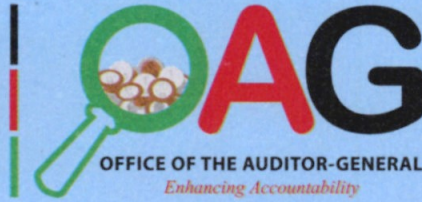


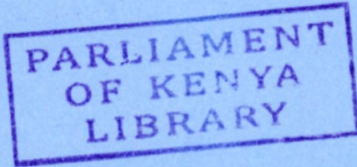
REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL



ON

KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED
30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 08 APR 2026	DAY: wed
TABLED BY:	Hon. Samuel Cheptoo
CLERK AT THE TABLE:	Trudo Afabu



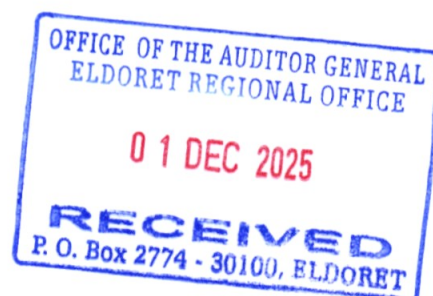
KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2025

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



Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Table of Contents

1.	Acronyms and Definition of Key Terms.....	ii
2.	Key Entity Information and Management.....	iii
3.	The Board of Governors.....	viii
4.	Key Management Team.....	xii
5.	Chairman's Statement.....	xiv
6.	Report of the Principal.....	xv
7.	Statement of Performance against Predetermined Objectives.....	xvi
8.	Corporate Governance Statement.....	xxii
9.	Management Discussion and Analysis.....	xxiv
10.	Environmental And Sustainability Reporting Statement.....	xxv
11.	Report of the Board of Governors.....	xxvi
12.	Statement of Board of Governors/ Council's Responsibilities.....	xxvii
13.	Report of the Independent Auditor on Kerio Valley Technical and Vocational College.....	xxix
14.	Statement of Financial Performance For The Year Ended 30 June 2025.....	1
15.	Statement of Financial Position As At 30th June 2025.....	3
16.	Statement of Changes in Net Asset For The Year Ended 30 June 2025.....	5
17.	Statement of Cash Flows For The Year Ended 30 June 2025.....	6
18.	Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025.....	7
19.	Notes to the Financial Statements.....	8
20.	Appendices.....	56

1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Kerio Valley Technical and Vocational College is situated in Mrakwet East sub-county in Elgeiyo –marakwet county. It is 150 Km from Eldoret town and 7 Km from Tot centre. It is along Kapsowar –Tot-Marich. The idea of establishing the college came in 2007 when community members saw the need to have a youth polytechnic in the region. The community leaders mobilised the community members for land. The community members after along discussion and persuasion gave out 92 acres of their land to Kerio Valley Technical training institute. The clans who gave out their land were Kamariny and Karamwar in Talai location. Four classrooms were constructed by CDF. Kerio valley TTI was identified by Elgeiyo marakwet county. The modern building was constructed and equipped by the Ministry Of Education and it is a centre of excellence in tailoring and fashion design.

(b) Principal Activities

The principal activity/mission/ mandate of the entity is to offer high quality Technical Training, carry out innovative research and community outreach programmes for sustainable socio-economic development.

Vision

A centre of excellence in TVET, Research and innovations

Mission

To provide globally competitive skills in TVET, innovation and research solutions for socio-economic prosperity.

Core values

- Professionalism
- Accountability
- Teamwork
- Reliability
- Integrity
- Innovation & Creativity
- Customer Focus

(c) Key Management

The entity's day-to-day management is under the following key organs:

- Board of Governors.
- Principal
- Deputy Principal's
- Head of Departments

(d) Fiduciary Management

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

(a)

SN.	Designation	Name
1.	Principal	Johnstone Lobillaghan
2.	Deputy principal Administration	Wesley Rutto
3	Deputy principal Academics	Mr Emmaul Seroney
4	Registrar (s)	James Bor
5	Dean of students	Victor Kibet
6	Accounts Clerk	Harrison Kiptilak

(e) Entity Information and Management (Continued)

Fiduciary Oversight Arrangements

The Board of Governors' Sub-committees facilitate decision making to assist the Board in execution of its duties, powers and authority; however delegation of authority to the committees does not in any way take away the prerogative powers of the Main Board in discharging its duties. The Committees have been established with formal written terms of reference to guide their activities.

In the **FY 2024-2025**, the following Board sub-committees were in place:

I. Finance, Infrastructure and General purpose Committee

- | | |
|---------------------------------------|--------------------|
| (i) Mr. Edwin kemboi suter | Chairperson |
| (ii) Mr. Nickson Changkwony | Member |
| (iii) Ms. Lorna Kipsang | Member |
| (iv) Mr. Johnstone Lobillaghan | Secretary |

II. Education, Training and Research Committee

- | | |
|---------------------------------------|--------------------|
| (i) Ms. Loice Kipkiror | Chairperson |
| (ii) Mr. James Wakesa | Member |
| (iii) Mr. Nickson Changkwony | Member |
| (iv) Mr. Johnstone Lobillaghan | Secretary |

III. Audit, Risk and Compliance Committee

- | | |
|-------------------------------------|--------------------|
| (i) Mr. James Wakesa | Chairperson |
| (ii) Mr. Edwin Suter | Member |
| (iii) Mr. Edwin kemboi Suter | Member |

(f) Entity Headquarters

P.O. Box 152-30700
ITEN, KENYA

(g) Entity Contacts

Telephone: (254) 792046187
E-mail: keriovalleytti@gmail.com
Website: www.keriovalleytvc.ac.ke

(h) Entity Bankers

Kenya Commercial Bank
Account Number: **1280140976**
Eldoret Branch.

(i) Independent Auditors


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




Key Entity Information and Management (Continued)

(j) Principal Legal Adviser



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

3.The Board of Governors


<p>1.</p>	 <p>Dr Paul Suter BoG Chairperson.</p>	<p>Dr Paul Suter was born in 1968. He is the chairman of the Board of the college. He is a sociologist. He holds a PhD Sociology from Moi University, MA Sociology from UoN and BA Sociology and Economics from Egerton University. He has a wealthy experience in management and general administration having worked in several docket. He is currently the Head of Sociology, Psychology & Anthropology, Moi University. Also, the Coordinator Privately sponsored Students Programme (PSSP) School of Artd and Social Science Moi University.</p>
<p>2.</p>	 <p>Dr. Dr Loice j. Kipkorir (PhD) PhD(UoE) MSc (Moi University) BEd (UoN) Member</p>	<p>Dr Loice j. Kipkorir (PhD) was born in 1972. She is a member of the college board. She is a member of Human resource and General Purpose Committees. She is an experienced educationist. She is a lecturer, Humanities Department; School of Arts and Social Science, University of Kabianga. She holds other administrative responsibilities at the university; member of the university senate, Internal auditor (Quality Management Systems, Teaching Practice Assessor and a member of the Disability mainstreaming committee. Others <u>Responsibilities</u> include: Environmental consultant- lead Expert registered by National Environment Management Authority(NEMA), A Newspaper Columnist with the Nation Newspaper on Environmental matters. She Was formerly: A Head of Humanities Department, Member of the school academic Committee in Seko Girls High School. She was a Teacher in the following secondary schools; Moi Girls High School – Eldoret and Atanus Secondary School in Keiyo District. She Holds a PhD in Environmental Studies from University of Eldoret, MSc in Environmental Studies from Moi University and a Bachelor of Education from University of Nairobi.</p>

<p>3.</p>	 <p>BoG- Member Mr. Chang'kwony M Nixon MBA (Catholic University of Eastern Africa) BCOM (Catholic University of Eastern Africa) CPA (K)</p>	<p>Chang'kwony M Nixon was born 1978. He is a member of the finance committee in the college board. He is currently the CO Finance in Elgeyo Marakwet County. He has a wealth experience in Accounting and Economic Planning. He is a former Senior Accountant, County Referral Hospital, in the Department of Finance and Planning, in the County Government of Baringo. He formerly served in various capacities including, Senior Accountant in the County Head Office Treasury-Baringo county, was also a County, Sub – County Accountant, also he formerly worked with Kerio Community service as Accounts Clerk. He holds Master of Business Administration from Catholic University of Eastern Africa, Bachelor of Commerce from Catholic University of Eastern Africa and Certified Public Accountant - CPA (K) – KASNEB.</p>
<p>4.</p>	 <p>Mr. Wekesa James Juma MSc. Agricultural Engineering (JKUAT) Bsc. (Egerton University) Member</p>	<p>Wekesa James Juma was born in 1967. He is a member of the college board. He is a member of Human resources and General Purpose and Finance Committees. He has a vast experience in Agriculture and has served in different capacities in the county. He is the Acting County Director Elgeyo Marakwet County. He has previously served has Sub-County Agriculture officer, Marakwet West Sub-county. He was formely the County Soil and Water Conservation Officer, Elgeyo Marakwet County. He has attended various trainings and workshops in special areas of interest. He Holds a Masters in Agricultural Engineering from Jomo Kenyatta University of Agriculture and Technology and a Bachelor's Degree from Egerton University.</p>
<p>5.</p>	 <p>BoG – Member</p>	<p>Lorna C. Kipsang was born 1981. She is a member of the college board. She is a member of Human Resources and General Purpose and Finance Committees. She is CO Sports and gender in Elgeyo Marakwet County. She is former teacher and HOD English Department Kaspowar Girls Secondary School. She is currently the Assistant County Scout Commissioner in charge of programmes in Elgeyo Marakwet County and Assistant Sub-County Scout Commissioner Marakwet West. She a member of the following organizations: Kenya Red Cross, Rift Valley Music Association and Marakwet Music Association. She holds a master's in development</p>




**Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025**

	<p>Ms. Lorna C. Kipsang Master's in development studies (Catholic University of Eastern Africa) BEd (Catholic University of Eastern Africa)</p>	<p>studies from Catholic University of Eastern Africa and a Bachelor of Education Degree from Catholic University of Eastern Africa</p>
<p>6.</p>	 <p>Mr. Edwin Kemboi Sutter MA Maseno university() BSc Computer Science, University of Hertfordshire (UK) Higher Diploma in Management Information Systems (UK), BSc Mathematics (Kenyatta University) Member</p>	<p>Mr Kemboi is the Chief Information Officer Sunbridge Online Merchants Limited . He is the former Chief Officer – ICT & e-Government Uasin Gishu County from 2013-2018. Mr Kemboi also served in different level as: Head of ICT, Deputy Head ICT and ICT Officer in the Ministry of Medical Services.He is also a former teacher of Kitany High school. He holds a MA degree from Maseno University, BSc Computer Science, University of Hertfordshire, United Kingdom ,Higher Diploma in Management Information Systems (MIS), Institute of the Management Information Systems, United Kingdom Diploma in Advanced Study of Theory & Practice of Management/Administration, Cambridge International College, Jersey, United Kingdom ,Diploma in Office Management/Administration, Cambridge International College, Jersey, Great United Kingdom, Diploma in Computers in Business & Administration, Cambridge International College, Jersey, United Kingdom and BSc Mathematics, Kenyatta University. Mr Kemboi Hold various certification in the ICT field which include: CCNA,CCNP, CISA, MCSE and other senior management courses from reputable institutions</p>
<p>7.</p>	 <p>Michael Rugut Bachelors in Production Technology, Master's Degree in Administration</p>	<p>Mr. Rugut was born on 10th June 1967. He is a career civil servant currently serving as the Uasin Gishu County Director of TVET and represents the Principal Secretary, state Department of Vocational & Technical Training in the Board of Governors having worked previously at the Head Office, Ministry of Education, science and Technology, Nairobi. He has a degree in Production Technology from Moi University. He attained a certificate in Automotive Engineering and Construction from University of Japan. He holds a Master's Degree in Administration (Project Management) from Kenyatta University; He is also of a member of Finance and general purpose Committee.</p>




Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

8.	 <p>Johnstone Lobillaghan BOG Secretary</p>	<p>Mr Johnstone Lobillaghan was born in 01/07/1968. He is the Board Secretary of the College. He is a graduate from Moi University Bachelor of Education in Technology Education(BED Technology). He has served as Principal Kerio Valley High school for five years and the Principal Kerio Valley TVC. He has undergone various short courses in Education Management. He has over 28 years teaching experience</p>
----	--	---

4. Key Management Team

SN.	<i>Details</i>	<i>Professional Qualifications</i>
1.	 <p>Johnstone Lobillaghan Bachelor of Education in Technology Education (BED Technology)</p>	Principal
2.	 <p>Wesley Rutto BED Technology Education</p>	Deputy Principal (Administration)
3.	 <p>Emmanuel Kipkorir Seroney Msc. Agricultural Extension Bsc. Agricultural Education & Extension. Bed Education</p>	Deputy Principal (Academics)

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

4.	 <p>James Bor Bsc Computer Science</p>	Registrar
5.	 <p>Victor Kibet Bsc Fashion Design and Textile Technology</p>	Dean of Students'
6.	 <p>CPA Harrison K. Kiptilak</p>	Accountant

5. Chairman's Statement

It is my pleasure to present the Kerio Valley Technical and Vocational College Annual report and financial statement for the year ended 30th June 2025.

During the year under review the College registered low growth in enrolment of students. The Board employed more trainers to provide required manpower. The Board committed resources towards the provision of training materials, tools and equipment to ensure quality in training.

Capacity building and training of staff were conducted during the period. This will go a long way in transforming the approaches in management of college activities and service delivery to trainees.

I wish to thank the Government of Kenya for supporting TVET and making it attractive through scholarship, capitation, HELB facilities and provision of state of art training equipment. However, due to under funding of students capitation and delayed disbursement of students scholarship's, capitation and HELB loan 's college operations were affected and our appeal to the Government is to ensure that adequate funding are provided to TVET to ensure delivery of quality service.

Due to increased enrolment, the capacity of tuition facilities is currently strained. I therefore appeal to the Government to consider providing development grants for expansion of infrastructure to accommodate rising number of students and enhance access to training.

Finally, I thank all stakeholders for their continued support and we endeavour to make even greater strides in the coming years to achieve our vision.

Signature  Date 

DR. PAUL C. SUTER.
BOARD OF GOVERNORS CHAIRPERSON

6. Report of the Principal.

I'm pleased to present the Annual report and financial statements for the year ending 30th June 2025. During the year, the college had a low student's enrollment and the management has put in place marketing strategies to market college programmes in the subsequent financial year. The college has improved on its service capacity through recruitment of more trainers employed by the Board of Governors and Public service Commission.

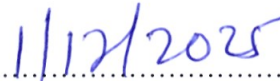
During the year under review, the college received **Kshs.14,588,301** from the following sources. Students' fees (A in A) **Ksh.8,062,680** and **Ksh 6,525,621** from GOK student capitation and total expenditure stood at **Kshs 10,338,864** resulting to a surplus of **Ksh4,249,437**. The surplus is attributed to the low student's enrollment during the financial year and underfunding of students' capitation hence affecting college operations and implementation of college programmes. I wish to extend my appreciation to students for exhibiting good behaviour and discipline.

I also appreciate the Board of Governors for providing the strategic leadership as well as staff for their commitment to providing service. In conclusion I wish to thank all stake holders for their support during the period.

Signature



Date



MR. JOHNSTONE LOBILLAGHAN
PRINCIPAL/BOG SECRETARY.

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

7. Statement of Performance against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Kerio valley technical and vocational college has 8 strategic areas and objectives within current Strategic Plan for the FY 2020/2021 -2024/2025. These strategic areas are follows:

- 1) Training;
- 2) Infrastructure and Development;
- 3) Governance and Human Resource;
- 4) Financial Stewardship and Sustainability;
- 5) ICT Integration;
- 6) Research, Innovation and Enterprise;
- 7) Collaborations and Partnerships; and
- 8) Students Welfare.

The institute develops its annual work plans based on the above 8 areas. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The institute achieved its performance targets set for the FY 2021/2022 period for its 8 strategic areas, as indicated in the diagram below:

Strategic Areas 1: (Training)	Output/activ ity	quarterly budget estimates –Ksh ‘000,000’					Implementer
		Q1	Q2	Q3	Q4	TOTAL	
SWOT analysis of programmes	Relevance of training programmes	0.3175	0.3175	0.3175	0.3175	1.27	Principal
Set up academic review committee	Relevance of CBET programmes	0.3175	0.3175	0.3175	0.3175	1.27	Principal
Labour needs assessment	CBET training	0.3175	0.3175	0.3175	0.3175	1.27	Principal
Induct trainers on CBET curriculum	Quality training	0.3175	0.3175	0.3175	0.3175	1.27	Principal
Increases CBET courses	CBET programmes	0.0675	0.0675	0.0675	0.0675	0.27	Principal
Application to TVETA for registration and accreditation of CBET courses	Accreditation of CBET programmes	0.0675	0.0675	0.0675	0.0675	0.27	Principal
Establish CBET implementation committee	Monitoring evaluation and reporting	0.0675	0.0675	0.0675	0.0675	0.27	Principal

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Implement developed curriculum	Quality up	0.0675	0.0675	0.0675	0.0675	0.27	Principal
Upgrade staff skills	Quality training	1.05	1.05	1.05	1.05	4.2	Principal
Attachment of trainers to industry	Quality training	0.95	0.95	0.95	0.95	3.8	Principal,ILO
Acquiring and equipping the institute with adequate and modern learning facilities	Quality training	6.465	6.465	6.465	6.465	25.86	Principal ,HoI s
Improve students enrolment from current 161 to 500 plus	Credible marketing to improve students enrolment	0.275	0.275	0.275	0.275	1.1	Principal ,Reg strar, HoDs
Sub total		10.28	10.28	10.28	10.28	41.12	
Strategic Area 2: Infrastructure Development							
Renovation of institute facilities , upgrading the gate	Corporate image	0.5	0.5	0.5	0.5	2	Principal
Construction of three workshops , 10 classrooms	Quality of training	0.75	0.75	0.75	0.75	3	Principal, BO
Equipped the three workshops with modern training facilities	Safety and quality learning	2.755	2.755	2.755	2.755	11.02	Principal
Construct a multipurpose hall	Quality training	11.19	11.19	11.19	11.19	44.76	Principal
Construct two lecture halls installed with projectors or smart boards	Quality training	2.5	2.5	2.5	2.5	10	Principal
Construct two hostels for trainees	Residential purposes	2	2	2	2	8	Principal
Improving ICT infrastructure in the institute	Quality training and service delivery	0.371	0.371	0.371	0.371	1.485	Principal

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Develop and implement a framework or management of organization assets	Assets management	2.325	2.325	2.325	2.325	9.3	Principal ,BOC
Develop master plan on organization's infrastructure	Assets management	2.325	2.325	2.325	2.325	9.3	Principal
Sub total		24.71625	21.71625	21.71625	21.71625	98.865	
Strategic Area 3: Governance and Human Resource							
Reviewing the human policy to align to PSC	Staff welfare	0.03	0.03	0.03	0.03	0.12	Principal
Induct new Board members	Quality services	0.32	0.32	0.32	0.32	1.28	Principal/BOC
Train new members on corporate governance	Good corporate governance	0.32	0.32	0.32	0.32	1.28	Principal
Train management on strategic leadership	Good corporate governance	0.32	0.32	0.32	0.32	1.28	Principal,BOC
Induct new students' council members	Good leadership	0.32	0.32	0.32	0.32	1.28	Principal
Train students' council on leadership skills	Charismatic leadership	0.32	0.32	0.32	0.32	1.28	Principal
Conduct regular team building activities	Improve service delivery	0.32	0.32	0.32	0.32	1.28	Principal
Develop succession plans for Board of governors and students' council	Performance management	0.2	0.2	0.2	0.2	0.8	Principal
Competitive recruitment and promotion of staff on merit, retain and reward high quality workforce and also implement recognition and rewards scheme package	Competent human resource	6.75	6.75	6.75	6.75	27	Principal ,BOC

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Regular review of terms and conditions of service	Staff welfare	0.1	0.1	0.1	0.1	0.4	Principal,BOC
Continuous investment in staff development	Staff development	0.675	0.675	0.675	0.675	2.7	Principal
Strengthening performance review and appraisal support system	Performance management	0.325	0.325	0.325	0.325	1.3	Principal
Promote quality and respect for diversity through appropriate leadership culture	Gender mainstreaming	0.05	0.05	0.05	0.05	0.2	Principal
Enhance staff feedback improvement systems to determine satisfaction levels	Quality services	0.0675	0.0675	0.0675	0.0675	0.27	Principal,HoDS
To improve governance systems by implementing existing ISO standards and QMS	Efficiency of ISO operations	0.30725	0.30725	0.30725	0.30725	1.229	Principal,BOC
To build and improve capabilities of the institute to effectively manage risks within its operations	Safety and security	0.115	0.115	0.115	0.115	0.46	Principal,BOC
To strengthen corporate affairs and communication	Collaborations and partnerships	0.0675	0.0675	0.0675	0.0675	0.27	Principal, BOG, Registr
Enhance effective KVTTI security services	Improve security	0.045	0.045	0.045	0.045	0.18	Principal, BOC
Sub total		10.65225	10.65225	10.65225	10.65225	42.609	
Strategic Area 4: Financial Stewardship and Sustainability							
Increasing and strengthening revenue streams	Increased revenue	0.7875	0.7875	0.7875	0.7875	3.15	Principal, BOG, FO

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Mainstreaming consultancy services and activities of the institute	Research and extension	0.018	0.018	0.018	0.018	0.09	Principal ,FO, HoDs
Enhancing efficiency in utilization of resources	Financial management perspective	0.045	0.045	0.045	0.045	0.18	Principa,BOG,FO
Ensuring and strengthening internal systems for transparency and accountability of financial sustainability by procuring necessary resources and appropriate allocation	Accountability and transparency	0.37	0.37	0.37	0.37	1.85	Principal,BOC,FO
Increasing donor funding	Revenue generation	0.0125	0.0125	0.0125	0.0125	0.05	Principal
To support and maintain a strong internal audit unit	Effective internal audits	0.0125	0.0125	0.0125	0.0125	0.05	Principal,BOC Auditor,FO
To strengthen the procurement and supplies system	Efficient procurement	0.0125	0.0125	0.0125	0.0125	0.05	Principal,BOC
Investing in Green energy and farm productivity	Green energy	0.2208	0.2208	0.2208	0.2208	1.104	Principal,
Sub total		1.631	1.631	1.631	1.631	6.524	
Strategic Area 5: ICT Integration							
To upgrade infrastructural facilities so as to correspond to the training standards	Improvement in use of technology	0.7875	0.7875	0.7875	0.7875	3.15	Principal,HoD ,BOG
Sub total		0.7875	0.7875	0.7875	0.7875	3.15	
Strategic Area 6: Research, Innovation and Enterprise							
Developing and implementing appropriate research	Research	0.18	0.18	0.18	0.18	0.72	Principal,HoD

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

and extension programmes							
Promoting , dissemination of research outputs through extension	Research and innovation	0.34	0.34	0.34	0.34	1.36	Principal, HoD
Sub total		0.52	0.52	0.52	0.52	2.08	
Strategic Area 7: Collaborations and Partnerships							
To ensure and foster effective partnerships and linkages with the institute to promote strategic collaboration and linkages with industry and other institutions	Indicators	1.065	1.065	1.065	1.065	4.257	Principal ,BOC
Sub total		1.065	1.065	1.065	1.065	4.257	
Strategic Area 8: Students Welfare							
Constitute office of career services (OCS) to document students' issues	Students welfare	0.421	0.421	0.421	0.421	1.684	Principal
Expose and promote talents by enhancing and strengthening co-curricular activities	Students welfare	0.9165	0.9165	0.9165	0.9165	3.666	Principal
Promote the health of students by establishing and operational medical clinic	Students welfare	0.4215	0.4215	0.4215	0.4215	1.686	Principal,BOC
Promote HIV/AIDS and malaria prevention and support programmes	Students welfare	0.0225	0.0225	0.0225	0.0225	0.09	Principal
Sub total		1.7815	1.7815	1.7815	1.7815	7.126	

8. Corporate Governance Statement

APPOINTMENT OF BOARD

The Chairman and Members of the Board were appointed by the Cabinet Secretary of Education on **March 2020** for a **3-year term**.

INDUCTION AND TRAINING OF THE BOARD

During the year in review, the Board had no training due to financial challenges..

CORPORATE GOVERNANCE

During the year under review, Members of the Board committed themselves to the service of Kerio Valley Technical and Vocational College and upheld the tenets of good corporate Governance by being transparent, accountable, persons of integrity, socially responsive, promoted excellence and exercised fairness in all dealings.

ROLE AND FUNCTIONS OF THE BOARD OF GOVERNORS.

During the year in review the Board held a total of 1 meetings. The meetings consisted one scheduled meeting every quarter. The following are functions of the Board of Governors as stipulated in the TVET Act 2013 Section 29

- a) Overseeing the conduct of education and training in the institution in accordance to the Act and other written laws
- b) Promoting and maintaining standards, quality and relevance in education and training in the institution
- c) Administering and managing the property of the institution
- d) Developing and implementing the institutions' strategic plan
- e) Preparing annual estimates of revenue and expenditure for the institution incurring expenditure on behalf of the institution,
- f) Receiving on behalf of the institution, fees, grants, subscriptions donations, bequests or other monies and make disbursements to the institution or other bodies or persons
- g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of the TVET Act.
- h) Mobilizing resources for the institution
- i) Developing and reviewing programmes for training and to make representations thereon to the TVETA Board

- j) Regulating the admission and exclusion of students from the institution, subject to a qualification framework and the provisions of the TVET Act
- k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by TVETA board
- l) Determining terms and conditions of support staff, trainers and instructors and remunerating the staff of the institution in consultation with TVETA
- m) Making regulations governing organization, conduct and discipline of staff and students.
- n) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submitting the same to TVET Board
- o) Providing for welfare of students and staff of the institution
- p) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in institution
- q) Discharging all functions conferred upon it by the Act or any other written Law.

9. Management Discussion and Analysis

The college closed the year with a surplus of **Ksh 4,249,437** compared to previous financial year **FY 2023/2024** which college had a surplus of **Kshs.302,316**.

Major risk facing the college.

In the financial year under review the college faced the following challenges in service delivery to the students,

- i. Underfunding of MOE capitation leading to delayed service delivery and meeting college financial
- ii. Due to the insecurity around the college the college had a low trainee's enrolment.
- iii. Delayed disbursement of student's loans and scholarships has impacted negatively on fees collections and therefore huge arrears

Project implemented by the College.

No projects implemented by the College.

10. Environmental And Sustainability Reporting Statement

1. Sustainability strategy and profile

The principal intends to undertake other income generating activities to generate more income and also put in place strategies to minimize the costs of college operations as well as doing marketing of college programme to increase the number of trainees.

2. Environmental performance

During the year under review, the College participated in trees planting the aim was to educate students on importance of environmental conservation.

3. Employee welfare

The college also intends to carry out occupational health and safety Audit of college workplace to ensure staff safety in workplace.

4. Market place practices

The college always meets its financial obligations on time by timely payment of suppliers and honouring contracts, practicing good competitions in terms of marketing of college programmes with its competitors. Due to the insecurity in the region there is low students enrollment.

5. Community Engagements

The College conducted trees planting exercise at the college grounds and distributed seedlings to the community during the world environment day.

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2025, which shows Kerio Valley TVC state of the affairs.

Principal activities

The principal activities of the institute are to offer high quality technical training, carry out innovative research and community outreach programmes for sustainable social-economic development. Promote and adopt principle of good governance and achieve high service delivery work

Results

The results of the entity for the year ended June 30 are set out on page 1 to 7.

Board of Governors

The members of the Board who served during the year are shown on page XI. During the year 2025 no director retired/ resigned..

Auditors

The Auditor General is responsible for the statutory audit of the Kerio Valley TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Secretary of the Board
Kerio Valley TVC
Date:

12. Statement of Board of Governors/ Council's 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 require the Board members to prepare financial statements in respect of Kerio Valley TVC, which give a true and fair view of the state of affairs of Kerio Valley TVC at the end of the financial year/period and the operating results of the Kerio Valley TVC for that year/period. The Board members are also required to ensure that Kerio Valley TVC keeps proper accounting records which disclose with reasonable accuracy the financial position of the Kerio Valley TVC. The Board members are also responsible for safeguarding the assets of Kerio Valley TVC.

The Board members are responsible for the preparation and presentation of Kerio Valley TVC's financial statements, which give a true and fair view of the state of affairs of Kerio Valley TVC for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Kerio Valley TVC, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of Kerio Valley TVC, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility of Kerio Valley TVC'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 Ac 2023 – entities should quote applicable legislation as indicated under. The Board members are of the opinion that Kerio Valley TVC's financial statements give a true and fair view of the state of Kerio Valley TVC's transactions during the financial year ended June 30, 2025, and of the Kerio Valley TVC's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Kerio Valley TVC, which have been relied upon in the preparation of the Kerio Valley TVC's financial statements as well as the adequacy of the systems of internal financial control.

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

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Approval of the financial statements

The Kerio Valley Technical and Vocational college financial statements were approved by the Board on _____ and signed on its behalf by:

.....

Name: Dr. Paul Sutev

Chairperson of the Board

.....

Name Johnstone Lobillaghan

Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kerio Valley Technical and Vocational College set out on pages 1 to 56, which comprise of the statement of financial position as at 30 June, 2025 and the statement of statement of financial performance,

Report of the Auditor-General Kerio Valley Technical and Vocational College for the year ended 30 June, 2025

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kerio Valley Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, the County Government Act, 2012 and the Health Act, 2017.

Basis for Qualified Opinion

1. Unsupported Transfers from other Government Entities

The statement of financial performance reflects transfers from other government entities amount of Kshs.6,525,621 as disclosed in Note 6 to the financial statements. Included in the amount is Kshs.2,500,000 and Kshs.4,025,621 in respect of capitation grants and operational grants that were not supported with schedules, ledgers and documents.

In the circumstances, accuracy and completeness of transfers from other government entities amount of Kshs.6,525,621 could not be confirmed.

2. Inaccuracies in Property, Plant and Equipment

The statement of financial position reflects Nil balance for property, plant and equipment as disclosed in Note 32 to the financial statements. However, land in which the College buildings and other equipment sits of undetermined value have not been included in the property, plant and equipment. In addition, it was noted that the College did not maintain an assets register. Further, the college did not carry out valuation for its assets to ascertain the correct market values or ownership of the assets.

In the circumstances, the accuracy of the property, plant and equipment Nil balance could not be confirmed.

3. Long Outstanding Unrefunded Student Caution Money

The statement of financial position reflects refundable deposits from customers balance of Kshs.179,000 as disclosed in Note 37 to the financial statements. However, review of refundable deposits ageing analysis revealed that refundable deposits from student amount of Kshs.136,000 or 76% have been outstanding for more than one year, some of which were related to students who have since transitioned from the institution. In addition, it was noted that there was no movement in the caution money balance, with the

current year end balance remaining the same as the prior year. Further, the balance was not supported by refundable deposit ledger and list of student who have transitioned from the college.

In the circumstances, accuracy and completeness of the refundable deposits from students balance of Kshs.136,000 could not be confirmed

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kerio Valley Technical and Vocational College in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.11,868,105 and Kshs.14,588,301 respectively resulting into over expenditure of Kshs.2,720,196 or 22% of the budget. Similarly, the College incurred total recurrent expenditure of Kshs.10,338,864 against actual receipts of Kshs.14,588,301 resulting into an under-expenditure of Kshs.4,249,437 or 29 % of the actual receipts.

The underfunding affected the planned activities and may have impacted negatively on service delivery to the students.

My Opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

Review of the progress on follow up of the prior year auditor's recommendations on institute revealed that several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the issues remained unresolved. See **Appendix I**.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

The financial statements of Kerio Valley Technical and Vocational College for the year ended 30 June, 2025 were submitted late to the Auditor-General on 24 November, 2025. This is contrary to Section 47(1) of the Public Audit Act, 2015 which states that the financial statements to be submitted to the Auditor-General within 3 months after the end of the fiscal year to which the accounts relate, the Act sets the date, the submission deadline of 30 September, 2025.

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

2. Lack of Imprest Register

During the year, the college did not maintain an imprest register for ease of managing and controlling of imprests. Hence, it was not possible to ascertain imprests issued and outstanding imprest during the year. This is contrary to Regulation 93(4)(c) of the Public Finance Management Regulations, 2015 (c) which provides that the applicant should be recorded in the imprest register including the amount applied for.

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

3. Running College Operations without an Approved Budget

The statement of comparison of budget and actual amounts reflects a final budgeted revenue and expenditure of Kshs.11,868,105. However, the College did not provide the annual approved budget for audit. This was contrary to Regulation 31(1) of the Public Finance Management (National Government) Regulations, 2015.

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

4. Failure to Carry Out Staff Appraisals

During the year, Management did not perform performance appraisal for the staff of the College, therefore neglecting its role in facilitating the achievement of national goals envisioned by government through the policy in enhancing management and development of human resource capacity towards the achievement of various national goals and objectives in the public service as a whole. This was contrary to Section G.5 (1) of Public Service Commission Human Resource Policies and Procedures Manual for the Public Service of May, 2016 which states that Staff Performance Appraisal is a critical component of the human resource management function in the Public Service.

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

5. Breach of Data Protection Laws in Management of Student, Employees and Supplier Data

Review of operations revealed that the College collects and processes personal and sensitive data relating to students, employees, and suppliers, including mobile phone contacts, KCSE index numbers, dates of birth, and national identification/passport numbers. However, the College has not complied with the requirements of Section 18(2) of the Data Protection Act, 2019, which requires all data controllers and processors to be registered with the Data Commissioner. In addition, the College did not adhere to the Data Protection (General) Regulations, 2021, which outlines the standards and procedures for lawful collection, processing, storage, and protection of personal data.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function and Non-Operational Audit Committee

Review of records revealed that the College has not established an Internal Audit function and was not subjected to any Internal Audit reviews. The College therefore did not benefit from the required assurance and advisory services ordinarily provided by an Internal Audit Unit, nor did it benefit from the oversight by a functional Audit Committee. This was contrary to the Public Finance Management Act, 2012 section 73(1) which states that every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting Internal Audit according to the guidelines of the Accounting Standards Board.

In the circumstances, effectiveness of internal controls, risk management and governance on the Internal Audit function could not be confirmed.

2. Lack of Policy Documents

The College did not have in place an approved and Operational Risk Management Policy, employee code of conduct and ethics, Standard Operating Procedure Manual, Human Resources Policy and Procedure Manual. Management did not have in place approved and operational risk management policy, a strategic plan, employee Code of Conduct and Ethics, Standard Operating procedures Manual, Human Resources Policy and Procedures Manual, list of prequalified suppliers, procurement policy, finance policy, Business continuity plan, the institutions service charter and whistle blowing policy.

In the circumstances, Management lacks mechanism to help in detection and mitigation of any possible risk to the College.

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

Responsibilities of the Management and Board of Governors

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

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

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

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

Board of Governors 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


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

05 December, 2025

Appendix I: Unresolved Prior Year Audit Matters

No.	Report on the Financial Statements
1	Unsupported Revenue from Exchange Transactions
2	Inaccuracies in Cash and Cash Equivalents
3	Inaccuracies in Properties, Plants and Equipment
	Emphasis of Matter
4	Budgetary Control and Performance
	Report on Lawfulness and Effectiveness in the Use of Public Resources
5	Irregularities in Procurement of Teaching and Learning Materials
	Report on Effectiveness of Internal Controls, Risk Management and Governance
6	Lack of Imprest Register
7	Lack of Internal Audit and a Functional Audit Committee

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

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

	Notes	June 2025	June 2024
		Kshs	Kshs
Revenue from Non - Exchange transactions			
Transfers from other National Government entities	6	6,525,621	3,930,500
Grants from donors and development partners	7	-	-
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
		-	-
Revenue from Exchange transactions			
Rendering of services- fees from students	10	8,062,680	5,669,826
Sale of goods	11	-	-
Rental revenue from facilities and equipment	12	-	-
Finance income	13	-	-
Miscellaneous income	14	-	-
Revenue from Exchange transactions		8,062,680	5,669,826
Total Revenue		14,588,301	9,600,326
Expenses			
Use of goods and services	15	4,861,089	6,000,530
Employee costs	16	3,362,640	3,268,480
Board Expenses	17	1,216,500	29,000
Depreciation and amortization expense	18	-	-
Repairs and maintenance	19	898,685	-
Contracted services	20	-	-
Grants and subsidies	21	-	-
Finance costs	22	-	-
Total Expenses		10,338,864	9,298,010
Other Gains/(Losses)			
Gain on sale of assets	23	-	-
Gain/ Loss on fair value of investments	24	-	-
Impairment loss	25	(-)	(-)
Total Other Gains/(Losses)		-	-
Net surplus/(deficit) for the year		4,249,437	302,316

The notes set out on pages 8 to 65 form an integral part of the Annual Financial Statements

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

The Financial Statements set out on pages 1 to 7 were signed by:


.....

Chairman of Council/Board

Date 11/12/2025


.....

Principal

Date 11/12/2025


.....

Finance Officer

ICPAK No

Date 11/12/2025

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description	Notes	June 2025	June 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	1,137,662	1,409,487
Current portion of receivables from exchange transactions	27(a)	11,112,771	6,591,509
Receivables from non-exchange transactions	28	-	-
Inventories	29	-	-
Investments in financial assets	30	-	-
Prepayments	31	-	-
Total Current Assets		12,250,433	8,000,996
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	-	-
Investments	30	-	-
Property, plant, and equipment	32	-	-
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
Total Non-Current Assets		-	-
Total Assets (A)		12,250,433	8,000,996
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	36	-	-
Refundable deposits from customers	37	179,000	179,000
Current provisions	38	-	-
Finance lease obligation	39	-	-
Deferred income	40	-	-
Employee benefit obligation	41	-	-
Payments received in advance	42	4,393,519	4,393,519
Current portion of borrowings	43	-	-
Social Benefits	46	-	-

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025


Description	Notes	June 2025	June 2024
		Kshs	Kshs
Total Current Liabilities		4,572,519	4,572,519
Non-Current Liabilities			
Finance lease obligation	39	-	-
Deferred income	40	-	-
Non-Current Employee Benefit Obligation	41	-	-
Non- Current Borrowings	43	-	-
Non-Current Provisions	44	-	-
Service Concession Liability	45	-	-
Social benefits	46	-	-
Total non- current liabilities		-	-
Total Liabilities (B)		4,572,519	4,572,519
Net Assets (A-B)		7,677,914	3,428,477
Represented By:			
Revaluation Reserves		-	-
Accumulated Surplus		7,677,915	3,428,478
Capital Fund		-	-
Net Assets		7,677,915	3,428,478

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



Chairman of Council/Board

Date 1/12/2025



Principal

Date 1/12/2025



Finance Officer

ICPAK No
Date 1/12/2025

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023	-	3,126,162	-	3,126,162
Revaluation gain	-	-	-	-
Surplus for the year	-	302,316	-	302,316
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	(-)	-
At June 30, 2024	-	3,428,478	-	3,428,478
At July 1, 2024	-	3,428,478	-	3,428,478
Revaluation gain	-	-	-	-
Surplus for the year	-	4,249,437	-	4,249,437
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	(-)	-
At June 30, 2025	-	7,677,915	-	7,677,915

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

Description		June 2025	June 2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		6,525,621	3,930,500
Grants from donors and development partners		-	-
Transfers from other levels of government		-	-
Public contributions and donations		-	-
Rendering of services- fees from students		3,541,418	5,268,220
Sale of goods		-	-
Rental revenue from facilities and equipment		-	-
Finance income		-	-
Miscellaneous income		-	-
Total Receipts		10,067,039	9,198,720
Payments			
Use of goods and services		4,861,039	3,268,480
Employee costs		3,362,640	6,000,530
Board Expenses		1,216,500	29,000
Repairs and maintenance		898,685	-
Contracted services		-	-
Grants and subsidies		-	-
Total Payments		-	-
Net Cash Flows from operating activities	47	10,338,864	9,298,010
Cash flows from investing activities		-	99,290
Purchase of property, plant, equipment intangible assets		(-)	(-)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		(-)	(-)
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		(-)	(-)
Net cash flows used in financing activities		(-)	(-)
Net Increase/(Decrease) in Cash and Cash equivalents		- 271,825	99,290
Cash and Cash equivalents at 1 st July 2024	26	1,409,487	1,508,776
Cash and Cash equivalents at 30th June 2025	26	1,137,662	1,409,486

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs
Budget carryovers from the previous year		1,409,487	1,409,487		
Transfers from national government recurrent grants	2,000,000	-	2,000,000	6,525,621	226%
Transfer from Govt for mentoring institutions	-	-	-	-	-
Transfers from national government development grants	-	-	-	-	-
Rendering of services- Fees from students	8,458,618	-	8,458,618	8,062,680	95%
Total income	10,458,618	1,409,487	11,868,105	14,588,301	144%
Expenses					
Compensation of Employees	3,276,000	1,409,487	4,685,487	3,362,640	72%
Use of Goods and Services	5,312,618	-	5,312,618	4,861,089	92%
Repairs and Maintenance	720,000	-	720,000	898,685	125%
Remuneration of Directors	1,150,000		1,150,000	1,216,500	106%
Contracted services-	-	-	-	-	-
Total expenditure	10,458,618	1,409,487	11,868,105	10,338,864	87%
Capital Expenditure Payments	-	-	-	-	-
Surplus for the period	-	-	-	4,249,437	

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	4,249,437
1	Student fees arrears	-4,521,262
2	Cash and Cash Equivalent as at 1st July 2024	1,409,487
	Closing Cash and Cash Equivalent as per the statement of Cash flows	1,137,662

19. Notes to the Financial Statements

1. General Information

Kerio Valley TVC entity is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer high quality technical training, carry out innovative research and community outreach programmes for sustainable social-economic development. Promote and adopt principle of good governance and achieve high service delivery work.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the Kerio Valley TVC accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Kerio Valley TVC. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act 2013, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

There are no new and amended standards issued in the financial year.

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.

**Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025**

	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

Kerio Valley TVC did not early adopt any new or amended standards in year 2024.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on -. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget.. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 8 under section of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per first schedule of income tax **CAP 470**

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 an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit (entity to amend appropriately). Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Biological Assets

The college recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) 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.

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of

a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

Inventories (Continued)

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*.

l) 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.

m) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

n) Nature and purpose of reserves

The Kerio Valley TVC creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The Kerio Valley TVC 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.

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

r) 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.

s) Related parties

The Kerio Valley TVC 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 Principal and senior managers.

t) Service concession arrangements

The Kerio Valley TVC 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.

u) 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.

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Kerio Valley TVC 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.

6. Transfers from other National Government entities

Description	June 2025	June 2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	2,500,000	2,000,000
Operational Grant	4,025,621	1,930,500
Development grants	-	-
Other Grants	-	-
Total unconditional Grants	-	-
Conditional Grants amortised/ recognised in revenue		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
Total Government Grants and Subsidies	6,525,621	3,930,500

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	June 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	6,525,627			6,525,627	3,930,500
XX Ministry					
Total	6,525,627			6,525,627	3,930,500

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

7. Grants from Donors and Development Partners

Description	June 2025	June 2024
	Kshs	Kshs
JICA- Research Grant	-	-
World Bank Grants	-	-
In-Kind Donations	-	-
Donations transferred to revenue-conditions met	-	-
Other Grants (specify)	-	-
Total Grants from Development Partners	-	-

(a) Reconciliations of grants from donors and development partners

Description	June 2025	June 2024
	Kshs	Kshs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Yet To Be Met - Remain Liabilities	-	-

8. Transfers from Other Levels of Government

Description	June 2025	June 2024
	Kshs	Kshs
Transfer from County XX	-	-
Transfer from XX University	-	-
Transfer from XX Institute	-	-
Total Transfers	-	-

9. Public Contributions and Donations

Description	June 2025	June 2024
	Kshs	Kshs
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
Total Donations and Contributions	-	-

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

10. Rendering of Services

Description	June 2025	June 2024
	Kshs	Kshs
Tuition Fees	3,730,680	2,825,070
Personal Emoluments	2,340,000	1,112,705
Electricity and Water Conservancy	456,000	328,913
Local Transport and Travel	480,000	309,042
Repairs and Maintenance	480,000	209,045
Activity	576,000	348,051
Medical	-	179,000
Industrial attachment	-	358,000
Total Revenue	8,062,680	5,669,826

11. Sale of Goods

Description	June 2025	June 2024
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	-	-
Cafeteria sales	-	-
Other sales (specify)	-	-
Total Revenue from Sale of Goods	-	-

12. Rental revenue from facilities and equipment

Description	June 2025	June 2024
	Kshs	Kshs
Hire of Facilities and Equipment	-	-
Contingent Rentals	-	-
Operating Lease Revenue	-	-
Others (specify)	-	-
Total	-	-

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

13. Finance Income

Description	June 2025	June 2024
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Others (<i>specify</i>)	-	-
Total finance income	-	-

14. Miscellaneous Income

Description	June 2025	June 2024
	Kshs	Kshs
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	-	-
Services concession income	-	-
Reimbursements and refunds	-	-
Graduation fees	-	-
Bad debts recovered	-	-
Income written back	-	-
Others (<i>specify</i>)	-	-
Total other income	-	-

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

15. Use of Goods and Services

Description	June 2025	June 2024
	Kshs	Kshs
Repair and Maintenance	-	498,870
Local Transport and Travel	1,060,428	951,183
Administration Expenses	665,930	611,474
Bank charges	14,804	2,330
Electricity and Water Expenses	63,500	260,010
Tuition expenses	1,922,220	3,232,788
Internet	-	52,000
Postages	-	7,725
Industrial attachment expenses	-	-
Student I.D	-	-
Examination costs	1,100,157	350,150
Activity	34,000	9,000
Medical	-	25,000
Total good and services	4,861,039	6,000,530

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

16. Employee Costs

Description	June 2025	June 2024
	Kshs	Kshs
Salaries and wages	3,362,640	3,268,480
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Social contributions	-	-
Employee Costs	3,362,640	3,268,480

17. Board Expenses

Description	June 2025	June 2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	1,216,500	29,000
Other Allowances	-	-
Other Board/Council Expenses	-	-
Total	1,216,500	29,000

18. Depreciation and Amortization expense

Description	June 2025	June 2024
	Kshs	Kshs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	-	-

19. Repairs and Maintenance

Description	June 2025	June 2024
	Kshs	Kshs
General Repairs and Maintenance	898,685	-
Investment property – earning rentals	-	-
Total Repairs and Maintenance	898,685	-

20. Contracted Services

Description	June 2025	June 2024
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Other (specify)	-	-
Total contracted services	-	-

21. Grants and Subsidies

Description	June 2025	June 2024
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Others (specify)	-	-
Total Grants and Subsidies	-	-

22. Finance Costs

Description	June 2025	June 2024
	Kshs	Kshs
Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Others (specify)	-	-
Total Finance Costs	-	-

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

23. Gain On Sale of Assets

Description	June 2025	June 2024
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
Total Gain On Sale of Assets	-	-

24. Gain/(loss) on Fair Value Investments

Description	June 2025	June 2024
	Kshs	Kshs
Fair value on equity investments	-	-
Fair value arising from investment property	-	-
Fair value arising from biological assets	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

25. Impairment Loss

Description	June 2025	June 2024
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

26. Cash and Cash Equivalents

Description	June 2025	June 2024
	Kshs	Kshs
Current Account	-	-
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	-	-
Total Cash and Cash Equivalents	-	-

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

Financial Institution	Account number	June 2025	June 2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1280140976	1,137,662	1,313,487
Equity Bank, etc.		-	-
Sub- Total		1,137,662	1,313,487
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank – etc.		-	-
Sub- Total		-	-
c) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
e) Others(Specify)			
Cash in Transit		-	-
Cash in Hand		-	-
Mobile Money account		-	-
Sub- Total		-	-
Grand Total		1,137,662	1,313,487

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	June 2025	June 2024
	Kshs	Kshs
Current Receivables		
Student Debtors	11,112,771	6,591,509
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	(-)	(-)
Total Current Receivables	11,112,771	6,591,509

27 (b) Long- term Receivables from Exchange transactions

Description	June 2025	June 2024
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	(-)	(-)
Total	-	-
Current Portion Transferred To Current Receivables	(-)	(-)
Total Non-Current Receivables	-	-
Total Receivables	-	-

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	June 2025		June 2024	
	Kshs	% of total	Kshs	% of total
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	4,521,262	41	6,591,509	100
Between 1- 2 years	6,591,509	59	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	11,112,771	100	6,591,509	100

27 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	June 2025	June 2024
	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	-	-

28. Receivables from Non-Exchange transactions

Description	June 2025	June 2024
	Kshs	Kshs
Current Receivables		
Capitation Grants*	-	-
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	(-)	(-)
Total Current Receivables	-	-

28 (a) Ageing Analysis on Receivables from Non-Exchange Transactions

Description	June 2025		June 2024	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

28 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	June 2025	June 2024
	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	-	-

29. Inventories

Description	June 2025	June 2024
	Kshs	Kshs
Consumable stores	-	-
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	-
Catering stores	-	-
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	-	-

Detailed disclosure on inventories

	June 2025	June 2024
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

30. Investments in financial assets

Description	June 2025	June 2024
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks		
Bank X	-	-
Bank Y	-	-
Sub- Total	-	-
c) Equity Investments (<i>Specify</i>)		
Equity/ Shares in Company -	-	-
Sub- Total	-	-
Grand Total	-	-

d) Shareholding in other entities

For investments in equity shares 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				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	June 2025	June 2024
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
	-	-	-	-	-	-

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

31. Prepayments

Description	June 2025	June 2024
	Kshs.	Kshs.
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

**Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025**

32. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2024	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-
At 30th June 2024	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
At 30th June 2025	-	-	-	-	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-	-	-	-	-
At 1 Jun 2024	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
At 30 Jun 2025	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
At 30th Jun 2025	-	-	-	-	-	-	-	-	-
Net Book Values									
At 30th Jun 2024	-	-	-	-	-	-	-	-	-
At 30th Jun 2025	-	-	-	-	-	-	-	-	-

[

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and have not been valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020).

32 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	-	-	-

33. Intangible Assets

Description	June 2025	June 2024
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Additions–internal development	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

34. Investment Property

Description	June 2025	June 2024
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	(-)	(-)
Depreciation	(-)	(-)
Impairment	(-)	(-)
Gain or loss on fair value- if fair value is elected	-	-
At end of the year	-	-

35. Biological Assets

	June 2025	June 2024
	Kshs	Kshs
Trees in a plantation forest	-	-
Animals: Dairy Cattle, Pigs, Sheep	-	-
Others (Specify)	-	-
Total	-	-

36. Trade and Other Payables

Description	June 2025		June 2024	
	Kshs		Kshs	
Trade payables	-		-	
Fees paid in advance	-		-	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	-
1-2 years	-	%	-	-
2-3 years	-	%	-	-
Over 3 years	-	%	-	-
Total (to tie to totals above)	-	%	-	-

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

37. Refundable Deposits from Customers/Students

Description	June 2025		June 2024	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	179,000		179,000	
Other refundable deposits	-		-	
Total Deposits	179,000		179,000	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	43,000	24	43,000	24
1-2 years	73,000	40	73,000	40
2-3 years	63,000	35	63,000	35
Over 3 years	-	-	-	-
Total (to tie to totals deposits above)	179,000	100	179,000	100

38. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year	-	-	-	xx	-
Additional Provisions	-	-	-	xx	-
Provision Utilised	(-)	(-)	(-)	(-)	(-)
Change Due To Discount And Time Value For Money	(-)	(-)	(-)	(-)	(-)
Transfers From Non -Current Provisions	-	-	-	xx	-
Total Provisions	-	-	-	xx	-

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

39. Finance Lease Obligation

Description	June 2025	June 2024
	Kshs	Kshs
At the start of the year	-	-
Discount interest on Lease Liability	-	-
Paid during the year	(-)	(-)
At end of the year	-	-

Maturity Analysis

Period	Amount
	Kshs
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and Onwards	-
Less: Unearned Interest	(-)
Total	-

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

40. Deferred Income

Description	June 2025	June 2024
	Kshs	Kshs
National Government	-	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

The deferred income movement is as follows:

Description	National government	International funders/donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	-	-	-	-
Additions during the year	-	-	-	-
Transfers to capital fund	(-)	(-)	(-)	(-)
Transfers to income statement	(-)	(-)	(-)	(-)
Other transfers	(-)	(-)	(-)	(-)
Balance carried forward	-	-	-	-

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

41. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	June 2025	June 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	-	-

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

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.

Description	June 2025	June 2024
	Kshs	Kshs
Discount Rates	x%	x%
Future Salary Increases	x%	x%
Future Pension Increases	x%	x%
Mortality (Pre- Retirement)	x%	x%
Mortality (Post- Retirement)	x%	x%
Withdrawals	x%	x%
Ill Health	x%	x%
Retirement	xx years	xx years

Recognition of Retirement Benefit Asset/ Liability

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

Description	June 2025	June 2024
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (<i>specify</i>)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

**Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025**

b) Amounts recognised in the Statement of Financial Position

Description	June 2025	June 2024
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	(-)	(-)
Funded status(=a-b)	-	-
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.

42. Payments received in advance.

Description	June 2025		June 2024	
	Kshs		Kshs	
Fees received in advance	4,393,519		4,393,519	
Others (Specify)	-		-	
Total	4,393,519		4,393,519	
	Current FY	% of the Total	Comparative FY	% of the Total
Ageing analysis:				
Under one year	4,393,519	100	4,393,519	100
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	100	100	100	100

43. Borrowings

Description	June 2025	June 2024
	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	-	-

43 a) Analysis of External and Domestic Borrowings

Description	June 2025	June 2024
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'	-	-
Sterling pound denominated loan from 'yyy organization'	-	-
Euro denominated loan from 'zzz organization'	-	-
Domestic borrowings		
Kenya shilling loan	-	-
Total balance at end of the year	-	-

43 b) Breakdown of Long and Short-Term Borrowings

Description	June 2025	June 2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

44. Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	Kshs	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	(-)	(-)	(-)	(-)	(-)
Total deferred income	-	-	-	-	-

45. Service Concession Arrangements

Description	June 2025	June 2024
	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	=	=

46. Social Benefit Liabilities

Description	June 2025	June 2024
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
People Living with disabilities benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

47. Cash generated from operations.

Surplus for the year before tax	June 2025	June 2024
	Kshs	Kshs
Surplus for the year before tax	4,249,437	302,316
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	-	-
Working Capital Adjustments		
Increase in Inventory	(-)	(-)
Increase in Receivables	- 3,977,612	- 401,606
Increase in Deferred Income	-	-
Increase in Payables	-	-
Increase in Payments received in advance	-	-
Net Cash Flow from Operating Activities	- 271,825	- 99,290

48. 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:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Financial risk management (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.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2025				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

(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:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
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.

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 currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2024			
Euro	10%	-	-
Usd	10%	-	-
2025			
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.

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 - (20XX: Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (20XX – 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:

Description	June 2025	June 2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	(-)	(-)
Net Debt/(Excess Cash and Cash Equivalents)	-	-
Gearing	xx%	xx%

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

49. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

Description	June 2025	June 2024
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others	-	-
Total	-	-
B) Purchases from related parties		
Purchases of electricity from kplc	63,500	260,010
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others	-	-
Total	63,500	260,010
b) Grants /Transfers from the Government		
Grants from National Govt	6,525,621	3,930,500
Grants from County Government	-	-
Donations in Kind	-	-
Total	6,525,621	3,930,500
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Employees	3,362,640	3,268,480
Payments for Goods and Services	-	-
Total	3,362,640	3,268,480
d) Key Management Compensation		

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Description	June 2025	June 2024
	Kshs	Kshs
Directors' emoluments	1,216,500	29,000
Compensation to Key Management	-	-
Total	1,216,500	29,000

50. Segment Information

The college has one office head office.

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

51. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	June 2025	June 2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

Contingent Liabilities

Description	June 2025	June 2024
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case – against college	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Other	-	-
Total	-	-

52. Capital Commitments

Capital Commitments	June 2025	June 2024
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

53. Events After The Reporting Period

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

54. 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.

55. Currency

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

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe:



.....
MR. JOHNSTONE LOBILLAGHAN
PRINCIPAL/BOG SECRETARY.

Date: 1/12/2025

**Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025**

**Appendix II: Projects Implemented by Kerio Valley Technical and Vocational College.
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	N/A					
2						

Status of Projects completion

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

**Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025**

Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity: **MINISTRY OF EDUCATION.**

Name of beneficiary entity: **KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE**

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	15/07/2024	500,000		500,000	
	02/10/2024	500,000		500,000	
	21/01/2025	500,000		500,000	
	04/06/2025	500,000		500,000	
	17/06/2025	500,000		500,000	
	20/09/2024		1,202,166	1,202,166	
	23/09/2024		717,328	717,328	
	24/09/2024		26,703	26,703	
	29/03/2025		2,079,425	2,079,425	
Total		2,500,000	4,025,621	6,525,621	

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Name *Johnstone Lobillosen* Sign *[Signature]* Date *1/12/2025*

**Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025**

Appendix IV: Reporting of Climate Relevant Expenditures

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

Kerio Valley Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Appendix V: Reporting on Disaster Management Expenditure

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