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**OFFICE OF THE AUDITOR-GENERAL**

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| DATE: 22 FEB 2023                    | DAY:                      |
| TABLED BY: HON. DWEN BAYA, MP        | DEPUTY LEADER OF MAJORITY |
| CLERK AT THE TABLE:                  | CHRISTINE NBIRITHI        |

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**KIPTARAGON TECHNICAL AND VOCATIONAL  
COLLEGE**

**FOR THE YEAR  
ENDED 30 JUNE, 2020**



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**KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR NINE MONTHS ENDING**

**30 JUNE 2020**

**ACCOUNTING METHOD: IPSAS ACRUAL BASIS**

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**KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE**  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020.

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**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**a) Background information**

The Kiptaragon Technical and vocational College was incorporated under the TVET Act 2013, section 20 (1) on 23rd September 2019. The entity is domiciled in Kenya. The institute is under the Ministry of Education.

**b) Principal Activities**

The principal activity of Kiptaragon TVC is training middle level technicians and continues to be so.

**c) VISION**

To be a centre of excellence in technical and vocational Education and training

**d) MISSION**

To promote and impart vocational and technical competencies and entrepreneurial skills for socio-economic self-reliance.

**e) Key Management**

The Kiptaragon technical and vocational college day-to-day management is under the following key organs:

- Board Management
- Principal
- Deputy principal
- Registrar
- Dean of students

**f) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

| No. | Designation         | Name                        |
|-----|---------------------|-----------------------------|
| 1.  | Principal           | <b>Mr. Daniel Maswai</b>    |
| 2   | Registrar           | <b>Mr. Moses Randich</b>    |
| 3   | Dean of students    | <b>Mr. Hentry Toroitich</b> |
| 4   | Procurement Officer | <b>Caroline Kailel</b>      |
| 5   | Finance Officer     | <b>Kiporir Ngasura</b>      |

**g) Fiduciary Oversight Arrangements**

*Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):*

- *Audit and risk committee activities*
- *Finance and operations committee activities*
- *Academic committee activities*

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- *Development partner oversight activities*
- *Other oversight activities*

**h) Entity Headquarters**

Kiptaragon Technical & Vocational College  
P.O Box 175 – 20152  
Olenguruone

**i) Entity Contacts**

Kiptaragon Technical and Vocational College  
P.O Box 175 – 20152  
Olenguruone  
Telephone: (254) 750724092  
e-mail: kiptaragontvc@gmail.com  
website: www.kiptaragontvc.go.ke

**j) Entity Bankers**

**Kiptaragon TVC Bankers**

**National bank of Kenya ltd**  
**P.O box 68 – 20106**  
**Molo**

**Access bank Kenya plc**  
**P.O. Box 44 – 20152**  
**Olenguruone**

**k) Independent auditors**

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

**l) Principal Legal Advisor**

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






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**II. THE BOARD OF GOVERNORS**

|   |   |
|---|---|
| <br><b>ENG. JOSEPH ROP</b>     | <p>Bachelor of Degree – Civil Engineering</p> <p>Board Chairman.</p>  |
| <br><b>DR. THIGA MOSES</b>     | <p>PhD Information System<br/>M.Sc. Information System Management.<br/>B.Sc. Computer Science.</p> <p>Member.</p>   |
| <br><b>MS. EVERLYINE BETT</b>  | <p>Bachelor of Business Information Technology<br/>Advanced Diploma in Information Technology</p> <p>Member.</p>  |
| <br><b>DR. JOSEPH MUTAI</b>   | <p>PhD Business Management- Strategic Management.<br/>Master’s Degree in Corporate Leadership and Governance<br/>Bachelor of Arts- Development Studies.</p> <p>Member.</p>  |
| <br><b>MR. FESTUS KORIR</b>  | <p>Master’s in Business Administration (Finance Option).<br/>Bachelor of science (Double Mathematics)<br/>Certified public Accountant Cpa part III SEC 6</p> <p>Member.</p> |
| <br><b>MRS. EDITH IMBAYI</b> | <p>Bachelor of Arts- Education.</p> <p>Member.</p>  |
| <br><b>DR. OTIENO DANIEL</b> | <p>PhD Educational Administration<br/>Master of Education- Educational Administration<br/>Bachelor of Education Arts</p> <p>Member.</p>                                     |
| <br><b>MR. MASWAI DANIEL</b> | <p>Bachelor of science Technical Education</p> <p>Board Secretary.</p>  |

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**III. MANAGEMENT TEAM**

|   |  |
|---|--|
|  <p>Mr. Daniel Maswai</p>    | <p>Bachelor of science Technical Education</p> <p><b>Principal</b></p>   |
|  <p>Mr. Moses Randich</p>    | <p>Bachelor of Science in Information Technology</p> <p><b>Registrar</b></p>   |
|  <p>Mr. Henry Toriotich</p> | <p>Masters degree in Agricultural Economics and Resources Management</p> <p>Bachelor of Science in Agricultural Economics and Resources Management</p> <p><b>Dean of Trainees.</b></p> |
|  <p>Caroline Kaillel</p>   | <p>Diploma in Purchase and Supplies Management</p> <p><b>Procurement Officer.</b></p>  |
|  <p>Kipkorir Ngasura</p>   | <p>Bachelor of Commerce – Finance Option<br/>Certified public Accountant part iii sec 6</p> <p><b>Finance Officer.</b></p>   |

#### **IV. CHAIRMAN'S STATEMENT**

##### **1. CHAIRMAN'S STATEMENT FY 2019-2020**

Kiptaragon TVC opened its doors for the first admissions in September 2019. The Board of Governors were inaugurated in October 2019. The Board comprise a strong team of professionals drawn from all sectors, different places and backgrounds.

The first infrastructural project initiated in quarter three was the construction of a six-door pit latrine for female trainees amounting Kshs. 600,000 and students' chairs were purchased at a total cost Kshs. 224,000 both funded by NG-CDF Kuresoi South and successfully completed in quarter four.

The B.O.G had only met once before the outbreak of COVID 19 in March 2020 and much was not realized at the last quarter of 2019/2020 financial year. The expected revenue was not received because the College was closed for six months. Government Capitation was not forthcoming due to the same challenge. Total revenue support received from Government in the is Kshs. 1,090,000 against the expected amount of about Ksh.4 million.

The challenges of Covid- 19 made the board to think broadly on other ways of getting alternative funding to supplement the Government support. One of the strategies was to start business enterprises within the College. Other strategies include putting more resources into marketing and equipment for market driven programs.

The Board began working on the strategic plan in June 2019 when a stakeholders meeting was held at the College. The same forum was used to sensitize the community on the programs offered at the College and how they can work with the college to uplift their economic activities. The need to work together on security issues as well as using all community forums to market the College was discussed.

The community was to partner with the college in a number of areas that include:

- i. Provide raw materials e.g., milk and meat for the College agriculture value addition equipment.
- ii. Milk plants and tea factories to provide attachment to trainees and work with the college on research.
- iii. Doing business with the college as suppliers and providers of accommodation for both the trainers and trainees and related services.

##### **2. REPORT OF THE PRINCIPAL FY 2019-2020**

Kiptaragon TVC (KTVC) was mentored by Ol'lessos TTI from inception and the institution was handed over to the incoming Principal on the 19<sup>th</sup> of June 2019. The College was assessed for registration and licensing by Technical and Vocational Training Authority (TVETA) and fully accredited to offer TVET courses on the 23<sup>rd</sup> of September, 2019. The Cabinet Secretary Ministry of Education appointed the Board of Governors for KTVC on the 9<sup>th</sup> of July 219 and inaugurated on the 4<sup>th</sup> of October.

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The first Principal was posted to the institution in March 2019 and deputy principal was posted in July the same year. The first five trainees from Public Service Commission reported after posting in August 2019. The College having received administrators and trainers, it paved way for the first cohort of students' admission at in September 2019 after a thorough marketing done in August throughout Kuresoi South sub-county. Thanks to the area MP honourable Joseph Tonui who gave one-year scholarship to the first 101 trainees admitted.

NG-CDF Kuresoi South did construct a six-door pit latrine during this period. Ministry of Education delivered 80 trainees chairs and NG-CDF added another 180 chairs. Office furniture were also delivered by the Ministry of Education together with aforesaid trainees' chairs.

By the time we closed for COVID 19 interventions by the Ministry of health and closure of schools, colleges and universities announced by His Excellency the President, the student population was at 258. The institution was picking well in terms of enrolment but payment of fees was a big challenge. Many of our first cohort of admission came with the notion of free learning emanating from the marketing strategy used to convince them to join TVET.

It is during the first year of existence of KTVC that additional 6 trainers and 14 support staff were hired on Board of Governors terms. The BoG staff had to go without wages during the peak of COVI 19 outbreak because there was no income from fees collection, capitation and recurrent grants from the Ministry of Education. The number of staff engaged was a bit higher than expected but this has since been corrected by freezing further hiring unless where there is need and sanctioned by the board of governors. The board of governors has established a human resource manual to give guidelines on employment and all human resource issues.

The College Strategic Plan 2020-225 is operational although its implementation is adversely affected by lack of funds. The outbreak of COVID 19 retarded the strategic growth of the institution at a time when it had just begun. The board is working on a recovery path to compensate on the lost time. This has necessitated the restructuring of the strategic plan though recovery is not yet visible in terms of resource mobilization. The management is committed to achieve its strategic objectives within stipulated time frame despite the challenges of lack of resources.

Kiptaragon TVC is centre of excellence in agriculture value addition. The Government of Kenya through the Ministry of Education installed modern equipment for training agriculture value addition related courses. The management rolled out food science and preservation technology as the main course in this area both at diploma and certificate levels. There are two major requirements that were to be met for full operationalization of the equipment:

1. Connectivity to large power, and
2. Availability of clean water

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The equipment installed for value addition despite being a blessing posed another challenge. It occupied all the workshop space available including four classrooms and one office space.

It therefore posed a challenge for classroom space and the equipment is not currently utilized because of lack of power and water as mentioned earlier.

The College initiated partnerships with the surrounding community and its administrative and political leadership immediately it became operational. Meetings were held to sensitize the community on provision of accommodation, food and security to the trainees and trainers. College administration always planned and participated in community gatherings through physical presence and material assistance where needed. Consultative meetings were done with community administrators, security officers and political leadership. In response to community and leadership engagement, the area MP and County MP offered to sponsor 101 and 15 trainees respectively. In addition, County MP donated 100 avocado seedlings to the College.

During its first year of existence, Kiptaragon TVC was accredited by TVETA to offer 9 diploma programs, 13 craft certificate programs and 3 artisan certificate programs. The programs are spread in 3 academic departments namely: - Applied Sciences; Building and Civil Engineering; and ICT and Business. 90% of the trainees enrolled take STEM courses and the board of governors are pursuing strategies to continually enhance quality through up-scaling equipment and up-skilling trainers.

On financial stewardship, there were quite a number of goods taken on credit so as to operationalize the College. Total amount credits carried over to next financial year is Kes. 1,606,126. This is likely to reduce drastically in the next financial year if the economy bounces back to normalcy and the stringent measures put in place by the board to reduce the credits.

**V. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES**

Kiptaragon Technical and Vocational College has 8 strategic pillars and objectives within its Strategic plan for the FY 2020/2021 – 2024/2025. These strategic pillars are as follows:

Pillar 1: Governance and Management

Pillar 2: Finance

Pillar 3: Academic Programs

Pillar 4: Information/Communication Technology

Pillar 5: Students' Welfare

Pillar 6: Business Enterprises

Pillar 7: Infrastructure

Pillar 8: Human Resource

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Kiptaragon TVC develops its annual work plans based on the above 8 pillars. Assessment of the Board's performance against its annual work plan was not done in FY 2019/2020 because the Strategic Plan had not been finalized.

| <b>Strategic Pillar</b> |  | <b>Objective</b> | <b>Key Performance Indicators</b> | <b>Activities</b> | <b>Achievements</b> |
|-------------------------|--|------------------|-----------------------------------|-------------------|---------------------|
| Pillar 1:               |  |                  |                                   |                   |                     |

The strategic plan for Kiptaragon TVC was not in place in FY 2019-2020.

**VI. CORPORATE GOVERNANCE STATEMENT**

Kiptaragon TVC Board had two meetings during FY 2019/2020 because the College was in session for only two terms covering quarter two and three. The opening of the institution and board inauguration was done in quarter two. Inauguration board meeting on the 4<sup>th</sup> of October 2019 and seven board members were present. The next meeting was held on February 7<sup>th</sup>, 2020. Five members attended and there were four apologies.

There was no board charter in place by then and the deputy principal had been posted to the institution as a principal assistant of the principal. The board had envisaged any need for a succession plan because the institution had just been opened and the board was also new.

The appointment of the board was done in accordance to TVET Act 2013 second schedule section 1 and 2. The board further established four board committees namely: -

- (i) Finance and General-purpose committee
- (ii) Education and Research Committee
- (iii) Audit, Risk and Governance committee
- (iv) Development and Infrastructure committee

On inauguration, the board were taken through their roles and functions as stipulated in the Act section 29(1). The principal was to liaise with the Ministry on scheduling of induction for the board of governors. Remuneration of the Board of Governors was discussed and unanimously agreed that the basis shall be what the institution can afford to pay at the time. It would be reviewed upwards at an appropriate time as dictated by the financial position of the institution.

**VII. MANAGEMENT DISCUSSION AND ANALYSIS**

The reports of the Board of Governors Chairman and that of the principal captured all the information. In addition, the Final Financial Statements with its accompanying notes gives the details of financial performance for the FY2019/2020.

The institution did not have any major project and investment.

### **III. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

Kiptaragon TVC exists to transform lives. This is our purpose; the driving force behind everything we do. It's 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.

#### **1. Sustainability strategy and profile**

Kiptaragon Technical and Vocational College core mandate is training. The institution has made inroads in marketing its programs through public meetings, posters, brochures, digital platforms and through the customers who are our trainees. The college is working closely with political and administrative leaders as well as community opinion leaders to ensure all stakeholders participation and ownership of the institution.

The management is pursuing international best practices in strategic management, performance contracting and quality assurance.

Kiptaragon TVC endeavor to diversify its income sources through optimal use of resources and introduction of income generating activities. This will go a long way in increasing organizational sustainability.

#### **2. Environmental performance**

The institution manages well its environment although there is no policy on environment currently.

#### **3. Employee welfare**

Kiptaragon TVC Human Resource Manual is currently in final stages of completion. Once in operation it will cater for all employee need. Staff welfare is functional with a proposed constitution being worked on. Gender ratio of one-third for Board of Governors employees is taken care in the current establishment. Recruitment of all employees is done competitively through interviews.

#### **4. Market place practices**

- a) Kiptaragon Technical and Vocational College has seven core values which include integrity, transparency and accountability. We in Kiptaragon TVC treasure our core values and is embedded in all our services. As a government entity we practice impartiality with no political inclination in the discharge our duties to the Republic of Kenya and its people. All our clients, stakeholders and partners are given equal opportunity and access to our services without discrimination. We respect our competitors because we uphold teamwork, innovation and creativity as we endeavor to give the best to our clients/customers.

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- b) To maintain good business practices suppliers are given equal opportunities through open tender. Tenders are evaluated as per the regulations of Public Procurement and Disposal Act 2015. Our suppliers are treated responsibly by honoring contracts and respecting payment practices.
- c) All our marketing practices are anchored on our core values of integrity and transparency as is for all our activities. We are committed to strict adherence to ethics code of conduct for public servants.
- d) There are scheduled meetings with our trainees for one-on-one engagements on service delivery. We also utilize other feedback channels like suggestion box and complaint registers.

**5. Community Engagements**

The College Board of Governors and administrations has always engaged and worked with the community in many fronts. The College has always participated in community fundraising to offset medical bills and burial expenses. The sponsor through the local church work with the college to care for the spiritual welfare of trainees. The college partners with the community to provide accommodation and related services to the trainees. Whenever community members have functions that needs large volume of water, we give them for free.

**IX. REPORT OF THE BOARD OF GOVERNORS**

By the time of reporting the institution had not been audited for the year ended June 30<sup>th</sup> 2020 which could have shown the state of Kiptaragon TVC affairs.

**Principal activities**

The principal activity of Kiptaragon TVC is training middle level technicians and continues to be so.

**Results**

The academic results in examination performance for Kiptaragon TVC is yet to be realised and therefore there were no results attached.

**COUNCIL/BOARD OF GOVERNORS**

The members of the Board /Council who served during the year are shown on page IV. During the year no board member retired/resigned.

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**Auditors**

The Auditor General is responsible for the statutory audit of the *entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *entity* for the year/period ended June 30, 2021 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

Corporate Secretary

Nairobi

Date:.....

**X. STATEMENT OF BOARD OF GOVERNORS/ COUNCIL MEMBERS  
RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)*) require the council members to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of the *entity* for that year/period. The council members are also required to ensure that the *entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The council members are also responsible for safeguarding the assets of the *entity*.

The council members are responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, x. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The council members accept responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*) – *entities should quote applicable legislation as indicated under*). The council members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2, and of the *entity's* financial position as at that date. The council members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

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Nothing has come to the attention of the council members to indicate that the *entity* 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 Kiptaragon TVC financial statements were approved by the Board on the 26<sup>th</sup> October 2021 and signed on its behalf by:

Name Mr. Joseph Rop

Signature.....

Chairperson of the Board

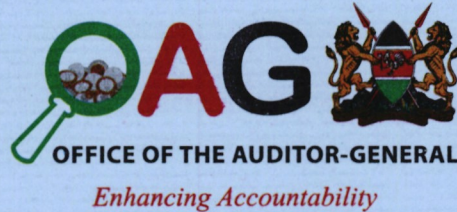
Name Mr. Daniel Maswai

Signature.....

Accounting Officer/Principal

# REPUBLIC OF KENYA

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E-mail: 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 KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2020**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Adverse Opinion**

I have audited the accompanying financial statements of Kiptaragon Technical and Vocational College set out on pages 1 to 45, which comprise of the statement of financial position as at 30 June, 2020 and the statement of financial performance, the statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the period 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Kiptaragon Technical and Vocational College as at 30 June, 2020 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 do not comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

#### **Basis for Adverse Opinion**

##### **1. Errors in Annual Report and Financial Statements**

The table of contents in financial statements is not sequentially numbered and the statement of financial performance year is erroneously indicated as 2021 instead of 2020. Further, Notes 15,16,17,18,26,27(a), 31,34 and 35 to the financial statements do not match the respective components.

In the circumstances, the financial statements did not comply with the reporting template as prescribed by the Public Sector Accounting Standards Board.

##### **2. Unsupported Revenue from Exchange Transactions**

The statement of financial performance and Note 10 to the financial statements reflects revenue from exchange transactions balance of Kshs.6,430,000. However, the supporting schedule provided reflects a balance of Kshs.6,605,000 resulting to an unexplained variance of Kshs.175,000. Further, the balance includes fees of

Kshs.1,505,940 in respect of fifty-seven (57) students whose admission numbers or course details were not provided for audit.

In the circumstances, the accuracy and completeness of revenue from exchange transaction balance of Kshs.6,430,000 could not be confirmed.

### **3. Employee Costs**

The statement of financial performance and Note 16 to the financial statements reflects employee cost amount of Kshs.1,001,700. However, the payroll provided reflected a gross amount of Kshs.1,129,000 resulting to an unexplained and unreconciled variance of Kshs.127,300.

In the circumstances, the accuracy and completeness of employee costs balance of Kshs.1,001,700 could not be confirmed.

### **4. Unsupported Current Portion of Receivables from Exchange Transactions**

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.3,289,600. However, a detailed schedule showing student name, invoice serial number, amount invoiced and payments made during the period under review and how the College arrived at the balance was not provided for audit.

In the circumstances, the accuracy and completeness of the current portion of receivables from exchange transactions balance of Kshs.3,289,600 could not be confirmed.

### **5. Undisclosed Property, Plant and Equipment**

The statement of financial position and Note 31 to the financial statements reflects property, plant and equipment balance of Kshs.2,214,120. However, review of the fixed assets register revealed that the College owns a two-storey building comprising of an administration block and classrooms valued at Kshs.50,000,000 which were omitted from the financial statements. Further, several assets including laboratory for food products, laboratory for livestock products, laboratory for vegetable processing, milk processing plant, one dairy cow and a calf and a parcel of land measuring 11.8 hectares on which the College is built, have not been valued and disclosed in the financial statements.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs. 2,214,120 could not be confirmed.

### **6. Unsupported Trade and Other Payables from Exchange Transactions**

The statement of financial position and Note 34 to the financial statements reflects trade and other payables from exchange transactions balance of Kshs.2,503,051 of which an amount of Kshs.896,850 is in respect of advance fees payments. However, the detailed schedule showing name of student, admission number, invoice number and advance fees paid by each student was not provided for audit.

In the circumstances, the accuracy, completeness and validity of the trade and other payables from exchange transactions balance of Kshs.896,850 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kiptaragon Technical and Vocational College Management in accordance with ISSAI 130 on 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 adverse opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects a total revenue budget of Kshs.14,830,000 against actual receipts of Kshs.7,520,000 on a comparable basis resulting to revenue shortfall of Kshs.7,310,000 or 49% of the budget. Similarly, the statement reflects a final expenditure budget of Kshs.14,830,000 against actual expenditure of Kshs.4,537,884 resulting to budget under performance of Kshs.10,292,116 or 78% of the budget.

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, because of the significance of the matter discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, I confirm that, public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Payment of Basic Salaries Below Minimum Wage**

Review of the payroll records revealed that the lowest and highest paid staff were earning a monthly salary of Kshs.5,000 and Kshs.12,000 respectively. This is contrary to the Legal Notice No. 2 on the Regulation of Wages (General Amendment) Order, 2018 that prescribes the minimum wage in Kenya exclusive of housing allowance of Kshs.7,241 for all other areas.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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, because of the significance of the matters discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, based on the audit procedures performed, I confirm that, internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of Memorandum Cash Book for Standing Imprest**

Cash withdrawals totalling to Kshs.493,500 were made from the College's bank account in respect of office standing imprest during the year under review. However, no imprest warrants and memorandum cashbook were maintained for its accountability. This is in breach of Regulation 93(14) of the Public Finance Management (National Government) Regulations, 2015 which provides that the holder of a standing imprest shall keep a memorandum cash book to record all receipts and payments.

In the circumstances, internal controls relating to standing imprest could not be confirmed.

#### **2. Irregular Salary Advances**

Review of records revealed that, the College awarded five (5) members of staff, employed by the Public Service Commission (PSC), serving in different departments, salary advances totalling to Kshs.95,000. However, there was no evidence that they requested for the salary advances. As at the time of audit in May, 2022 the salary advances had not been recovered.

In the circumstances, the Management was in breach of its Human Resource Policy in awarding salary advance to non-College staff members.

#### **3. Irregularities in Recruitment of Staff**

Review of payroll records revealed that the College recruited twenty (20) members of staff during the year under review. However, the College did not maintain the recruitment files for the members of staff which would contain advertisements for the jobs, list of applicants, shortlisting panel, list of shortlisted applicants, interview selection panel, interview list with dates and location of interview, individual score sheets, successful candidates, letters of appointment and acceptance of positions stated. In addition, staff personal files provided did not contain CVs, application letters, certificates and testimonials for the members of staff.

In the circumstances, it could not be established whether there was need to recruit the staff and if the process was fair and transparent.

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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

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 overall governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of intention to terminate the College or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the College's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**03 October, 2022**

**KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE**  
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**XII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021**

|  | Notes | 2019-2020        | 2018-2019 |
|--|-------|------------------|-----------|
|  |       | Kshs             | Kshs      |
| <b>Revenue from non-exchange transactions</b>                  |       |                  |           |
| Transfers from the National Government – grants/ gifts in kind | 6     | 1,090,000        |           |
| Grants from donors and development partners                    |       |                  |           |
| Transfers from other levels of government                      |       |                  |           |
| Public contributions and donations                             |       |                  |           |
|  |       | <b>1,090,000</b> |           |
| <b>Revenue from exchange transactions</b>                      |       |                  |           |
| Rendering of services- Fees from students                      | 10    | 6,430,000        |           |
| Sale of goods  |       |                  |           |
| Rental revenue from facilities and equipment                   |       |                  |           |
| Finance income - external investments                          |       |                  |           |
| Other income   |       |                  |           |
| <b>Revenue from exchange transactions</b>                      |       | <b>6,430,000</b> |           |
| <b>Total revenue</b>   |       | <b>7,520,000</b> |           |
| <b>Expenses</b>  |       |                  |           |
| Use of goods and services                                      | 15    | 2,956,952        |           |
| Employee costs   | 16    | 1,001,700        |           |
| Board expenses   | 17    | 68,000           |           |
| Depreciation and amortization expense                          | 18    | 477,300          |           |
| Repairs and maintenance  |       |                  |           |
| Contracted services  |       |                  |           |
| Grants and subsidies c   |       |                  |           |
| Finance costs  |       |                  |           |
| <b>Total expenses</b>  |       | <b>4,503,952</b> |           |
| <b>Other gains/(losses)</b>                                    |       |                  |           |
| Gain on sale of assets   |       |                  |           |
| Unrealized gain on fair value of investments                   |       |                  |           |
| Impairment loss  |       |                  |           |
| <b>Total other gains/(losses)</b>                              |       |                  |           |
| <b>Net Surplus for the year</b>                                |       | <b>3,016,048</b> |           |
| Attributable to:   |       |                  |           |
| Surplus/(deficit) attributable to minority interest            |       |                  |           |
| Surplus attributable to owners of the controlling entity       |       |                  |           |

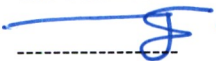
The notes set out on pages 19 to 48 form an integral part of the Annual Financial Statements.

**KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE  
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**XIII. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

|   | Notes | 2019-2020<br>Kshs | Kshs |
|---|-------|-------------------|------|
| <b>Assets</b>   |       |                   |      |
| <b>Current assets</b>                                     |       |                   |      |
| Cash and cash equivalents                                 | 26    | 190,379           |      |
| Current portion of receivables from exchange transactions | 27(a) | 3,289,600         |      |
| Receivables from non-exchange transactions                |       |                   |      |
| Inventories   |       |                   |      |
| Investments   |       |                   |      |
| <b>Total current assets</b>                               |       | 3,479,979         |      |
| <b>Non-current assets</b>                                 |       |                   |      |
| Property, plant and equipment                             | 31    | 2,214,120         |      |
| Investments   |       |                   | -    |
| Intangible assets   |       |                   |      |
| Investment property                                       |       |                   |      |
| Long term receivables from exchange transactions          |       |                   |      |
| <b>Total Non-current Assets</b>                           |       | 2,214,120         |      |
| <b>Total assets</b>                                       |       | 5,694,099         |      |
| <b>Liabilities</b>  |       |                   |      |
| <b>Current liabilities</b>                                |       |                   |      |
| Trade and other payables from exchange transactions       | 34    | 2,503,051         |      |
| Refundable deposits from customers                        | 35    | 175,000           |      |
| Current Provisions  |       |                   |      |
| Finance lease obligation                                  |       | -                 |      |
| Current portion of borrowings                             |       |                   |      |
| Deferred income   |       |                   |      |
| Employee benefit obligation                               |       |                   |      |
| Payments received in advance                              |       |                   |      |
| <b>Total Current liabilities</b>                          |       | 2,678,051         |      |
| <b>Non-current liabilities</b>                            |       |                   |      |
| Non-current employee benefit obligation                   |       |                   |      |
| Non-current provisions                                    |       |                   |      |
| Borrowings  |       |                   |      |
| Service concession liability                              |       |                   |      |
| Deferred tax liabilities                                  |       |                   |      |
| <b>Total liabilities</b>                                  |       | 2,678,051         |      |
| <b>Net assets</b>   |       |                   |      |
| Reserves  |       |                   |      |
| Accumulated surplus                                       |       | 3,016,048         |      |
| Capital Fund  |       |                   |      |
| <b>Total Capital and reserves</b>                         |       | 3,016,048         |      |
| <b>Total net assets and liabilities</b>                   |       | 5,694,099         |      |

The Financial Statements set out on pages 1 to 2 were signed on behalf of the Institute Board of Governors by:



**Mr. Joseph Rop**  
Chairman Board of Governors

Date: 26th October 2021



**Mr. Kipkorir Ngasura**  
Finance Officer

Date 26th October 2021



**Mr. Daniel Maswai**  
Principal

Date 26th October 2021

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**FOR THE YEAR ENDED 30TH JUNE 2020**

**XIV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE x**

|  | Revaluation reserve | Fair value adjustment reserve | Retained earnings | Capital/Development Grants/Fund | Total     |
|--|---------------------|-------------------------------|-------------------|---------------------------------|-----------|
| <b>At July 1, 2017</b>   |                     |                               |                   |                                 |           |
| Revaluation gain   | -                   | -                             | -                 | -                               |           |
| Fair value adjustment on quoted investments                                  | -                   | -                             | -                 | -                               |           |
| Total comprehensive income   | -                   | -                             | 3,016,048         | -                               | 3,016,048 |
| Capital/Development grants received during the year                          | -                   | -                             | -                 | -                               |           |
| Transfer of depreciation/amortisation from capital fund to retained earnings | -                   | -                             | -                 | 0                               | -         |
| <b>At June 30, 2018</b>  |                     |                               | 3,016,048         |                                 | 3,016,048 |
| <b>At July 1, 2018</b>   |                     |                               | 3,016,048         |                                 | 3,016,048 |
| Revaluation gain   | -                   | -                             | -                 | -                               |           |
| Fair value adjustment on quoted investments                                  | -                   | -                             | -                 | -                               |           |
| Total comprehensive income   | -                   | -                             | -                 | -                               |           |
| Capital/Development grants received during the year                          | -                   | -                             | -                 | -                               |           |
| Transfer of depreciation/amortisation from capital fund to retained earnings | -                   | -                             | -                 | 0                               | -         |
| <b>At June 30, 2019</b>  |                     |                               | 3,016,048         |                                 | 3,016,048 |

Note:

- 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.
- 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.

**KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE  
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FOR THE YEAR ENDED 30TH JUNE 2020**

**XV. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020**

|  |      | 2019-2020        | 2018-2019 |
|--|------|------------------|-----------|
|  | Note | Kshs             | Kshs      |
| <b>Cash flows from operating activities</b>                  |      |                  |           |
| <b>Receipts</b>  |      |                  |           |
| Transfers from other Government entities/Govt. grants        |      | 1,090,000        |           |
| Public contributions and donations                           |      |                  |           |
| Rendering of services- Fees from students                    |      | 4,212,325        |           |
| Sale of goods  |      |                  |           |
| Rental revenue from facilities and equipment                 |      |                  |           |
| Finance income   |      |                  |           |
| Other income   |      |                  |           |
| <b>Total Receipts</b>  |      | <b>5,302,325</b> |           |
| <b>Payments</b>  |      |                  |           |
| Compensation of employees                                    |      | 929,700          |           |
| Use of goods and services                                    |      | 2,612,106        |           |
| Finance cost   |      |                  |           |
| Rent paid  |      |                  |           |
| Taxation paid  |      |                  |           |
| Other payments   |      | 68,000           |           |
| Grants and subsidies paid                                    |      |                  |           |
| <b>Total Payments</b>  |      | <b>3,609,806</b> |           |
| <b>Net cash flows from operating activities</b>              | 43   | <b>1,569,819</b> |           |
|  |      |                  |           |
| <b>Cash flows from investing activities</b>                  |      |                  |           |
| Purchase of property, plant, equipment and intangible assets |      | 1,502,140        |           |
| Proceeds from sale of property, plant and equipment          |      |                  |           |
| Decrease in non-current receivables                          |      |                  |           |
| Increase in investments                                      |      |                  |           |
| <b>Net cash flows used in investing activities</b>           |      | <b>1,502,140</b> |           |
| <b>Cash flows from financing activities</b>                  |      |                  |           |
| Proceeds from borrowings                                     |      |                  |           |
| Repayment of borrowings                                      |      |                  |           |
| Increase in deposits   |      |                  |           |
| <b>Net cash flows used in financing activities</b>           |      |                  |           |
| <b>Net increase/(decrease) in cash and cash equivalents</b>  |      | <b>190,379</b>   |           |
|  |      |                  |           |
| Cash and cash equivalents at 1 JULY 2020                     | 26   |                  |           |
| <b>Cash and cash equivalents at 30 JUNE 2020</b>             | 26   | <b>190,379</b>   |           |

**KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2020**

**XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020**

|  | Original budget   | Adjustments    | Final budget      | Actual on comparable basis | Performance difference | Utilizations Difference |
|--|-------------------|----------------|-------------------|----------------------------|------------------------|-------------------------|
|  | 2019-2020         | 2019-2020      | 2019-2020         | 2019-2020                  | 2019-2020              | 2019-2020               |
|  | Kshs              | Kshs           | Kshs              | Kshs                       | Kshs                   |                         |
| <b>Revenue</b>                                   |                   |                |                   |                            |                        |                         |
| Transfers from other Govt entities Govt grants   | 7,500,000         |                | 7,500,000         | 1,090,000                  | 6,410,000              | 85%                     |
| Public contributions and donations               |                   |                |                   |                            |                        |                         |
| Rendering of services- Fees from students        | 7,330,000         |                | 7,333,000         | 6,430,000                  | 900,000                | 12%                     |
| Sale of goods                                    |                   | -              |                   |                            |                        |                         |
| Finance Income                                   |                   | -              |                   |                            |                        |                         |
| Other Income                                     |                   | -              |                   |                            |                        |                         |
| Gains on disposal, rental income and agency fees |                   |                |                   |                            |                        |                         |
| <b>Total income</b>                              | <b>14,830,000</b> |                | <b>14,830,000</b> | <b>7,520,000</b>           | <b>7,310,000</b>       | <b>49%</b>              |
| <b>Expenses</b>                                  |                   |                |                   |                            |                        |                         |
| Compensation of employees                        | 2,880,000         | -              | 2,880,000         | 1,001,700                  | 1,878,300              | 65%                     |
| Use of Goods and services                        | 815,000           |                | 815,000           | 228,441                    | 586,559                | 22%                     |
| Finance costs                                    |                   |                |                   |                            |                        |                         |
| Rent paid  |                   |                |                   |                            | -                      |                         |
| Remuneration of directors                        | 300,000           |                | 300,000           | 68,000                     | 232,000                | 77%                     |
| Grants and subsidies paid                        | 10,710,000        | 125,000        | 10,835,000        | 2,285,933                  | 8,549,067              | 78%                     |
| <b>Total expenditure</b>                         | <b>14,705,000</b> | <b>125,000</b> | <b>14,830,000</b> | <b>4,537,884</b>           | <b>10,292,116</b>      | <b>69%</b>              |
| <b>Surplus for the period</b>                    | <b>125,000</b>    | <b>125,000</b> |                   | <b>1,222,973</b>           | <b>2,911,416</b>       |                         |

**Budget notes**

1. The government underfunded by 85%
2. Expected number of trainees was 280 but we invoiced 250 trainees

**KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2020**

**XVII. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

entity is established by and derives its authority and accountability from Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is training middle level technicians.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The financial statements have been prepared on IPSAS accrual basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Kiptaragon Technical & Vocational 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.

**KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2020**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**3. ADOPTION OF NEW AND REVISED STANDARDS**

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.**

| Standard                    | Impact   |
|-----------------------------|--|
| Other Improvements to IPSAS | <p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.<br/>Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.<br/>Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).<br/>Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p> <p><i>(Entity to state the impact of the amendments to the financial statements)</i></p> |

**KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2020  
NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.**

| Standard  | Effective date and impact:   |
|---|--|
| <p><b>IPSAS 41:</b><br/>Financial Instruments</p>                               | <p><b>Applicable: 1<sup>st</sup> January 2023:</b><br/>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>•Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>•Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>•Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><i>(State the impact of the standard to the entity if relevant)</i></p> |
| <p><b>IPSAS 42:</b><br/>Social Benefits</p>                                     | <p><b>Applicable: 1<sup>st</sup> January 2023</b><br/>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ul> <p><i>(State the impact of the standard to the entity if relevant)</i></p>   |
| <p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p> | <p><b>Applicable: 1st January 2023:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> <li>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>  |

**iii. Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2021.

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**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. 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**

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Sale of goods**

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

**Interest income**

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

**Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

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**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Revenue recognition (Continued)**

**ii) Revenue from exchange transactions (continued)**

**Rental income**

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

**b) Budget information**

The original budget for FY 2018/2019 was approved by the Council or Board on *x*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of *x* on the FY 2018/2019 budget following the Council/ Board's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on 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.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section of these financial statements.

**c) Taxes**

***Current income tax***

The entity is exempt from paying taxes as per schedule *of the Act*.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Taxes (continued)**

*Sales tax/ Value Added Tax*

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

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

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

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of years.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

**e) Property, plant and equipment**

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

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Financial instruments**

*Financial assets*

*Initial recognition and measurement*

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

*Held-to-maturity*

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

*Impairment of financial assets*

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Financial instruments (Continued)**

***Financial assets (Continued)***

***Impairment of financial assets (Continued)***

- The debtors or a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

***Financial liabilities***

***Initial recognition and measurement***

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

***Loans and borrowing***

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**i) 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

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) 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 Entity.

**j) Provisions**

Provisions are recognized when the Entity 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 Entity 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 Entity 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 Entity 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 Entity 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.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

**l) Changes in accounting policies and estimates**

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

**m) Employee benefits**

**Retirement benefit plans**

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**n) Foreign currency transactions**

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

**o) 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.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**p) Related parties**

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

**q) Service concession arrangements**

The Entity 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 Entity 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 Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**r) Cash and cash equivalents**

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

**s) Comparative figures**

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

**t) 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, 2021.

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**5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

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

**Estimates and assumptions**

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

**Useful lives and residual values**

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

- The condition of the asset based on the assessment of experts employed by the Entity
- 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. Additional disclosure of these estimates of provisions is included in Note .

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.

*(include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

| Description                                  | 2019-2020        | 2018/2019 |
|--|------------------|-----------|
|  | KShs             | KShs      |
| <b>Unconditional grants</b>                  |                  |           |
| Capitation grants                            | 90,000           |           |
| Operational grant                            | 1,000,000        |           |
| Other grants                                 |                  |           |
|  |                  |           |
| <b>Conditional grants</b>                    |                  |           |
| Library grant                                |                  |           |
| Hostels grant                                |                  |           |
| Administration block grant                   |                  |           |
| Laboratory grant                             |                  |           |
| Learning facilities grant                    |                  |           |
| Other organizational grants                  |                  |           |
| <b>Total government grants and subsidies</b> | <b>1,090,000</b> |           |

**(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES**

| Name of the Entity sending the grant | Amount recognized to Statement of Comprehensive Income KShs | Amount deferred under deferred income KShs | Amount recognised in capital fund. | Total grant income during the year | 2019-2020 |
|--------------------------------------|---|--|------------------------------------|------------------------------------|-----------|
|                                      |   |  | KShs                               | KShs                               | KShs      |
| Vocational and Technical Training    | 1,090,000   |  |                                    |                                    | 1,090,000 |
| Ministry of Education.               |   |  |                                    |                                    |           |
| <b>Total</b>                         |   |  |                                    |                                    |           |

*(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. The details of the reconciliation have been included under appendix )*

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7. GRANTS FROM DONORS AND DEVELOPMENT PARTNERS**

| Description                                   | 2019-2020 | 2018/2019 |
|---|-----------|-----------|
|   | KShs      | KShs      |
| JICA- Research grant                          |           |           |
| World Bank grants                             |           |           |
| In-kind Donations                             |           |           |
| Other grants                                  |           |           |
| <b>Total grants from development partners</b> |           |           |

**Reconciliations of grants from donors and development partners**

| Description                                      | 2019-2020 | 2018/2019 |
|--|-----------|-----------|
|  | KShs      | KShs      |
| <b>Balance unspent at beginning of year</b>      |           |           |
| Current year receipts                            |           |           |
| Conditions met - transferred to revenue          |           |           |
| <b>Conditions to be met - remain liabilities</b> |           |           |

**8. TRANSFERS FROM OTHER LEVELS OF GOVERNMENT**

| Description              | 2019-2020 | 2018/2019 |
|--------------------------|-----------|-----------|
|                          | KShs      | KShs      |
| Transfer from County     |           |           |
| Transfer from University |           |           |
| Transfer from institute  |           |           |
| <b>Total Transfers</b>   |           |           |

**9. PUBLIC CONTRIBUTIONS AND DONATIONS**

| Description                             | 2019-2020 | 2018/2019 |
|---|-----------|-----------|
|   | KShs      | KShs      |
| Public donations                        |           |           |
| Donations from local leadership         |           |           |
| Donations from religious institutions   |           |           |
| Donations from alumni                   |           |           |
| Other donations                         |           |           |
| <b>Total donations and sponsorships</b> |           |           |

**KIPTARAGON TECHNICAL AND VOCATIONAL COLLEGE  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**10. RENDERING OF SERVICES**

| Description   | 2019-2020        | 2018/2019 |
|---|------------------|-----------|
|   | KShs             | KShs      |
| Tuition fees  | 3,343,600        |           |
| Personal emolument                                  | 1,286,000        |           |
| Electricity and water                               | 385,000          |           |
| Local travel and transport                          | 321,500          |           |
| R.M.I Dev   | 192,900          |           |
| activity sport expense                              | 385,800          |           |
| Student union/ATT                                   | 257,200          |           |
| Medical fees  | 64,300           |           |
| <b>Total revenue from the rendering of services</b> | <b>6,430,000</b> |           |

**11. SALE OF GOODS**

| Description                                    | 2019-2020 | 2018/2019 |
|--|-----------|-----------|
|  | KShs      | KShs      |
| <b>Sale of goods</b>                           |           |           |
| Sale of books                                  |           |           |
| Sale of publications                           |           |           |
| Sale of farm produce                           |           |           |
| Cafeteria                                      |           |           |
| Other (include in line with your organisation) |           |           |
| <b>Total revenue from the sale of goods</b>    |           |           |

**12. HIRE OF FACILITIES AND EQUIPMENT**

| Description                      | 2019-2020 | 2018/2019 |
|----------------------------------|-----------|-----------|
|                                  | KShs      | KShs      |
| Hire of facilities and equipment |           |           |
| Contingent rental                |           |           |
| operating lease revenue          |           |           |
| <b>Total</b>                     |           |           |

**13. FINANCE INCOME**

| Description                         | 2019-2020 | 2018/2019 |
|-------------------------------------|-----------|-----------|
|                                     | KShs      | KShs      |
| Cash investments and fixed deposits |           |           |
| Interest income from Treasury Bills |           |           |
| Interest income from Treasury Bonds |           |           |
| Interest from outstanding debtors   |           |           |
| <b>Total finance income</b>         |           |           |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**14. OTHER INCOME**

| Description                      | 2019-2020 | 2018/2019 |
|----------------------------------|-----------|-----------|
|                                  | KShs      | KShs      |
| Insurance recoveries             |           |           |
| Consultancy fees                 |           |           |
| Income from sale of tender       |           |           |
| Services concession income       |           |           |
| Reimbursements and refunds       |           |           |
| Graduation fees                  |           |           |
| Miscellaneous ( <i>Specify</i> ) |           |           |
| <b>Total other income</b>        |           |           |

**USE OF GOODS AND SERVICES**

| Description                            | 2019-2020        | 2018/2019 |
|--|------------------|-----------|
|  | KShs             | KShs      |
| Printing and stationery                | 410,629          |           |
| Teaching and learning materials        | 456,060          |           |
| Electricity Water                      | 228,441          |           |
| Farm expenses                          | 70,200           |           |
| Administration expenses                | 839,712          |           |
| sports                                 | 138,350          |           |
| Subscriptions                          |                  |           |
| Advertising                            |                  |           |
| Examination fees                       |                  |           |
| Audit fees                             |                  |           |
| Catering, Conferences, and delegations | 86,160           |           |
| Travelling and accommodation           | 700,400          |           |
| Fuel and oil                           |                  |           |
| Insurance                              |                  |           |
| Legal expenses                         |                  |           |
| Licenses and permits                   |                  |           |
| Postage                                |                  |           |
| Printing and stationery                |                  |           |
| Hire charges                           |                  |           |
| Rent expenses                          |                  |           |
| Skills development levies              |                  |           |
| Telephone expenses                     |                  |           |
| Internet expenses                      |                  |           |
| Training expenses                      |                  |           |
| Other ( <i>Specify</i> )               |                  |           |
| <b>Total good and services</b>         | <b>2,956,952</b> |           |

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**15. EMPLOYEE COSTS**

|   | 2019-2020        | 2018/2019 |
|---|------------------|-----------|
|   | KShs             | KShs      |
| Salaries and wages  | 916,200          |           |
| Employee related costs - contributions to pensions and medical aids | 13,500           |           |
| Travel, motor car, accommodation, subsistence and other allowances  |                  |           |
| Housing benefits and allowances                                     |                  |           |
| Overtime payments   |                  |           |
| Performance and other bonuses                                       |                  |           |
| Social contributions  | 72,000           |           |
| <b>Employee costs</b>   | <b>1,001,700</b> |           |

**16. REMUNERATION OF DIRECTORS**

| Description                      | 2019-2020     | 2018/2019 |
|----------------------------------|---------------|-----------|
|                                  | KShs          | KShs      |
| Chairman's Honoraria             |               |           |
| Directors' emoluments            |               |           |
| Board Allowances                 | 68,000        |           |
| <b>Total director emoluments</b> | <b>68,000</b> |           |

**17. DEPRECIATION AND AMORTIZATION EXPENSE**

| Description                                | 2019-2020      | 2018/2019 |
|--|----------------|-----------|
|  | KShs           | KShs      |
| Property, plant and equipment              | 477,300        |           |
| Intangible assets                          |                |           |
| Investment property carried at cost        |                |           |
| <b>Total depreciation and amortization</b> | <b>477,300</b> |           |

**18. REPAIRS AND MAINTENANCE**

| Description                           | 2019-2020 | 2018/2019 |
|---------------------------------------|-----------|-----------|
|                                       | KShs      | KShs      |
| Property                              |           |           |
| Investment property – earning rentals |           |           |
| Equipment and machinery               |           |           |
| Vehicles                              |           |           |
| Furniture and fittings                |           |           |
| Computers and accessories             |           |           |
| Other                                 |           |           |
| <b>Total repairs and maintenance</b>  |           |           |

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**19. CONTRACTED SERVICES**

| Description                      | 2019-2020 | 2018/2019 |
|----------------------------------|-----------|-----------|
|                                  | KShs      | KShs      |
| Actuarial valuations             |           |           |
| Investment valuations            |           |           |
| Property valuations              |           |           |
| <b>Total contracted services</b> |           |           |

**20. GRANTS AND SUBSIDIES**

| Description                        | 2019-2020 | 2018/2019 |
|------------------------------------|-----------|-----------|
|                                    | KShs      | KShs      |
| Community development              |           |           |
| Education initiatives and programs |           |           |
| Social development                 |           |           |
| Community trust                    |           |           |
| Sporting bodies                    |           |           |
| <b>Total grants and subsidies</b>  |           |           |

**21. FINANCE COSTS**

| Description                             | 2019-2020 | 2018/2019 |
|---|-----------|-----------|
|   | KShs      | KShs      |
| Borrowings (amortized cost) *           |           |           |
| Finance leases (amortized cost)         |           |           |
| Unwinding of discount                   |           |           |
| Interest on Bank overdrafts             |           |           |
| Interest on loans from commercial banks |           |           |
| <b>Total finance costs</b>              |           |           |

**GAIN ON SALE OF ASSETS**

| Description                         | 2019-2020 | 2018/2019 |
|-------------------------------------|-----------|-----------|
|                                     | KShs      | KShs      |
|                                     |           |           |
| Property, plant and equipment       |           |           |
| Intangible assets                   |           |           |
| Other assets not capitalised        |           |           |
| <b>Total gain on sale of assets</b> |           |           |

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**22. UNREALIZED GAIN ON FAIR VALUE INVESTMENTS**

| Description               | 2019-2020 | 2018/2019 |
|---------------------------|-----------|-----------|
|                           | KShs      | KShs      |
| Investments at fair value |           |           |
| <b>Total gain</b>         |           |           |

**23. IMPAIRMENT LOSS**

| Description                   | 2019-2020 | 2018/2019 |
|-------------------------------|-----------|-----------|
|                               | KShs      | KShs      |
| Property, plant and equipment |           |           |
| Intangible assets             |           |           |
| <b>Total impairment loss</b>  |           |           |

**24. CASH AND CASH EQUIVALENTS**

| Description                            | 2019-2020      | 2018/2019 |
|--|----------------|-----------|
|  | KShs           | KShs      |
| Operation account                      | 13,965         |           |
| Main account                           | 176,414        |           |
| Fixed deposits account                 |                |           |
| Staff car loan/ mortgage               |                |           |
| Others(specify)                        |                |           |
| <b>Total cash and cash equivalents</b> | <b>190,379</b> |           |

*(The amount should agree with the closing and opening balances as included in the statement of cash flows)*

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**26 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS**

| Financial institution              | Account number | 2019-2020<br>KShs | 2018/2019<br>KShs |
|------------------------------------|----------------|-------------------|-------------------|
| <b>a) Current account</b>          |                |                   |                   |
| Access Bank                        | 090100000154   | 13,965            |                   |
| National Bank                      | 01022221620100 | 176,414           |                   |
| <b>Sub- total</b>                  |                | <b>190,379</b>    |                   |
| <b>b) On - call deposits</b>       |                |                   |                   |
| Kenya Commercial bank              |                |                   |                   |
| Equity Bank – etc                  |                |                   |                   |
| <b>Sub- total</b>                  |                |                   |                   |
| <b>c) Fixed deposits account</b>   |                |                   |                   |
| Kenya Commercial bank              |                |                   |                   |
| Bank B                             |                |                   |                   |
| <b>Sub- total</b>                  |                |                   |                   |
| <b>d) Staff car loan/ mortgage</b> |                |                   |                   |
| Kenya Commercial bank              |                |                   |                   |
| Bank B                             |                |                   |                   |
| <b>Sub- total</b>                  |                |                   |                   |
| <b>e) Others(specify)</b>          |                |                   |                   |
| Cash in transit                    |                |                   |                   |
| cash in hand                       |                |                   |                   |
| Mobile Money account               |                |                   |                   |
| <b>Sub- total</b>                  |                |                   |                   |
| <b>Grand total</b>                 |                |                   |                   |

**25. RECEIVABLES FROM EXCHANGE TRANSACTIONS**

**a) Current Receivables from Exchange Transactions**

| Description                      | 2019-2020<br>KShs | 2018/2019<br>KShs |
|----------------------------------|-------------------|-------------------|
| <b>Current receivables</b>       |                   |                   |
| Student debtors                  | 3,289,600         |                   |
| Rent debtors                     |                   |                   |
| Consultancy debtors              |                   |                   |
| Other exchange debtors           |                   |                   |
| Less: impairment allowance       |                   |                   |
| <b>Total current receivables</b> |                   |                   |

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**b) Long- term Receivables from Exchange Transactions**

| Description  | 2019-2020 | 2018/2019 |
|--|-----------|-----------|
|  | KShs      | KShs      |
| <b>Non-current receivables</b>                     |           |           |
| Refundable deposits                                |           |           |
| Advance payments                                   |           |           |
| Public organizations                               |           |           |
| Less: impairment allowance                         |           |           |
| <b>Total</b>                                       |           |           |
| Current portion transferred to current receivables |           |           |
| <b>Total non-current receivables</b>               |           |           |
| <b>Total receivables</b>                           |           |           |

**c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions**

| Description                  | 2019-2020 | 2018/2019 |
|------------------------------|-----------|-----------|
|                              | KShs      | KShs      |
| At the beginning of the year |           |           |
| Provisions during the year   |           |           |
| Recovered during the year    |           |           |
| Write offs during the year   |           |           |
| At the end of the year       |           |           |

**26. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

| Description                               | 2019-2020 | 2018/2019 |
|---|-----------|-----------|
|   | KShs      | KShs      |
| <b>Current receivables</b>                |           |           |
| Capitation grants*                        |           |           |
| Transfers from other govt. entities       |           |           |
| Undisbursed donor funds                   |           |           |
| Other debtors (non-exchange transactions) |           |           |
| Less: impairment allowance                |           |           |
| <b>Total current receivables</b>          |           |           |

*\*Receivables on capitation grants is recognised for monies received after year end but relating to the year under review.*

**Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions**

| Description                           | 2019-2020 | 2018/2019 |
|---------------------------------------|-----------|-----------|
|                                       | KShs      | KShs      |
| At the beginning of the year          |           |           |
| Additional provisions during the year |           |           |
| Recovered during the year             |           |           |
| Written off during the year           |           |           |
| At the end of the year                |           |           |

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**27. INVENTORIES**

| Description  | 2019-2020 | 2018/2019 |
|--|-----------|-----------|
|  | KShs      | KShs      |
| Consumable stores  |           |           |
| Maintenance stores   |           |           |
| Health unit stores   |           |           |
| Electrical stores  |           |           |
| Cleaning materials stores  |           |           |
| Catering stores  |           |           |
| <b>Total inventories at the lower of cost and net realizable value</b> |           |           |

**28. INVESTMENTS**

| Description   | 2019-2020 | 2018/2019 |
|---|-----------|-----------|
|   | KShs      | KShs      |
| <b>a) Investment in Treasury bills and bonds</b>        |           |           |
| <b>Financial institution</b>                            |           |           |
| CBK   |           |           |
| CBK   |           |           |
| <b>Sub- total</b>                                       |           |           |
| <b>b) Investment with Financial Institutions/ Banks</b> |           |           |
| Bank x  |           |           |
| Bank y  |           |           |
| <b>Sub- total</b>                                       |           |           |
| <b>c) Equity investments (specify)</b>                  |           |           |
| Equity/ shares in company                               |           |           |
| <b>Sub- total</b>                                       |           |           |
| <b>Grand total</b>                                      |           |           |

**Shareholding in other entities**

For investments in equity share listed under note 30 (c) above, list down the equity investments under the following categories:

| Name of entity where investment is held | No of shares        |                       |                        | Nominal value of shares | Fair value of shares | Fair value of shares |
|---|---------------------|-----------------------|------------------------|-------------------------|----------------------|----------------------|
|   | Direct shareholding | Indirect shareholding | Effective shareholding |                         |                      |                      |
|   | %                   | %                     | %                      | Shs                     | Shs                  | Shs                  |
| Entity A                                |                     |                       |                        |                         |                      |                      |
| Entity B                                |                     |                       |                        |                         |                      |                      |
| Entity C                                |                     |                       |                        |                         |                      |                      |
| Entity D                                |                     |                       |                        |                         |                      |                      |

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**29. PROPERTY, PLANT AND EQUIPMENT**

| Cost  | Buildings | Motor vehicles | Furniture and fittings | Computers      | Other Assets (Specify) | Plant and equipment | Capital Work in progress | Total            |
|---|-----------|----------------|------------------------|----------------|------------------------|---------------------|--------------------------|------------------|
|   | Shs       | Shs            | Shs                    | Shs            | Shs                    | Shs                 | Shs                      | Shs              |
| At 1 July   |           |                |                        |                |                        |                     |                          |                  |
| Additions   |           |                | 36,000                 | 1,276,020      |                        | 134,000             | 1,245,400                | 2,691,420        |
| Disposals   |           |                |                        |                |                        | -                   |                          |                  |
| Transfers/adjustments                                 |           |                |                        |                |                        | -                   |                          |                  |
| <b>At 30<sup>th</sup> June</b>                        |           |                | 36,000                 | 1,276,020      |                        | 134,000             | 1,245,400                | 2,691,420        |
| <b>Depreciation and impairment</b>                    |           |                |                        |                |                        |                     |                          |                  |
| At 1 sept 2019  |           |                |                        |                |                        | -                   |                          |                  |
| Depreciation  |           |                | 4,500                  | 424,915        |                        | 16,750              | 31,1135                  | 477,3000         |
| Impairment  |           |                | -                      | -              |                        | -                   | -                        |                  |
| <b>At 30<sup>th</sup> June</b>                        |           |                | 4,500                  | 424,915        |                        | 16,750              | 31,1135                  | 477,3000         |
| <b>Net book values</b>                                |           |                | <b>31,500</b>          | <b>851,105</b> |                        | <b>117,250</b>      | <b>1,214,265</b>         | <b>2,214,120</b> |
| <i>[Include brief description of WIP as a footer]</i> |           |                |                        |                |                        |                     |                          |                  |

WORK IN PROGRESS.

Total amounts of kshs 1,245,400 was incurred in building twin workshop and a cafeteria for food and beverage class.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**a) Valuation**

Land and buildings were valued by independent valuer on basis of valuation. These amounts were adopted on.

**b) Property, Plant and Equipment at Cost**

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

|   | Cost | Accumulated<br>Depreciation | NBV  |
|---|------|-----------------------------|------|
|   | Kshs | Kshs                        | Kshs |
| Land                                      |      |                             |      |
| Buildings                                 |      |                             |      |
| Plant and machinery                       |      |                             |      |
| Motor vehicles, including motorcycles     |      |                             |      |
| Computers and related equipment           |      |                             |      |
| Office equipment, furniture, and fittings |      |                             |      |
| <b>Total</b>                              |      |                             |      |

**30. INTANGIBLE ASSETS-SOFTWARE**

| Description                        | 2019-2020 | 2018/2019 |
|------------------------------------|-----------|-----------|
|                                    | KShs      | KShs      |
| <b>Cost</b>                        |           |           |
| <b>At beginning of the year</b>    |           |           |
| Additions                          |           |           |
| <b>At end of the year</b>          |           |           |
| Additions–internal development     |           |           |
| <b>At end of the year</b>          |           |           |
| <b>Amortization and impairment</b> |           |           |
| <b>At beginning of the year</b>    |           |           |
| Amortization                       |           |           |
| <b>At end of the year</b>          |           |           |
| Impairment loss                    |           |           |
| <b>At end of the year</b>          |           |           |
| <b>NBV</b>                         |           |           |

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**31. INVESTMENT PROPERTY**

| Description                     | 2019-2020 | 2018/2019 |
|---------------------------------|-----------|-----------|
|                                 | KShs      | KShs      |
| <b>At beginning of the year</b> |           |           |
| Additions                       |           |           |
| Disposal during the year        |           |           |
| Depreciation                    |           |           |
| Impairment                      |           |           |
| <b>At end of the year</b>       |           |           |

*(This note applies to investment property held at cost. For investment property held at fair value, changes in fair value should go through the statement of financial performance).*

**32. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

| Description                           | 2019-2020        | 2018/2019 |
|---------------------------------------|------------------|-----------|
|                                       | KShs             | KShs      |
| Trade payables                        | 1,606,201        |           |
| Fees paid in advance                  | 896,850          |           |
| Employee advances                     |                  |           |
| Third-party payments                  |                  |           |
| Other payables                        |                  |           |
| <b>Total trade and other payables</b> | <b>2,503,051</b> |           |

**33. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS**

| Description               | 2020-2021      | 2018-2019 |
|---------------------------|----------------|-----------|
|                           | KShs           | KShs      |
| Consumer deposits         |                |           |
| Caution money             |                |           |
| Other refundable deposits | 175,000        |           |
| <b>Total deposits</b>     | <b>175,000</b> |           |

**34. CURRENT PROVISIONS**

| Description                                     | Leave provision | Bonus provision | Gratuity Provisions | Other provision | Total |
|---|-----------------|-----------------|---------------------|-----------------|-------|
|   | KShs            | KShs            | KShs                | KShs            | KShs  |
| <b>Balance at the beginning of the year</b>     |                 |                 |                     |                 |       |
| Additional Provisions                           |                 |                 |                     |                 |       |
| Provision utilised                              |                 |                 |                     |                 |       |
| Change due to discount and time value for money |                 |                 |                     |                 |       |
| Transfers from non -current provisions          |                 |                 |                     |                 |       |
| <b>Total provisions</b>                         |                 |                 |                     |                 |       |

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35. FINANCE LEASE OBLIGATION**

| Description                          | 2019-2020 | 2018-2019 |
|--------------------------------------|-----------|-----------|
|                                      | KShs      | KShs      |
| <b>At the start of the year</b>      |           |           |
| Discount interest on lease liability |           |           |
| Paid during the year                 |           |           |
| <b>At end of the year</b>            |           |           |

**Maturity Analysis**

| Period                  | Amount |
|-------------------------|--------|
| Year 1                  |        |
| Year 2                  |        |
| Year 3                  |        |
| Year 4                  |        |
| Year 5 and onwards      |        |
| Less: Unearned interest |        |
|                         |        |

**Analysed as:**

| Description  | Amount |
|--------------|--------|
| Current      |        |
| Non- Current |        |
| <b>Total</b> |        |

**36. DEFERRED INCOME**

| Description                        | 2019-2020 | 2018-2019 |
|------------------------------------|-----------|-----------|
|                                    | KShs      | KShs      |
| National government                |           |           |
| International funders              |           |           |
| Public contributions and donations |           |           |
| <b>Total deferred income</b>       |           |           |

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The deferred income movement is as follows:

|                               | National government | International funders/donors | Public contributions and donations | Total |
|-------------------------------|---------------------|------------------------------|------------------------------------|-------|
| Balance brought forward       |                     |                              |                                    |       |
| Additions during the year     |                     |                              |                                    |       |
| Transfers to Capital fund     |                     |                              |                                    |       |
| Transfers to income statement |                     |                              |                                    |       |
| Other transfers               |                     |                              |                                    |       |
| Balance carried forward       |                     |                              |                                    |       |

**37. EMPLOYEE BENEFIT OBLIGATIONS**

| Description                               | Defined benefit plan | Post-employment medical benefits | Other Provisions | 2019-2020 | 2018-2019 |
|---|----------------------|----------------------------------|------------------|-----------|-----------|
|   | KShs                 | KShs                             | KShs             | KShs      | KShs      |
| Current benefit obligation                |                      |                                  |                  |           |           |
| Non-current benefit obligation            |                      |                                  |                  |           |           |
| <b>Total employee benefits obligation</b> |                      |                                  |                  |           |           |

**Retirement benefit Asset/ Liability**

The entity operates a defined benefit scheme for all full-time employees from July 1, 20XX. The scheme is administered by while are the custodians of the scheme. The scheme is based on percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at June by actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

|                              | 2019-2020 | 2018-2019 |
|------------------------------|-----------|-----------|
|                              | Kshs      | Kshs      |
| Discount rates               |           |           |
| Future salary increases      |           |           |
| Future pension increases     |           |           |
| Mortality (Pre- retirement)  |           |           |
| Mortality (Post- retirement) |           |           |
| Withdrawals                  |           |           |
| Ill health                   |           |           |
| Retirement                   |           |           |

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**Recognition of Retirement Benefit Asset/ Liability**

**a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:**

|  | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| Description  | Kshs      | Kshs      |
| The return on defined plan assets  |           |           |
| Actuarial gains/ losses arising from changes in demographic assumptions    |           |           |
| Actuarial gains/ losses arising from 0020 changes in financial assumptions |           |           |
| Actuarial gains and losses arising from experience adjustments             |           |           |
| Others (Specify)   |           |           |
| Adjustments for restrictions on the defined benefit asset                  |           |           |
| <b>Remeasurement of the net defined benefit liability (asset)</b>          |           |           |

**b) Amounts recognised in the Statement of Financial Position**

|  | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| Description  | Kshs      | Kshs      |
| Present value of defined benefit obligations(a)                |           |           |
| Fair value of plan assets(b)                                   |           |           |
| Funded Status(=a-b)  |           |           |
| Restrictions on asset recognised                               |           |           |
| Others   |           |           |
| Net Asset or liability arising from defined benefit obligation |           |           |

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. per employee per month. Other than NSSF the entity also has a defined contribution scheme operated by Pension Fund. Employees contribute xx% while employers contribute xx% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**38. NON-CURRENT PROVISIONS**

| Description                                     | Long service leave | Bonus Provision | Gratuity | Other Provisions | Total |
|---|--------------------|-----------------|----------|------------------|-------|
|   | KShs               |                 | KShs     | KShs             | KShs  |
| Balance at the beginning of the year            |                    |                 |          |                  |       |
| Additional Provisions                           |                    |                 |          |                  |       |
| Provision utilised                              |                    |                 |          |                  |       |
| Change due to discount and time value for money |                    |                 |          |                  |       |
| Less: Current portion                           |                    |                 |          |                  |       |
| <b>Total deferred income</b>                    |                    |                 |          |                  |       |

*(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 34)*

**39. BORROWINGS**

| Description                                       | 2019-2020 | 2018-2019 |
|---|-----------|-----------|
|   | KShs      | KShs      |
| Balance at beginning of the year                  |           |           |
| External borrowings during the year               |           |           |
| Domestic borrowings during the year               |           |           |
| Repayments of external borrowings during the year |           |           |
| Repayments of domestic borrowings during the year |           |           |
| Balance at end of the year                        |           |           |

**40. ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS**

|   | 2019-2020 | 2018-2019 |
|---|-----------|-----------|
|   | KShs      | KShs      |
| <b>External Borrowings</b>                              |           |           |
| Dollar denominated loan from 'organization'             |           |           |
| Sterling Pound denominated loan from 'yyy organization' |           |           |
| Euro denominated loan from zzz organisation'            |           |           |
| <b>Domestic Borrowings</b>                              |           |           |
| Kenya Shilling loan from KCB                            |           |           |
| Kenya Shilling loan from Barclays Bank                  |           |           |
| Kenya Shilling loan from Consolidated Bank              |           |           |
| <b>Total balance at end of the year</b>                 |           |           |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**41. BREAKDOWNS OF LONG- AND SHORT-TERM BORROWINGS**

| Description                             | 2019-2020 | 2018-2019 |
|---|-----------|-----------|
|   | KShs      | KShs      |
| Short term borrowings (current portion) |           |           |
| Long term borrowings                    |           |           |
| <b>Total</b>                            |           |           |

*(NB: the total of this statement should tie to note 42 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).*

**1. SERVICE CONCESSION ARRANGEMENTS**

| Description  | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
|  | KShs      | KShs      |
| Fair value of service concession assets recognized under PPE |           |           |
| Accumulated depreciation to date                             | ()        |           |
| Net carrying amount  |           |           |
| Service concession liability at beginning of the year        |           |           |
| Service concession revenue recognized                        | ()        | ()        |
| Service concession liability at end of the year              |           |           |

**2. CASH GENERATED FROM OPERATIONS**

|  | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| Surplus for the year before tax                | KShs      | KShs      |
| <b>Adjusted for:</b>                           |           |           |
| Depreciation                                   |           |           |
| Non-cash grants received                       |           |           |
| Contributed assets                             |           |           |
| Impairment                                     |           |           |
| Gains and losses on disposal of assets         |           |           |
| Contribution to provisions                     |           |           |
| Contribution to impairment allowance           |           |           |
| Finance income                                 |           |           |
| Finance cost                                   |           |           |
| <b>Working Capital adjustments</b>             |           |           |
| Increase in inventory                          |           |           |
| Increase in receivables                        |           |           |
| Increase in deferred income                    |           |           |
| Increase in payables                           |           |           |
| Increase in payments received in advance       |           |           |
| <b>Net cash flow from operating activities</b> |           |           |

*(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)*

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**3. FINANCIAL RISK MANAGEMENT**

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

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

**i. Credit risk**

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

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

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

|  | <b>Total amount<br/>Kshs</b> | <b>Fully performing<br/>Kshs</b> | <b>Past due<br/>Kshs</b> | <b>Impaired<br/>Kshs</b> |
|--|------------------------------|----------------------------------|--------------------------|--------------------------|
| <b>At 30 June 20xx</b>                     |                              |                                  |                          |                          |
| Receivables from exchange transactions     |                              |                                  |                          |                          |
| Receivables from non-exchange transactions |                              |                                  |                          |                          |
| Bank balances                              |                              |                                  |                          |                          |
| <b>Total</b>                               |                              |                                  |                          |                          |
| <b>At 30 June 20xx</b>                     |                              |                                  |                          |                          |
| Receivables from exchange transactions     |                              |                                  |                          |                          |
| Receivables from non-exchange transactions |                              |                                  |                          |                          |
| Bank balances                              |                              |                                  |                          |                          |
| <b>Total</b>                               |                              |                                  |                          |                          |

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)*

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**FINANCIAL RISK MANAGEMENT (Continued)**

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

The entity has significant concentration of credit risk on amounts due from x

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

**ii. Liquidity risk management**

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

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

|                               | Less than 1<br>month | Between 1-3<br>months | Over 5<br>months | Total |
|-------------------------------|----------------------|-----------------------|------------------|-------|
|                               | Kshs                 | Kshs                  | Kshs             | Kshs  |
| <b>At 30 June 20xx</b>        |                      |                       |                  |       |
| Trade payables                |                      |                       |                  |       |
| Current portion of borrowings |                      |                       |                  |       |
| Provisions                    |                      |                       |                  |       |
| Deferred income               |                      |                       |                  |       |
| Employee benefit obligation   |                      |                       |                  |       |
| <b>Total</b>                  |                      |                       |                  |       |
| <b>At 30 June 20xx</b>        |                      |                       |                  |       |
| Trade payables                |                      |                       |                  |       |
| Current portion of borrowings |                      |                       |                  |       |
| Provisions                    |                      |                       |                  |       |
| Deferred income               |                      |                       |                  |       |
| Employee benefit obligation   |                      |                       |                  |       |
| <b>Total</b>                  |                      |                       |                  |       |

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**FINANCIAL RISK MANAGEMENT (Continued)**

**iii. Market risk**

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

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

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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

|   | Ksh  | Other currencies | Total |
|---|------|------------------|-------|
|   | Kshs | Kshs             | Kshs  |
| <b>At 30 June 20xx</b>                        |      |                  |       |
| Financial assets (investments, cash, debtors) |      |                  |       |
| Liabilities                                   |      |                  |       |
| Trade and other payables                      |      |                  |       |
| Borrowings                                    |      |                  |       |
| Net foreign currency asset/(liability)        |      |                  |       |

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

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**FINANCIAL RISK MANAGEMENT (Continued)**

Market risk (Continued)

a) Foreign currency risk (Continued)

|  | Ksh  | Other<br>currencies | Total |
|--|------|---------------------|-------|
|  | Kshs | Kshs                | Kshs  |
| <b>At 30 June 2020</b>                           |      |                     |       |
| Financial assets (investments, cash,<br>debtors) |      |                     |       |
| Liabilities                                      |      |                     |       |
| Trade and other payables                         |      |                     |       |
| Borrowings                                       |      |                     |       |
| Net foreign currency asset/(liability)           |      |                     |       |

**Foreign currency sensitivity analysis**

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

|             | Change in<br>currency rate | Effect on Profit<br>before tax | Effect on<br>equity |
|-------------|----------------------------|--------------------------------|---------------------|
|             | Kshs                       | Kshs                           | Kshs                |
| <b>20xx</b> |                            |                                |                     |
| Euro        | 10%                        |                                |                     |
| USD         | 10%                        |                                |                     |
| <b>20xx</b> |                            |                                |                     |
| Euro        | 10%                        |                                |                     |
| USD         | 10%                        |                                |                     |

b) Interest rate risk

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

*Management of interest rate risk*

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

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**FINANCIAL RISK MANAGEMENT (Continued)**

Market risk (Continued)

b) Interest rate risk(continued)

*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.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs (2016: KShs ). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs (2020 – KShs )

**iv. Capital Risk Management**

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

|  | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
|  | Kshs      | Kshs      |
| Revaluation reserve                          |           |           |
| Retained earnings                            |           |           |
| Capital reserve                              |           |           |
| <b>Total funds</b>                           |           |           |
|  |           |           |
|  |           |           |
| Total borrowings                             |           |           |
| Less: cash and bank balances                 |           |           |
| Net debt/ (excess cash and cash equivalents) |           |           |
| <b>Gearing</b>                               | xx%       | xx%       |

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**45. RELATED PARTY BALANCES**

**Nature of related party relationships**

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

**Government of Kenya**

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity'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) ;
- iv) ;
- v) ;
- vi) Key management;
- vii) Board of directors;

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

|  | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
|  | Kshs      | Kshs      |
| <b>Transactions with related parties</b>               |           |           |
| <b>a) Sales to related parties</b>                     |           |           |
| Sales of electricity to Govt agencies                  |           |           |
| Rent Income from govt. agencies                        |           |           |
| Water sales to Govt. agencies                          |           |           |
| Others (Specify)                                       |           |           |
| <b>Total</b>   |           |           |
| <b>b) Purchases from related parties</b>               |           |           |
| Purchases of electricity from KPLC                     |           |           |
| Purchase of water from govt service providers          |           |           |
| Rent expenses paid to govt agencies                    |           |           |
| Training and conference fees paid to govt. agencies    |           |           |
| Others (specify)                                       |           |           |
| <b>Total</b>   |           |           |
| <b>b) Grants /Transfers from the Government</b>        |           |           |
| Grants from National Govt                              |           |           |
| Grants from County Government                          |           |           |
| Donations in kind                                      |           |           |
| <b>Total</b>   |           |           |
| <b>c) Expenses incurred on behalf of related party</b> |           |           |
| Payments of salaries and wages for employees           |           |           |
| Payments for goods and services for                    |           |           |
| <b>Total</b>   |           |           |
| <b>d) Key management compensation</b>                  |           |           |
| Directors' emoluments                                  |           |           |
| Compensation to key management                         |           |           |
| <b>Total</b>   |           |           |

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**46. SEGMENT INFORMATION**

*(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)*

**47. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

**Contingent Assets**

|  | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
|  | Kshs      | Kshs      |
| <b>Contingent assets</b>                         |           |           |
| Insurance reimbursements                         |           |           |
| Assets arising from determination of court cases |           |           |
| Reimbursable indemnities and guarantees          |           |           |
| Others (Specify)                                 |           |           |
| <b>Total</b>                                     |           |           |

**Contingent Liabilities**

|  | 2019-2020 | 2019-2020 |
|--|-----------|-----------|
|  | Kshs      | Kshs      |
| <b>Contingent liabilities</b>                                |           |           |
| Court case against the entity                                |           |           |
| Bank guarantees in favour of subsidiary                      |           |           |
| Contingent liabilities arising from contracts including PPPs |           |           |
| Others (Specify)   |           |           |
| <b>Total</b>   |           |           |

*(Give details)*

**48. CAPITAL COMMITMENTS**

| Capital commitments           | 2019-2020 | 2018-2019 |
|-------------------------------|-----------|-----------|
|                               | Kshs      | Kshs      |
| Authorised for                |           |           |
| Authorised and contracted for |           |           |
| <b>Total</b>                  |           |           |

*(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the entity but at the end of the year had not been contracted or those already contracted for and ongoing)*

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**49. DEFERRED TAX LIABILITY**

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

|   | 2019-2020 | 2018-2019 |
|---|-----------|-----------|
|   | Kshs      | Kshs      |
| Accelerated capital allowances                          |           |           |
| Unrealised exchange gains/(losses)                      |           |           |
| Revaluation surplus                                     |           |           |
| Tax losses carried forward                              |           |           |
| Provisions for liabilities and charges                  |           |           |
| <b>Net deferred tax liability/(asset)</b>               |           |           |
| The movement on the deferred tax account is as follows: |           |           |
| Balance at beginning of the year                        |           |           |
| Credit to revaluation reserve                           |           |           |
| Under provision in prior year                           |           |           |
| Income statement charge/(credit)                        |           |           |
| Balance at end of the year                              |           |           |

*[In ordinary circumstances public sector entities under IPSAS are not expected to pay taxes. However, in specific cases where this is applicable an organisation is supposed to seek guidance on accounting for income taxes from IAS 12)*

**50. EVENTS AFTER THE REPORTING PERIOD**

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

**51. ULTIMATE AND HOLDING ENTITY**

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

**52. CURRENCY**

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

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**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b> | <b>Management comments</b> | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---|--|----------------------------|--|---|
|   |  |                            |  |   |
|   |  |                            |  |   |
|   |  |                            |  |   |
|   |  |                            |  |   |
|   |  |                            |  |   |
|   |  |                            |  |   |
|   |  |                            |  |   |
|   |  |                            |  |   |

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

Accounting Officer

Name

(Enter title of head of entity)

Signature

Date.

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**APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY**

**Projects**

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

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

**Status of Projects completion**

*(Summarise the status of project completion at the end of each quarter, i.e., total costs incurred, stage which the project is etc)*

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

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**APPENDIX III: INTER-ENTITY TRANSFERS**

| <b>ENTITY NAME:</b>   |                    |                            |                      |  |
|---|--------------------|----------------------------|----------------------|--|
| <b>Break down of Transfers from the State Department of</b> |                    |                            |                      |  |
| <b>FY 2019/2021</b>   |                    |                            |                      |  |
|   |                    |                            |                      |  |
|   |                    |                            |                      |  |
| a.  | Recurrent Grants   |                            |                      |  |
|   |                    | <u>Bank Statement Date</u> | <u>Amount (KShs)</u> | <u>Indicate the FY to which the amounts relate</u> |
|   | Capitation         | 19/5/2021                  | 90,000               | FY2019/2020  |
|   | Operation          | 19/5/202                   | 1,000,000            | FY2019/2020  |
|   |                    |                            |                      |  |
|   |                    | <b>Total</b>               |                      |  |
|   |                    |                            |                      |  |
| b.  | Development Grants |                            |                      |  |
|   |                    | <u>Bank Statement Date</u> | <u>Amount (KShs)</u> | <u>Indicate the FY to which the amounts relate</u> |
|   |                    |                            |                      |  |
|   |                    |                            |                      |  |
|   |                    | <b>Total</b>               |                      |  |
|   |                    |                            |                      |  |
| c.  | Direct Payments    |                            |                      |  |
|   |                    | <u>Bank Statement Date</u> | <u>Amount (KShs)</u> | <u>Indicate the FY to which the amounts relate</u> |
|   |                    |                            |                      |  |
|   |                    |                            |                      |  |
|   |                    | <b>Total</b>               |                      |  |
|   |                    |                            |                      |  |
| d.  | Donor Receipts     |                            |                      |  |
|   |                    | <u>Bank Statement Date</u> | <u>Amount (KShs)</u> | <u>Indicate the FY to which the amounts relate</u> |
|   |                    |                            |                      |  |
|   |                    |                            | xx                   |  |
|   |                    | <b>Total</b>               |                      |  |
|   |                    |                            |                      |  |

The above amounts have been communicated to and reconciled with the parent Ministry

Finance Manager  
entity

Sign -----

Head of Accounting Unit  
Ministry

Sign-----

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**APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

| Name of the MDA/Donor Transferring the funds | Date received as per bank statement | Nature: Recurrent/Development/Donor Fund/Others | Total Amount - KES | Where Recorded/recognized          |              |                 |             |                           | Total Transfers during the Year |
|--|-------------------------------------|---|--------------------|------------------------------------|--------------|-----------------|-------------|---------------------------|---------------------------------|
|  |                                     |   |                    | Statement of Financial Performance | Capital Fund | Deferred Income | Receivables | Others - must be specific |                                 |
| Ministry of Education                        |                                     | Recurrent                                       | 1,090,000          |                                    |              |                 |             |                           | 1,090,000                       |
| Ministry of Education                        |                                     | Development                                     |                    |                                    |              |                 |             |                           |                                 |
| USAID  |                                     | Donor Fund                                      |                    |                                    |              |                 |             |                           |                                 |
| Ministry of Education                        |                                     | Direct Payment                                  |                    |                                    |              |                 |             |                           |                                 |
| <b>Total</b>                                 |                                     |   |                    |                                    |              |                 |             |                           |                                 |