1984 Master of Law, Lawyer 17 years' experience</p>
2.	Ms. Joyce Waruguru		<p>Board Member</p> <p>DOB: 4th August, 1972 Master in Theology, Counselor 14 years' experience</p>
3.	Ms. Pamela Odera		<p>Board Member and Finance, Administration and Development Committee Chair</p> <p>DOB: 15th May, 1966 Master in Business Administration, Strategic Management. CPA(K) Accountant 32 years of experience</p>

4.	Mr. Norbert Musyoki		<p>Board Member</p> <p>DOB: 14th June, 1956 Master of Architecture, Architect 35 years' experience</p>
5.	Ms. Natasha J Montet		<p>Board Member</p> <p>DOB: 9th Oct, 1976 Masters (Information Management Systems), Business Analyst 24 years' experience</p>
6.	Ms. Anne Muthoni Nyongesa		<p>Board Member</p> <p>DOB: 5th March, 1984 Master in law Group Assistant Company Secretary 15 years of experience</p>
7.	Mr. Patrick Kibet		<p>Board Member</p> <p>DOB: 6th November, 1973 Master in Business Administration -Finance, Managing Director 27 years of experience</p>






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Annual Report and Financial Statements for the year ended 30th June 2024

8.	Ms. Dinah Akoth		<p>Chief Executive Officer/ Principal Secretary of the Board/Council</p> <p>DOB: 9th April, 1969 Masters in Project Planning & Management Has 26 years in training with 7 years in Top Management</p>
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Limuru Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

4. Key Management Team

No.	Name of the Staff	Passport photo	Responsibility
1.	Dinah Akoth Obonyo		Principal DOB: 9 th April, 1969 Master in Project Planning & Management Has 25 years in training with 7 years in Top Management
2.	Peter Mbuu Kang'ora		Deputy Principal DOB 4 th July 1966 Diploma in Building & Civil Engineering Has 30 years training
3.	George Gitau Mwangi		Ag. Registrar DOB: 5 th September 1992 Bsc. Information Technology Has 9 Years in Training
4.	Elizabeth Wambui Ndiguitha		Ag. Dean of Students DOB: 23/02/1990 Bsc. Electrical and Electronics Engineering 9 years in training
5.	Esther Njeri Wainaina		Accountant DOB: 06/11/1993 Bachelor of Commerce and CPA part 2. 3 years of experience in accounting

5. Chairman's Statement

It is my pleasure to present the college's annual report and financial statement for the year ended 30th June 2024.

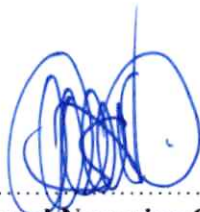
The college's Board of Governors appreciate the continued support of the government and all other stakeholders in the daily running of the college.

The College is in its third year of operations and the Board is optimistic that the College is on the upward trend in students' enrolment as student population has grown from 254 students in June 2023 to the current 472 students as at 30th June 2024. As the first Chairman of the College, I feel proud for the milestones the College has achieved so far.

The College has progressed in terms of equipping the workshops to ensure quality training so as to fulfil our mandate to train competent and relevant graduates for the workforce.

The College received capitation, operational grants and scholarship from the Government through the Ministry of Education. I take this opportunity to thank the Government for the support both in financial and policy direction. I also wish to note that the funds together with the fees collected directly from the trainees were prudently utilised as it is evidenced in the financial statements in this report. However due to reduction in grants from GOK and non-disbursement of some allocated scholarship amounts, the college was not able to meet its obligations and there exists payables.

The Board of Governors together with the efficient management of the school was instrumental in the realization of the achievements made by the College during the year. I wish to sincerely thank the members of the Board for their oversight and guiding role in the operations of the College.



Sign.....
Mr. Samuel Ngaruiya Gitau
Chairman, Board of Governors

Date..... 28/4/25

6. Report of the Principal

I take this opportunity to present Limuru Technical and Vocational College financial statements for the financial year 2023/2024 ending 30th June 2024 in accordance to accrual basis of accounting method under the International Public Sector Accounting Standards (IPSAS)

I appreciate the growth the College has realised in the last three years in operation. The College admitted its first batch of 88 students in September 2021 in various courses in Diploma, Certificate and Artisan which include, Building Technology, Plumbing, Electrical and Electronic Engineering, Welding, Hair dressing and Beauty Therapy, Information Communication Technology, Human Resource Management, Supply Chain Management, Social Work and Community Development, Project Management and Entrepreneurship Development. The College has recorded growth in trainee population and programmes with 36 programmes currently licensed by TVETA and 9 short courses accredited by NITA. The college has also implemented the CBET courses since September 2023. The student enrolment as at 30th June 2024 stood at 472 students.

During the year under review, the College presented candidates for November 2023 and March 2024 KNEC examination series and registered KNEC, CDACC AND NITA candidates for the July/August 2024 series.

I express my heartfelt gratitude to the training and administrative staff for their selfless efforts in ensuring that training and the overall curriculum implementation was successful during the year. I wish to note that the College has 10 PSC trainers and 18 trainers under Board of Governors terms of service. Due to financial constraints, the College operated with four support staff that is, an accountant, secretary, technician and an assistant clerk and engaged casual staff. The College contracted other services from the mentoring Institution in order to ensure crucial services are not compromised. On this note, I sincerely thank the Government through the Ministry of Education for the relentless efforts in ensuring that the College is staffed.

During the year under review, the College received capitation, operational grants and scholarship from the Government through the Ministry of Education. I take this opportunity to thank the Government for their financial support and policy direction. I also wish to report that the funds together with the fees collected directly from the trainees were prudently utilised as it is evidenced in the financial statements in this report. The Board of Governors was instrumental in the realization of the achievements made by the College during the year. I wish to sincerely thank the Chairman and the members for their oversight and guiding role in the operations of the College.

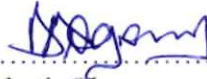
During the year under review the Limuru MP made donations of various items such as plumbing materials, benches, tables and training materials.

During the year under review the works of the construction of the building and civil engineering workshop commenced.

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Annual Report and Financial Statements for the year ended 30th June 2024

The College also participated in Co-curricular activities. This led to motivation and exposure of both the staff and students. The TVET fair project emerged position 1 during the Nairobi region TVET fair Competitions and position 3 at the National level.

I wish to sincerely take this opportunity to thank the Board of Governors, Management and all members of staff for their commitment and dedication to their work and effort that have seen Limuru Technical and Vocational College move forward in attaining its vision and mission.

Sign.....
Dinah Akoth Obonyo
Principal/Secretary BOG

Date.....28/4/2025

7. Statement of Performance against Predetermined Objectives

Limuru Technical and Vocational College is currently operating under a five-year Strategic Plan for period 2023/2027.

Limuru Technical and Vocational College has 7 strategic pillars within current Strategic Plan for the FY 2023-2024. These strategic pillars are as follows:

KRA 1: Teaching & Learning, Research and Innovation

KRA 2: Student-Centred College

KRA 3: Service Delivery

KRA 4: Partnerships and Linkages

KRA 5: Technology Integration

KRA 6: Human Resource

KRA 7: Financial Management

Limuru Technical and Vocational College 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 2023/2024 period for its 7 strategic pillars, as indicated in the table below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Key result area 1: Teaching & Learning, Research and Innovation	Excel in Teaching Learning, Research and Innovation.	-Improved performance index in examination. -Increased number of students absorbed in the job market -Number of Research papers and innovations	-Enhancing curriculum implementation -On time syllabus coverage and continuous assessment for students -Participation in TVET Fair and robotic contest and research paper presentation.	-Trainers have developed a are able to adhere to schemes of works, course outlines and moderated assessments -Trainers and trainees have participated the TVET fair and robotic contest.
Key result area 2: Student-Centred College	Enhance student satisfaction	-Good customer satisfaction index, -Reduced number of students complaints	-Review and monitor customer service delivery charter. -Carry out students' satisfaction survey. -Accessibility to adequate physical infrastructure. -Increased security and safety in the college -Check on student welfare, elect student	Services to students are offered as per the service delivery charter. Student satisfaction

Limuru Technical and Vocational College

Annual Report and Financial Statements for the year ended 30th June 2024

		and student retention -Number of students enrolled	leaders, construction of a temporary students canteen	survey report in place. Improved student satisfaction levels.
Key result area 3: Service Delivery	Promote good governance and efficient service delivery culture	Good customer satisfaction index and Compliance to policies	-Promote good governance and efficient service delivery culture -Carry out customer satisfaction survey -Create awareness and Comply with Ethics and anti-corruption act.	-Services to the customer are offered as per the service delivery charter. -Compliance reports to prevent corruption and maintain ethical standards
Key result area 4: Partnerships and Linkages	Establish strategic Partnerships, Linkages and Collaborations	Number of MoUs and agreements	Identify and form linkages with the following companies BATA, Autosprings (PLC) EA Ltd, Limuru Dairy, Carol Oceanic and KCB Foundation.	-Students are attached for experiential learning in the industry -Dual training in place.
Key result area 5: Technology Integration	Increase access to and use of ICT	Reduced paper work, Increased ratio of ICT equipment and % of trainers who effectively use ICT tools	-Install ERP system with modules such as Admissions, Finance, Procurement, Human resource, Examination, student portal and Bank integration. -Purchase ICT equipment -Have Jitume lab in place	-Automation of services -ICT infrastructure in place
Key result area 6: Human Resource	Develop Human Resource capacity and improve corporate image	Number of staff trained based on Training Needs Assessment	-Undertake staff training needs assessment (TNA) -Entrench staff performance and appraisal - progression manual	-TNA report in place -Staff appraisal is done annual -Career progression manual in place

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Key result area 7: Financial Management	Enhance Financial Stability	Number of Income Generating Activities (Appropriation in Aid) Reduced Expenditure	Creation of additional revenue streams, e.g production of fabricated desks and lecture chairs, production of concrete building materials. -Use alternative sources of energy such as solar powered lighting system	Hair and beauty services offered
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8. Corporate Governance Statement

The Board of Governors of Limuru Technical and Vocational College were appointed in December 2021, by the Cabinet Secretary, Ministry of Education. It was inaugurated in February, 2022 and Inducted into office in April, 2022. The Board of Governors consists of seven members drawn from various field of expertise. The Board has a representative of Principal Secretary, Ministry of Education and who is not a board member. The Principal of Limuru Technical and Vocational College is the Secretary to the Board.

The Board has an existing board charter which was approved in a full board meeting.

The principal reports to the Cabinet Secretary, Ministry of Education through Permanent Secretary, State Department of TVET the need to have college board of governors. The members of the board are appointed by the Cabinet Secretary, Ministry of Education on behalf of the College. Any member of the board can resign from the office by giving a notice in writing to the Cabinet Secretary through the principal. A member can automatically be removed from office for non-attendance of the scheduled meetings.

The members declare conflict of interests during board meetings. Conflict of interest register is maintained. In every meeting of the board, members confirm attendance which must meet 2/3 rule in order to have a quorum.

The Board meetings are scheduled once per every quarter with an allowance of emergency meeting as need arises. The Board met four times during the year as well as the Board sub-committees except the Risk, Audit and Compliance committee that met twice during the year. The Board members earn a sitting allowance for every meeting attended.

The Board of Governors has three sub-committees, that is,

- i. Finance, Administration and Development committee;**
- ii. Education, Training and Research Committee;**
- iii. Risk, Audit and Compliance Committee.**

Roles and Functions of the Board of Governors include:

- Discuss and Approve the budget for each financial year;
- Approve financial reports for every quarter and for each year.;
- Negotiate and Approve performance contracts for each year;
- Administer and Manage property of the Institution;
- Develop and Implement the College Strategic Plan;
- Determine the fees payable and method of payment;
- Receive on behalf of the Institution, fees, grants, subscriptions, donations, bursaries;
- Recruit and appoint trainers from among qualified professionals;
- Determine suitable terms and conditions of service for support staff, trainers and remunerate staff of the College;
- Provide the welfare of the students and staff of the College;
- Prepare annual financial statements and submit to the relevant authority.

9. Management Discussion and Analysis

The entity's operational and financial performance

The College has a total enrolment of 472 students who are undertaking Diploma/Level 6, Certificate/Level 5 and Artisan/Level 4 courses in Building Technology, Plumbing, Electrical and Electronic Engineering, Welding, Hair dressing and Beauty Therapy, Information Communication Technology, Human Resource Management, Supply Chain Management, Social Work and Community Development, Project Management and Entrepreneurship Development and NITA Grade I, II, III courses.

During the year under review, the College received operational grants amounting to Ksh. 2,000,000; capitation grants amounting to Ksh. 3,242,828; Higher Education Fund Scholarship amounting to Ksh. 2,781,625. The grants are accounted for as received.

The college has been able to meet its financial obligations as they fall due. The college thus is able to comply with legal requirements in filing and remitting statutory payments.

Entity's compliance with statutory requirements

The College has complied with the statutory requirements. The College is fully accredited with TVETA. All statutory remittances are paid to the respective authorities and in due time.

Key projects and investment decisions the entity is planning/implementing

The College has not been connected to power. Currently, the college is operating with a single phase power connection from the neighbouring Church. However, the matter is being pursued with the relevant government offices to ensure 3 phase power supply to the College.

Major risks facing the entity

Some courses being offered require 3 phase power connection. Without this, the quality of training will be compromised and customer needs will not be met.

Land is limited for future growth of the college and this may hinder potential growth to its full capacity.

The college has not yet managed to employ key personnel in procurement, Human resource, internal audit and finance function due to limited financial resources. The college seeks professional services from the mentoring institution.

Material arrears in statutory/financial obligations

The College has no material arrears in statutory and or financial obligations

The entity's financial probity and serious governance issues

The College has no governance issue. However, title deed for the land has not been obtained from the County Government of Kiambu.

10. Environmental and Sustainability Reporting Statement

Limuru TVC exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, putting the Customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

Provide market driven and competency based training for students.

The college has continued to apply effective training methods geared towards producing competent graduates for a globally competitive market. The college's main focus being students' has ensured that the training meets the students' expectations through acquisition of required knowledge, attitudes and competencies.

Promote good governance and efficient Service Delivery Culture

The college has established systems processes which are focused towards the achievement of the set targets and objectives.

Establish Partnerships, Linkages and Collaboration

The college is working closely with relevant partners to share knowledge and experiences.

Increase access to and use of ICT

The college has enhanced use of Information and Communication Technology in their day-to-day college operations. Through acquisition of training equipment

Develop Human Resource Capacity and improve Corporate Image

The college has developed and maintained human capital that will reflect a positive image of the organization. The College is in the process of developing Human Resource Manual, Career progression guidelines and Scheme of Service for the management of employee welfare.

Enhance financial sustainability

The college has ensured prudent utilization of the available financial resources. It is also in the process of introducing income generating activities to generate more financial resources for sustainability

Corporate Social Responsibility / Community Engagements

The college did not engage in any corporate social responsibility during the year due to financial constraints. However, the college source unskilled labour from the community on casual basis.

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the College affairs.

Principal activities

The Principal activity/mission of Limuru TVC is to teach and train at TVET level as outlined in the TVET Act, 2013.

Results

The results of the entity for the year ended June 30 are set out on page 1.

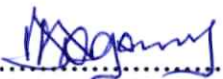
Board of Governors

The members of the Board who served during the year are shown on page vii.

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 to carry out the audit of the College for the year ended June 30, 2024, 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


.....

Secretary of the Board
Nairobi

Date: 28/4/2025
.....

12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect of Limuru TVC, which give a true and fair view of the state of affairs of Limuru TVC at the end of each financial year and the operating results of Limuru TVC for that year. The Board members are also required to ensure that Limuru TVC keeps proper accounting records which disclose with reasonable accuracy the financial position of Limuru TVC. The Board members are also responsible for safeguarding the assets of Limuru TVC.

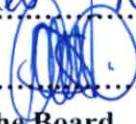
The Board members are responsible for the preparation and presentation of the Limuru TVC financial statements, which give a true and fair view of the state of affairs of Limuru TVC for and as at the end of the financial year ended on 30th June 2024. This responsibility includes: (i) maintaining adequate 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 Limuru TVC; (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 Limuru TVC; (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 Limuru TVC 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 the TVET Act). The Board members are of the opinion that the Limuru TVC financial statements give a true and fair view of the state of Limuru TVC transactions during the financial year ended on 30th June 2024, and of the Limuru TVC financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Limuru TVC, which have been relied upon in the preparation of the Limuru TVC financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board members to indicate that Limuru TVC 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 Limuru TVC financial statements were approved by the Board on 26th September, 2024 and signed on its behalf by:

Name: Samuel N. Gitau
Signature: 
Chairperson of the Board

Name: Amah Abony
Signature: 
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 LIMURU TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

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 Limuru Technical and Vocational College set out on pages 1 to 35, which comprise the statement of financial position as

at 30 June, 2024 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 the Limuru Technical and Vocational College as at 30 June, 2024 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. Inaccuracies in the Financial Statements

1.1 Statement of Cash Flows

The statement of cash flows reflects receipts from student debtors, refundable deposits received, fees received in advance and purchase of property, plant and equipment and intangible assets of Kshs.1,271,787, Kshs.51,000, Kshs.1,616,023 and Kshs.1,601,274 respectively whose supporting schedules were not provided for audit.

1.2 Statement of Changes in Net Assets

The statement of changes in net assets reflects deductions of Kshs.338,670 and Kshs.574,466 for the financial years ended 30 June, 2023 and 30 June, 2024 as capitalization to clear debtors. However, the basis for the entries was not provided. Further, detailed analysis to what the balances represent were not provided for audit review.

1.3 Misclassification of Expenditure

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects expenditure under use of goods and services totalling Kshs.11,484,026. However, analysis of the payment schedules presented for audit revealed that expenses totalling Kshs.688,368, Kshs.804,100, Kshs.41,600 and Kshs.1,407,381 on local travels were misclassified under training, students' activities, performance contracting and recruitment accounts respectively. The local transport and travel total expenditure of Kshs.547,600 is therefore understated by the total amount of Kshs.2,941,449.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Unsupported Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 15 to the financial statements reflects cash and cash equivalents balance of Kshs.36,799. However, the balance was not supported with cashbooks, bank reconciliation statements and bank confirmation certificates.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.36,799 could not be confirmed.

3. Long Outstanding Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 16 to the financial statements reflects receivables from exchange transactions balance of Kshs.10,517,584 as at 30 June, 2024 which includes Kshs.1,077,696 that has been outstanding for over one (1) year. Further, the balance increased by Kshs.7,629,294 or 264% from the prior year's balance of Kshs.2,888,290, however, the basis of the increase was not provided. In addition, the College did not provide evidence of measures put in place to ensure full recoverability of the student debtors.

In the circumstances, the full recoverability of the receivables from exchange transactions balance of Kshs.10,517,584 could not be confirmed.

4. Lack of Land Ownership Documents

The statement of financial position and as disclosed in Note 18 to the financial statements reflects property, plant and equipment balance of Kshs.53,535,127 which includes land of Nil value. However, the College did not have any land title deed as proof of ownership of the land. Further, Management did not value the land in its possession.

In the circumstances, the accuracy and ownership of the land in which the College sits could not be confirmed.

5. Unsupported Remuneration of Board Members

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects Board of Governors expenses amount of Kshs.1,073,043. However, review of the payment vouchers revealed that a Board member was paid an amount of Kshs.30,000 for induction training and Kshs.7,000 as transport allowance. However, the expenditure was not supported with any documentation. Further, it was established that the Board member was paid per diem at a rate of Kshs.10,000 contrary to the approved rate of Kshs.7,000 per day.

In addition, review of the Board members' files revealed that there was no gazette ment of the Board members and only appointment and acknowledgement letters were provided for audit. Further, it was noted that on multiple occasions, the County Director of Education received reimbursements for transport allowance totalling Kshs.34,250 and the basis of the amounts paid to the County Director of Education was provided.

In the circumstances, propriety and validity of the Board of Governors expenditure totalling Kshs.1,073,043 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Limuru 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.

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 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.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management had not resolved the issues as at 30 June, 2024.

Other Information

The Board of Management are responsible for the other information set out on pages iii to xxii which comprise of Key Entity Information and Management, the Board of Governors, Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors and 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 Limuru Technical and Vocational College 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 and 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. Irregular Procurement of Goods and Services

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects an amount of Kshs.11,484,026 in respect of use of goods and services. However, expenses totalling Kshs.486,726 were not supported with the professional opinion, the tender opening minutes were not signed by each committee member and all members did not initialize each page of the minutes. This was contrary to Section 84(1) of the Public Procurement and Asset Disposal Act, 2015 which requires that the head of procurement function of a procuring entity shall, alongside the report to the evaluation committee as secretariat comments, review the tender evaluation report and provide a signed professional opinion to the Accounting Officer on the procurement or asset disposal proceedings.

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

2. Lack of Annual Governance Audit and Performance Evaluation

Review of records at the College relating to Board activities revealed no evidence of the Board having undertaken an annual governance audit during the year under review. The audit is expected to address governance practices including leadership and strategic management, transparency and disclosure, compliance with laws and regulations, Board independence and governance, consistent shareholder engagement and value enhancement among others.

Further, the Board did not conduct self-evaluation of its performance on an annual basis as required by Paragraph 1.13 of the Mwongozo which states that the Board, in consultation with the Oversight Office, should ensure that it subjects the organization to annual governance audit by member regulated by the Institute of Certified Public Secretaries of Kenya and file a report with the Parent Ministry and the State Corporations Advisory Committee.

In the circumstances, the Board of Governors was in breach of the law.

3. Irregular Cash Reimbursement for Student Activities Expenses

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects use of goods and services expenditure totalling Kshs.11,484,026 which includes expenditure on sports, games and music activities of Kshs.1,613,432.

However, analysis of the payment schedules revealed that expenses totalling Kshs.301,515 paid to members of staff as cash reimbursements through payment vouchers number 608, 610, 637, 667 and 716 lacked prior approvals by the Accounting Officer. This was contrary to Regulation 105(1) of the Public Finance Management (National Government) Regulations, 2015 which requires that an Accounting Officer or any other officer delegated in writing by him or her may authorize payment vouchers on his or her behalf for expenditure chargeable to his or her vote, provided such expenditure is in respect of and within the provision of the services in a National Treasury warrant, in accordance with law, regulations, tariff, contract or agreement that may be applicable, and does not require special authority in terms of any law, regulation or National Treasury instruction.

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

4. Unsupported Recruitment of Staff

The College engaged casuals, administrative staff and trainers during the year under review. However, Management did not provide the recruitment plan and Board approval for the recruitment. Further, the appointment letters stated that the members of staff employed on contract basis could apply for renewal of their contracts one month prior to expiry of the contract. However, the College did not comply with the clause on renewing the employment contracts. In addition, the appointment letters stated that the contracts were renewable on performance basis. However, no performance appraisals or reports were presented for audit review.

In addition, casuals' expenditure of Kshs.367,486 was not supported with requisition documents from user department to support and justify the need for hiring of casual employees.

In the circumstances, Management was in breach of the law and value for money may not have been obtained on the expenditure of Kshs.367,486 on casuals.

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 Proper Controls for Cash Management System

During the audit, it was noted that at the cash collection point, the clerk responsible for handling cash also served as the procurement officer, resulting in conflict of roles. Further, cash was stored in a drawer at the reception, which also functioned as the cash office, located next to the Principal's office. This area is easily accessible to students and staff, posing a risk to cash security. In addition, the reception where the cash is stored lacked proper internal controls in place such as CCTV Cameras to safeguard and secure the cash.

In the circumstances, the effectiveness of internal controls in cash management could not be confirmed.

2. Lack of Disaster Recovery Plan

Review of the College ICT environment revealed that there was no IT disaster recovery plan in place that would reduce impact on operations in case of outage or disruption to ICT systems. Therefore, the College may not recover or restore critical infrastructure services and systems which may affect all operations that rely on the ICT systems.

In the circumstances, the effectiveness of IT disaster recovery could not be confirmed.

3. Lack of Functional Procurement, Human Resources and Internal Audit Units

Revised Strategic Plan 2023-2027 for the College provides for optimal staff establishment of one (1) officer for each department of procurement, audit and human resource to ensure efficient service delivery to the students and staff of the College. However, it was noted that the College did not have any staff member in all the three departments. Instead, the accounts clerk doubled up as the accountant and human resources officer, while the assistant clerk doubled up her responsibilities with procurement responsibilities of the College without proper appointment of the added responsibilities or acting capacity by Management.

In the circumstances, the College was not optimally staffed for efficient service delivery to its stakeholders.

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 are 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 to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable 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 are responsible for overseeing the Colleges 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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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 IFPP 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

8 May, 2025

Limuru Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

14. Statement of Financial Performance for the year ended 30 June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from non exchange transactions			
Transfers from other governments-gifts and services-in-kind	6	8,024,453	4,012,000
		8,024,453	4,012,000
Revenue from exchange transactions			
Rendering of services	7	18,738,484	8,193,003
Miscellaneous Income	8	-	7,000
		18,738,484	8,200,003
Total revenue		26,762,937	12,212,003
Expenses			
Use of Goods and Services	9	11,484,026	6,721,879
Employee costs	10	5,282,341	3,309,320
Board of Governors expenses	11	1,073,043	570,807
Depreciation and amortization expense	12	1,824,374	1,816,786
Repairs and maintenance	13	277,770	134,920
Contracted services	14	703,440	673,580
Total expenses		20,644,994	13,227,292
(Deficit) / Surplus before Tax		6,117,943	- 1,015,289
Taxation		-	-
(Deficit) / Surplus for the period		6,117,943	(1,015,289)

(The notes set out on pages 7 to 40 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 40 were signed by:

.....
Chairman of Board

Date 28/4/25

.....
Principal

Date 28/04/2025

.....
Finance Officer

ICPAK No. 8793


Date 28/04/2025

Limuru Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

15. Statement of Financial Position as at 30th June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	15	36,799	116,471
Receivables from exchange transactions	16	10,517,584	2,888,290
Inventories	17	741,629	564,155
Total Current Assets		11,296,012	3,568,916
Non-current assets			
Property ,plant and equipment	18	53,535,127	53,948,227
Intangible Assets	19	800,000	-
Total non - current assets		54,335,127	53,948,227
Total assets		65,631,140	57,517,143
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	20	2,148,101	1,102,547
Refundable deposits from customers	21	103,760	155,760
Payments received in advance	22	1,919,822	361,669
HELB Funds	23	18,813	-
Total current liabilities		4,190,496	1,619,976
Non-current liabilities		-	-
Total non-current liabilities		-	-
Total liabilities		4,190,496	1,619,976
Net assets		61,440,644	55,897,167
Represented By:			
Reserves		-	-
Accumulated (Deficit) / surplus		5,170,070	(373,406)
Capital Fund		56,270,573	56,270,573
Net assets		61,440,644	55,897,167

The Financial Statements set out on pages 1 to 40 were signed by:



Chairman of Board

Date 28/4/25



Principal

Date 28/4/2025



Finance Officer

ICPAK No. 8793
 Date 28/04/2025

Limuru Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

16. Statement of Changes in Net Asset for the year ended 30 June 2024

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/	Total
				Development Grants/Fund	
Balance b/f as at July 1, 2022	-	-	980,553	56,270,573	57,251,126
Assets estimated cost				-	-
Total comprehensive income			(1,015,289)	-	(1,015,289)
Less Capitation utilized to clear debtors			(338,670)	-	(338,670)
Asset bought by Kiambu Institute of Science and Technology (Mentoring Institution)			-	-	-
Balance c/d as at June 30, 2023	-	-	(373,406)	56,270,573	55,897,167
Balance b/f as at July 1, 2023	-	-	(373,406)	56,270,573	55,897,167
Assets estimated cost				-	-
Total comprehensive income			6,117,943	-	6,117,943
Less Capitation utilized to clear debtors**			(574,466)	-	(574,466)
Balance c/d as at June, 30 2024	-	-	5,170,070	56,270,573	61,440,644

Note**

The amount of Ksh. 574,666 relate to some of the students who were declared as debtors in the Financial Year 2022/2023 and they benefited from capitation grants/sponsorship received in this financial year, hence their fees balances were reduced depending on how much was outstanding against received capitation.

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

Limuru Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

17. Statement of Cash Flows for the year ended 30 June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Government grants and subsidies	6	8,024,453	4,012,000
Rendering of services	7	9,205,067	5,991,073
Miscellaneous income	8	-	7,000
Receipts from student debtors	16	1,271,787	1,499,160
Refundable deposits received	21	51,000	43,000
Fees received in advance	22	1,616,023	173,494
HELB Funds	23	135,957	26,400
Total Receipts		20,304,287	11,752,127
Payments			
Employees Costs	10	5,282,341	3,309,320
Board of Governors expenses	11	1,073,043	570,807
Use of Goods and Services	9	10,123,399	6,012,656
Repairs and Maintenance	13	277,770	134,920
Contracted Services	14	703,440	673,580
Payment of suppliers	20	1,102,547	196,633
Refundable deposits paid	21	103,000	-
HELB Funds	23	117,144	52,800
Total Payments		18,782,684	10,950,716
Net cash flows from operating activities	24	1,521,603	801,411
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(1,601,274)	(749,700)
Net increase/(decrease) in cash and cash equivalents		(79,671)	51,711
Cash and Cash equivalents at 1st July 2023		116,471	64,760
Cash and cash equivalents at 30th June 2024	15	36,799	116,471

(PSASB has prescribed the direct method of cashflow preparation and presentation for all public sector entities reporting under the IPSAS Accrual basis of accounting)

Limuru Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Statement of Cash Flows (Continued)

Guiding notes on the adjustments of non-cash items

Description	Notes	2022-2023	2022-2023
		Kshs	Kshs
Rendering of Services	7	18,738,484	8,193,003
Less Accrued revenue	16	(9,533,417)	(2,201,930)
Cash outflow		9,205,067	5,991,073
Use of Good and Services	9	11,484,026	6,721,879
Add increase in inventories	17	177,474	227,724
Less Accrued Expenses as at 30th June	20	(1,538,101)	(936,947)
Cash outflow		10,123,399	6,012,656
Employee costs	10	5,282,341	3,309,320
Less Accrued Expenses as at 30th June	20	-	-
Cash outflow		5,282,341	3,309,320
Purchase of property, plant, equipment	17	1,411,274	915,300
Purchase of intangible assets	19	800,000	-
Less Accrued payments as at 30th June	20	(610,000)	(165,600)
Cash Outflow from property, plant and equipment		1,601,274	749,700

Limuru Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

18. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference	Explanation of material variances
	Kshs	Kshs	Kshs	Kshs	Kshs	%	
Revenue							
Government grants and subsidies	-	2,000,000	2,000,000	8,024,453	6,024,453	301%	a)
Internally generated revenue	2,000,000	700,000	2,700,000	-	(2,700,000)	-100%	b)
Rendering of services	23,643,350	893,540	24,536,890	18,738,484	(5,798,406)	-24%	c)
Miscellaneous Income	50,000	-	50,000	0	(50,000)	-100%	d)
Total income	25,693,350	3,593,540.00	29,286,890	26,762,937	(2,523,953)		
Expenses							
Use of Goods and Services	14,460,470	1,527,995	15,988,465	11,484,026	4,504,439	28%	e)
Employee costs	5,732,880	871,200	6,604,080	5,282,341	1,321,739	20%	f)
Board of Governors expenses	1,760,000	(295,655)	1,464,345	1,073,043	391,302	27%	g)
Repairs and maintenance	1,010,000	790,000	1,800,000	277,770	1,522,230	85%	h)
Contracted services	730,000	0	730,000	703,440	26,560	4%	
Total expenditure	23,693,350	2,893,540	26,586,890	18,820,620	7,766,270		
(Deficit)/Surplus for the year	2,000,000	700,000	2,700,000	7,942,317	5,242,317		
Capital Expenditure	2,000,000	700,000	2,700,000	2,211,274	488,726	18%	i)

(Budget notes)

a)	The College received more grant as capitation fees and operation grants.				
b)	The management will develop policy to guide in revenue generation for its development. The activity has not been carried out				
c)	The College expected to have an average enrolment of 402 students, however the student in session were below the target.				
d)	Although the management expected miscellaneous revenue, no activity outside the core business took place.				
e)	The students' enrolment was low, thus spending less than expected.				
f)	The College did not engage in staff recruitment due to financial constraints				
g)	The College had minimal activities during the period, thus spending less on Board activities.				
h)	The College has not carried out major repairs and maintenance due to financial constraints.				
i)	The College incurred expenditure on furniture and fittings and MIS software.				

Budget Reconciliation Note			
Surplus for the year as per budget comparison			7,942,317
Less:			
Depreciation			(1,824,374)
Surplus for the year as per Statement of Financial Performance			6,117,943

19. Notes to the Financial Statements

1. General Information

Limuru TVC is established by and derives its authority and accountability from TVET Act 2013. The Limuru TVC is wholly owned by the Government of Kenya and is domiciled in Kenya. Limuru TVC principal activity is 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. 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 accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the College.

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.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

There are no new standards in the year ended 30th June 2024

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> 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. <i>(The standard has no impact to the College)</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued	<i>Applicable 1st January 2025</i> 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:

Limuru Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Operations	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. <i>(The standard has no impact to the College)</i>
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. <i>(The standard has no impact to the College)</i>
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> 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. <i>(The standard has no impact to the College)</i>
IPSAS 47: Revenue	Applicable 1st January 2026 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. <i>(The standard has no impact to the College)</i>
IPSAS 48: Transfer Expenses	Applicable 1st January 2026 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. <i>(The standard has no impact to the College)</i>

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IPSAS 49:	<i>Applicable 1st January 2026</i>
Retirement Benefit Plans	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. <i>(The standard has no impact to the College)</i>

iii. Early adoption of standards

The College did not early-adopt any new or amended standards in year 2023/2024.

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 LIMURU TVC and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

LIMURU TVC 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 college.

b) Budget information

The original budget for FY 2023/2024 was approved by the Board on 7th July 2023. The College 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 a 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

c) Taxes

Current income tax

Limuru TVC is exempt from paying taxes as a public training institution

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) 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 of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, Limuru TVC 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.

Land and capital work in progress are not depreciated. Capital work in progress relates mainly to the costs of ongoing but incomplete works on buildings and other civil works and installations.

Depreciation on Property, plant and equipment is recognized in the income statement on a reducing balance basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life. The rates in use are:

Land	-
Buildings	2.5%
Motor vehicles	25%
Furniture and Fittings	12.5%
ICT Equipment	30%
Office Equipment	12.5%

A full year depreciation charge is recognised in the year of asset purchase. Depreciation charge is not recognised in the year of disposal.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) 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

f) Research and development costs

Limuru TVC expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Limuru TVC 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 quarterly with any impairment losses recognized immediately in surplus or deficit.

g) 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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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.

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.

h) 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

i) Nature and purpose of reserves

The College creates and maintains reserves in terms of specific requirements. The College maintains Capital and Revenue reserves.

j) 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.

k) Employee benefits

Retirement benefit plans

The College has not established retirement benefit plan but it may be implemented in future as the college expands.

l) 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.

m) Related parties

The College regards a related party as a person or and College 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 CEO/principal and senior managers.

n) 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

o) 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 various commercial banks at the end of the financial year.

p) Comparative figures

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

q) 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, 2024.

Notes to the Financial Statements (Continued)

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 College 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 College. 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.

Provision for Depreciation

This caters for reduction in the value of asset with the passage of time, due to wear and tear. The College use reducing balance method to depreciate its assets using the applicable rates of depreciation as given in note 4(d) above.

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2023-2024	2022-2023
	Kshs	Kshs
Unconditional grants		
Capitation grant	3,242,828	2,012,000
Operation grant	2,000,000	2,000,000
Scholarship	2,781,625	-
	8,024,453	4,012,000
Conditional grants		
library construction	-	-
Development grants	-	-
Total government grants and subsidies	8,024,453	4,012,000

Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY 2022/2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry of Education, State Department of TVET	8,024,453	-	-	8,024,453	4,012,000
Total	8,024,453	-	-	8,024,453	4,012,000

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry.)

**Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached.*

(NB: Total of column 1 should tie to the first part of note 6 on unconditional grants)

The details of the reconciliation have been included under appendix III

Limuru Technical and Vocational College
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Notes to the Financial Statements (Continued)

7. Rendering of Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Application	42,000	30,000
Tuition	9,679,103	2,910,560
Electricity, Water and Conservancy	1,000,474	445,850
Personnel Emoluments	2,993,658	1,418,605
Local Transport and Travel	902,640	569,520
Repairs, Maintenance and Improvement	729,394	420,195
Development levy	201,198	748,345
Activity Fees	721,348	355,680
Attachment/Insurance	442,735	136,655
Registration	126,800	38,500
Student Council	208,284	51,900
Student ID	124,500	39,000
KUCCPS	294,000	112,500
TVETA Fees	92,500	-
T-Shirt	24,500	-
Centre Fees	5,000	-
Exam Practical materials	862,000	144,000
Examination fees	288,350	771,693
Total revenue from the rendering of services	18,738,484	8,193,003

8. Miscellaneous Income

Description	2023-2024	2022-2023
	Kshs	Kshs
Income from sale of tender	-	-
Miscellaneous (KUCCPS Activity)	-	7,000
Total other income	-	7,000

Limuru Technical and Vocational College
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Notes to the Financial Statements (Continued)

9. Use Of Goods And Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank charges	13,190	17,320
Marketing and Publicity	118,943	202,280
Tender expenses	65,000	-
Local Transport and Travel	547,600	1,046,628
Telephone and Postage	105,900	93,307
Electricity, Water and Conservancy	511,019	289,366
Office expenses	189,152	193,928
Printing and stationery	148,603	609,840
Tax penalty	-	-
Cleaning and Sanitation expenses	81,398	36,454
Registration and Subscription	382,700	120,000
Staff training, development and capacity building	1,507,448	238,550
Tuition expenses	1,511,298	1,317,349
Insurance	67,250	21,450
Accountancy services	100,000	160,000
Sports, Games and Music Activities	1,613,432	593,711
Text Books	-	-
KUCCPS Placement Service	177,000	63,000
Examination expenses	1,425,810	811,550
Interview and Recruitment expenses	1,579,281	191,000
External Audit services	100,000	-
Internal Audit services	30,000	60,000
PC Expenses	393,200	289,548
Internet expenses	372,619	254,898
Industrial attachment expenses	38,500	47,900
Printed and branded items	273,583	-
Uniform	131,100	63,800
Total Use of Goods and Services	11,484,026	6,721,879

Limuru Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Notes to the Financial Statements (Continued)

10. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries and wages	5,282,341	3,309,320
Employee related costs - contributions to pensions and medical aids	-	-
Employee costs	5,282,341	3,309,320

11. Board Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
BOG Chairman Honoraria	60,000	-
Sitting Allowances	819,646	517,000
Travelling Allowance	37,500	-
Induction Training	100,534	-
Meeting Administration Expenses	55,363	53,807
Total Board Expenses	1,073,043	570,807

12. Depreciation and Amortization expense

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	1,824,374	1,816,786
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	1,824,374	1,816,786

13. Repairs and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
Property	277,770	134,920
Equipment	-	-
Vehicles	-	-
Other	-	-
Total repairs and maintenance	277,770	134,920

Notes to the Financial Statements (Continued)

14. Contracted Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Security	703,440	673,580
Total contracted services	703,440	673,580

15. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Current account	29,153	116,471
Others(specify)	7,646	-
Total cash and cash equivalents	36,799	116,471

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

Description	2023-2024	2022-2023
	Kshs	Kshs
a) Current account		
Kenya Commercial bank	29,153	116,471
Sub- total	29,153	116,471
e) Others(specify)		
Cash in Hand - Office petty cash balance	7,646	-
Sub- total	7,646	-
Grand total	36,799	116,471

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Notes to the Financial Statements (Continued)

16. Receivables from Exchange transactions

16 (a) Current Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Student debtors B/F	2,888,290	2,524,190
Less Debtors receipts	1,271,787	1,499,160
add debtors for the period	9,533,417	2,201,930
Less: Prepaid fees B/F utilized during the year	57,870	-
Less Capitation utilised to clear debtors	574,466	338,670
Student debtors C/F	10,517,584	2,888,290

16 (b) Ageing Analysis of Receivables from Exchange transactions

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	FY 2023-2024	% of total	FY 2022-2023	% of the total
Less than 1 year	9,439,888	90%	2,201,930	76%
Between 1- 2 years	1,077,696	10%	686,360	24%
Total	10,517,584	100%	2,888,290	100%

17. Inventories

Description	2023-2024	2022-2023
	Kshs	Kshs
Administration Stationery stores	284,110	124,035
Cleaning Materials stores	-	11,250
Training materials - Tuition Expenses	444,349	428,870
Work in Progress	13,170	-
Total Inventories at lower of Cost and Net Realizable Value	741,629	564,155

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Notes to the Financial Statements (Continued)

18. Property, Plant and Equipment

	Land	Buildings	Furniture and fittings	ICT Equipments	Plant and Equipment	Work in Progress	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs		Kshs
At 1st July 2022 (previous year)	-	54,216,548	1,247,700	365,919	732,226	-	56,562,393
Additions during the year	-	-	415,600	499,700	-	-	915,300
Disposals during the year	-	-	-	-	-	-	-
At 30th June 2023 (previous year)	-	54,216,548	1,663,300	865,619	732,226	-	57,477,693
Additions during the year	-	-	828,149	-	309,575	273,550	1,411,274
Cost of buildings finance by MOE	-	-	-	-	-	-	-
Assets bought by KIST mentoring institution	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-
At 30th June 2024 (current year)	-	54,216,548	2,491,449	865,619	1,041,801	273,550	58,888,967
Depreciation and impairment							
At 1st July 2022 (previous year)	-	1,355,414	155,963	109,776	91,528	-	1,712,680
Depreciation	-	1,321,528	188,417	226,753	80,087	-	1,816,786
On Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
At 30th June 2023 (previous year)	-	2,676,942	344,380	336,529	171,615	-	3,529,466
Depreciation for the year	-	1,288,490	268,384	158,727	108,773	-	1,824,374
At 30th June 2024 (current year)	-	3,965,432	612,763	495,256	280,389	-	5,353,840
Net book values							
At 30th June 2023 (previous year)	-	51,539,606	1,318,920	529,090	560,611	-	53,948,227
At 30th June 2024 (current year)	-	50,251,116	1,878,686	370,363	761,412	273,550	53,535,127

Work in Progress is the ongoing in-house construction of training workshops within the college.

Note: The college has not obtained the land title deed from The County Government of Kiambu, hence the land has not been valued.

Limuru Technical and Vocational College
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Notes to the Financial Statements (Continued)

19. Intangible Assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	800,000	-
At end of the year	800,000	-
Additions-internal development	-	-
At end of the year	800,000	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	800,000	-

20. Trade and Other Payables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Balance B/F	1,102,547	196,633
Payments	(1,102,547)	(196,633)
Additions	2,148,101	1,102,547
Total trade and other payables	2,148,101	1,102,547

	FY 2023-2024	% of the Total	FY 2022-2023	% of the Total
Ageing analysis:				
Under one year	1,102,547	100%	1,102,547	100%
1-2 years	0	0%	0	0%
2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total (to tie to totals above)	1,102,547	100%	1,102,547	100%

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Notes to the Financial Statements (Continued)

21. Refundable Deposits from Customers/Students

Description	2023-2024	2022-2023
	Kshs	Kshs
Caution Money		
Caution money B/F	155,760	112,760
Add receipts for the year	51,000	43,000
Add accrued for the year	-	-
less payments	(103,000)	-
	103,760	155,760

	FY 2023-2024	% of the Total	FY 2022-2023	% of the Total
Ageing analysis:				
Under one year	51,000	49%	43,000	28%
1-2 years	52,760	51%	112,760	72%
2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total (to tie to totals above)	103,760	100%	155,760	100%

22. Payment Received in Advance

Description	2023-2024	2022-2023
	Kshs	Kshs
Balance B/F		
	361,669	188,175
Additions	1,616,023	173,494
Less: Prepaid fees B/F utilized during the year	57,870	-
Balance C/F	1,919,822	361,669

	FY 2022-2023	% of the Total	FY 2022-2023	% of the Total
Ageing analysis:				
Under one year	1,616,023	84%	173,494	48%
1-2 years	303,799	16%	188,175	52%
2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total (to tie to totals above)	1,919,822	100%	361,669	100%

Limuru Technical and Vocational College
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Notes to the Financial Statements (Continued)

23. HELB Unutilized Funds

Description	2023-2024	2022-2023
	Kshs	Kshs
Balance B/F	-	26,400
Additions	135,957	26,400
Payments	117,144	52,800
Balance C/F	18,813	-

24. Cash generated from operations

Description	2023-2024	2022-2023
	Kshs	Kshs
(Deficit)/Surplus for the year before tax	6,117,943	(1,015,289)
Adjusted for:		
Depreciation	1,824,374	1,816,786
Working Capital Adjustments		
Increase in Inventory	(177,474)	(227,724)
Increase in Receivables	(8,203,760)	(702,770)
Increase in Payables in operations	435,554	740,314
Increase in Refundable deposits from Customers	(52,000)	43,000
(Decrease)/Increase in HELB Unutilized Funds	18,813	(26,400)
Increase in Payments received in advance	1,558,153	173,494
Net Cash Flow from Operating Activities	1,521,603	801,411

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Notes to the Financial Statements (Continued)

25. Financial Risk Management

The College's 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's 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 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 College'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:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	2,888,290	2,888,290	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	116,471	116,471	-	-
Total	3,004,761	3,004,761	-	-
At 30 June 2024				
Receivables from exchange transactions	10,517,584	10,517,584	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	36,799	36,799	-	-
Total	10,554,383	10,554,383	-	-

Financial Risk Management (Continued)

(i) Credit risk (continued)

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 College has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The College has significant concentration of credit risk on amounts due from students

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's Board of Governors, who have built an appropriate liquidity risk management framework for the management of the College's short, medium and long-term funding and liquidity management requirements. The College manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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Notes to the Financial Statements (Continued)

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.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	1,102,547	-	-	1,102,547
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	1,102,547	-	-	1,102,547
At 30 June 2024				
Trade Payables	2,148,101	-	-	2,148,101
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	2,148,101	-	-	2,148,101

(iii) Market risk

The College is engaging internal audit function of the mentoring institution 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 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's exposure to market risks or the manner in which it manages and measures the risk.

Notes to the Financial Statements (Continued)

a) Foreign currency risk

The College 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 College 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.

b) Interest rate risk

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

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Notes to the Financial Statements (Continued)

iii) Capital Risk Management

The objective of the College's capital risk management is to safeguard the College's ability to continue as a going concern. The College capital structure comprises of the following funds:

Description	2023-2024	2022-2023
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	5,170,070	(373,406)
Capital Reserve	56,270,573	56,270,573
Total Funds	61,440,643	55,897,167
Total Borrowings	-	-
Less: Cash and Bank Balances	(36,799)	(116,471)
Net Debt/(Excess Cash and Cash Equivalents)	-	-
Gearing	0%	0%

26. Related Party Balances

Nature of related party relationships

Entities and other parties related to the College 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 Governors;

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Notes to the Financial Statements (Continued)

The transactions and balances with related parties during the year are as

Description	2023-2024	2022-2023
	Kshs	Kshs
Transactions with Related Parties		
a) Purchases from related parties		
Registration and subscription to market regulators	382,700	120,000
Training and conference fees paid to Govt. agencies	1,507,448	238,550
Total	1,890,148	358,550
b) Grants /Transfers from the Government		
Grants from National Govt.	8,024,453	4,012,000
Grants from County Government	-	-
Total	8,024,453	4,012,000
c) Key Management Compensation		
Board of Governor's emoluments	1,073,043	517,000
Compensation to Key Management	-	-
Total	1,073,043	517,000

27. Contingent Assets and Contingent Liabilities

The College has no incident that can result into a contingent asset and/or liability

28. Capital Commitments

The College has no capital commitments in place.

29. Deferred Tax Liability

The College is not obligated to pay tax

30. Events After The Reporting Period

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

31. Ultimate And Holding Entity

The College is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

32. Currency

The financial statements are presented in Kenya Shillings (Kshs).

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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 during the financial year 2021/2022. The financial year 2022/2023 has not been audited by the Auditor General.

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)
OAG/NRO.TVET/LIMURU/2021/2022 (18) -A	Report on the financial statements Omitted Value of land	The valuation of land is yet to be done due to unsettled disputes between the college and the primary school that donated	Not Resolved	June 2026
OAG/NRO.TVET/LIMURU/2021/2022 (18) -A	Report on the financial statements Budgetary Control and Performance	The target on student enrolment was not met. Management will do more publicity to improve on students enrolment	Ongoing	June 2025
OAG/NRO.TVET/LIMURU/2021/2022 (18) -B	Report on Lawfulness and Effectiveness in use of public Resources 1. Non –Compliance with minimum requirement of ethnic diversity in staffing	In subsequent recruitments the management shall ensure no ethnic community shall be more than one third	Ongoing	June 2025
OAG/NRO.TVET/LIMURU/2021/2022 (18) -B	Report on Lawfulness and Effectiveness in use of public Resources 2. Irregular	Implementation is being done	Resolved	

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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)
	procurement of goods, works and services			
OAG/NRO.TVET/LIMURU/2021/2022 (18) -C	Report on effectiveness of internal controls, risk management and governance 1. Lack of approved internal controls, risk management and governance policies	The documents are in the process of ratification ,adoption and approval is ongoing	Resolved	
OAG/NRO.TVET/LIMURU/2021/2022 (18) -C	Report on effectiveness of internal controls, risk management and governance 2. Improper constitution of audit and finance committees	The two committees will be reconstituted	Resolved	

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;

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(iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Sign.....
Dinah Akoth Obonyo
Principal/Secretary BOG

Date.....28/4/2025.....

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Appendix II: Projects Implemented by Limuru TVC

The College has no projects being implemented.

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Appendix III- Inter-Entity Confirmation Letter

MINISTRY OF EDUCATION
STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING

LIMURU TECHNICAL AND VOCATIONAL COLLEGE
P.O. BOX 1584-00217, LIMURU
Cell phone: 0708 652364
Email: limurutvc@gmail.com

The Ministry of Education, State Department of TVET, wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.


Confirmation of amounts received by Limuru Technical And Vocational College as at 30th June 204							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2024				Amount Received by [Beneficiary Entity] (Kshs) as at 30 th June 204 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Capitation (B)	Higher Education Fund Scholarship (C)	Total (D)=(A+B+C)		
	11 th July 2023	500,000	0	0	500,000	500,000	0
	2 nd October 2023	500,000	798,000	0	1,298,000	1,298,000	
	18 th January 2024	500,000	861,000	0	1,361,000	1,361,000	

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5 th February 2024	500,000	984,000	0	1,484,000	1,484,000
27 th February 2024	0	0	2,351,615	2,351,615	2,351,615
6 th March 2024	0	0	430,010	430,010	430,010
31 st May 2024	0	599,828	0	599,828	599,828
Total	2,000,000	3,242,828	2,781,625	8,024,453	8,024,453

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

Head of Accountants department of beneficiary Entity:

Name Esther Njeri Sign  Date 28/04/2025

Appendix IV: Reporting of Climate Relevant Expenditures

The College did not incur climate relevant expenditures

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Appendix V: Disaster Expenditure Reporting Template

The College did not incur disaster related expenditure during the year.