

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
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LIBRARY

OF

NATIONAL ASSEMBLY
PAPER LAD
25 SEP 2023
Tuesday
Hon. Kimani Ichungwah (Leader
of the Majority Party)
Inzofu Mwale

THE AUDITOR-GENERAL

ON

**LARI TECHNICAL AND VOCATIONAL
COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2022**



**LARI TECHNICAL AND VOCATIONAL COLLEGE (LARI TVC).
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022.**



**International Public Sector Accounting Standards (IPSAS)
Annual Financial Reporting Template for**

**LARI TECHNICAL AND VOCATIONAL COLLEGE.
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2022**

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

I. Table of Contents	
I. KEY ENTITY INFORMATION AND MANAGEMENT	ii
II. THE COUNCIL/BOARD OF GOVERNORS	v
III. MANAGEMENT TEAM	vii
IV. CHAIRMAN'S STATEMENT	vii
V. REPORT OF THE PRINCIPAL.....	ix
VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES.....	ix
VII. MANAGEMENT DISCUSSION AND ANALYSIS	xi
VIII. ENVIRONMENTAL AND SUSTAINABILITY REPORTING	xii
IX. REPORT OF THE COUNCIL/BOARD OF GOVERNORS.....	xiii
X. STATEMENT OF BOARD OF GOVERNORS/ COUNCIL MEMBERS' RESPONSIBILITIES	xiv
XI. REPORT OF THE INDEPENDENT AUDITOR ON LARI TECHNICAL AND VOCATIONAL COLLEGE.....	xv
XII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022	1
XIII. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022	2
XIV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2022	3
XV. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022	4
XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022.....	5
XVII. NOTES TO THE FINANCIAL STATEMENTS.....	6
APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	34
APPENDIX II: PROJECTS IMPLEMENTED BY THE LARI TECHNICAL AND VOCATIONAL COLLEGE	35
APPENDIX III: INTER- ENTITY TRANSFERS.....	36

I. KEY LARI TECHNICAL AND VOCATIONAL COLLEGE INFORMATION AND MANAGEMENT

(a) Background information

Lari technical and vocational college was incorporated/ established under the TVET Act 2013 of the laws of Kenya to offer technical and vocational training (TVET) on (10TH June 2019). The Lari Technical and Vocational College is domiciled in Kenya and the institute is under the Ministry of Education.

The Board of Governors (BOG) which is appointed by Ministry of Education in Consultation with the stakeholders oversees the day-to-day running of the Institute

(b) Principal Activities

The principal activity/mission/ mandate of the Lari Technical and Vocational College is to provide technical vocational training.

i. Vision

A Leader in providing quality technical skills for self-reliance

ii. Mission

To be a leading tertiary institution in imparting technical skills to meet National and Personal goals.

iii. Strategic Objectives

- To provide quality market driven technical and business programmes to trainees.
- Promote research, Innovations in Science and Technology.
- Enhance financial sustainability by increasing revenue and managing costs.
- To establish partnerships, essential linkages and collaborations with strategic partners and stakeholders
- Improve access and use of Information Communication Technology

(c) Key Management

The Lari Technical and Vocational College's day-to-day management is under the following key organs:

1. Principal
2. Deputy Principal
3. Registrar
4. Dean of students
5. Finance Officer
6. Heads of Department

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

KEY LARI TECHNICAL AND VOCATIONAL COLLEGE INFORMATION AND MANAGEMENT (Continued)

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Cosmas Maruga Mwangi
2.	Acting Deputy Principal	Samuel Kamau Ndothua
3	Registrar	Mwangi John Mungai
4	Dean of students	Gladys Watiri
5	Finance officer	Antony Kigotho Kinyanjui
6	HOD agriculture department	Robert Korir
7	HOD applied science department	John Kago
8	HOD ICT department	Edward Nyambane
9	HOD games and recreation	Timothy Kinyua
10	HOD internal quality assurance	Jackline Koech
11	HOD industrial liason	Gladys Kyalo
12	Performance contract officer	Simon Kagwe Kamau

(e) Fiduciary Oversight Arrangements

(i) Finance Committee Activities

The committee will monitor the financial status of the college on behalf of the Board of Governors and also:

- (a) Monitor and facilitate the implementation of the college strategy with regard to financial matters.
- (b) Receive reports from the principal and Finance Officer.
- (c) Supervise the financial administration of the college and make recommendation to the Board.
- (d) Ensure proper financial evaluation and control of projects.
- (e) Supervise the arrangements for safeguarding the college assets.
- (f) Supervise the effective and efficient procurement and use of resources in accordance with the objectives of the college.

(ii) Human Resource and Academics Committee

- (a) Oversee and monitor the implementation of the curriculum
- (b) Regularly review of the programs offered
- (c) Create linkages with the industry
- (d) Recruitment of Board of Governors staff
- (e) Review of remuneration of the Board of Governors staff
- (f) Lari Technical and Vocational college Headquarters

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

KEY LARI TECHNICAL AND VOCATIONAL COLLEGE INFORMATION AND MANAGEMENT (Continued)

- (f) **Lari Technical and Vocational college Headquarters**
Located at Kwaregi along the Uplands/Kimende –Githunguri road
- (g) **Lari Technical and Vocational college Contacts**
P O Box 10-00222
Uplands
Email: Lari1tvc@gmail.com
Website: www.laritvc.go.ke.
Telephone: 0798 595 756
- (h) **Lari Technical and Vocational college Bankers**





Kenya Commercial Bank
Limuru Branch
- (i) **Independent Auditors**

Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- (j) **Principal Legal Adviser**






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

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

II. THE COUNCIL/BOARD OF GOVERNORS



No.	Member/ Director	Details
Mr. Jeremiah Nyori Mbugua		DOB – PHD –Agricultural entrepreneurship Bachelor of value chain Director Extension and Technology- JKUAT
1. Mr. Charles Nyota		DOB: 10 th October 1970 Masters in Computer Science 20 Years' Experience in TVET Technical Managements County Director Of TVET
2. Engineer Waithaka George		DOB- 20 th August 1970 Bsc Civil engineering.
3. Mr. Jared Ongwae		DOB: February 1976 Master of Science in clinical Microbiology Masters in Hematology and blood transfusi on Chief Laboratory Technology – Kisii University

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

<p>4. Dr. Joyce Rukaria Gitau</p>		<p>DOB- 1953 PhD Theology Director – Lari Hills Academy</p>
<p>5. Mary Kanana</p>		<p>DOB- 1965 Bachelors of commerce – Marketing Director - Prime Golden Limited</p>
<p>6. Joseph Mathenge Muthoni</p>		<p>DOB – 22nd December 1984 Masters in Distributed computing technology County ICT officer.</p>
<p>7. Waithira Evelyne Nyoike</p>		<p>DOB – 1976 MBA Communication studies Production Director – Inooro TV</p>
<p>8. Cosmas M. Mwangi</p>		<p>Principal DOB- 13th October 1967 Diploma Technical Education BBA CPAK</p>

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

III. MANAGEMENT TEAM

No.	Member/ Director	Details
1. Cosmas M. Mwangi		Principal DOB- 13 th October 1967 Diploma Technical Education BBA CPAK
2. Samuel Kamau Ndothua		Acting Deputy Principal DOB- 8 th February 1967 PGD in Education Bsc in Agricultural engineering

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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

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

The council members are responsible for the preparation and presentation of Lari technical and vocational college financial statements, which give a true and fair view of the state of affairs of Lari technical and vocational college for and as at the end of the financial year ended on June 30, 2022. 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 Lari technical and vocational college.
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud.
- (iv) Safeguarding the assets of Lari technical and vocational college.
- (v) Selecting and applying appropriate accounting policies.
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the Lari technical and vocational college financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act). The Board members are of the opinion that the Lari technical and vocational college financial statements give a true and fair view of the state of Lari technical and vocational college transactions during the financial year ended June 30, 2022, and of the Lari technical and vocational college financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Lari technical and vocational college, which have been relied upon in the preparation of the Lari technical and vocational college financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board members to indicate that Lari technical and vocational college will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Lari technical and vocational college financial statements were approved by the Board on 16 September 2022 and signed on its behalf by:

Name: Jeremia M Nyoni

Name: Cosmas M. Mwangi

Signature: 

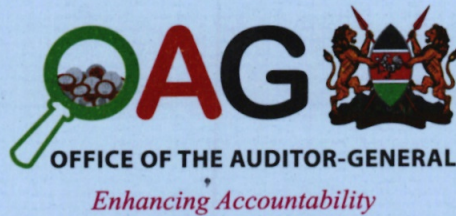
Signature: 

Chairperson of the Board/Council

Accounting Officer/Principal

REPUBLIC OF KENYA

Phone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON LARI TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

- A. Report on the 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 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 Government achieves value for money and that such funds are applied for the intended purpose.
- 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient, and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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 Lari Technical and Vocational College set out on pages 1 to 33, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

amounts for the 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 Lari Technical and Vocational College as at 30 June, 2022, 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 and the Technical and Vocational Education and Training (TVET) Act, 2013.

Basis for Qualified Opinion

1. Inaccurate Presentation of Financial Statements

Review of reports and financial statements revealed noncompliance with the reporting template prescribed by the Public Sector Accounting Standards Board as follows:

- i. The Chairman's Statement and Report of the Principal under Sections IV and V respectively are not signed as required.
- ii. The statement of financial position refers to Note 14b to the financial statements relating to receivables from non-current transactions which is not aligned with the actual Note to the financial statements.
- iii. The statement of financial performance and statement of cash flows are not signed by the Chairman of Board, Finance Officer and Principal as required.
- iv. The statement of financial position and Note 14 refers to property, plant and equipment however, it is not properly aligned to Note 16 to the financial statements on property, plant and equipment.
- v. The following sections are missing in the introductory parts of the financial statements:
 - a) Environmental and Sustainability Reporting Statement
 - b) Report of the Board of Governors
 - c) Statement of Board of Governors

In the circumstances, the financial statements have not been prepared in accordance with the Public Sector Accounting Standards Guidelines.

2. Unconfirmed Cash and Cash Equivalents

The statement of financial position and Note 13 to the financial statements reflect a balance of Kshs.562,877 in respect of cash and cash equivalents. Even though the

balance agrees with the bank balance, Management did not maintain a cashbook and monthly bank reconciliation statements were not prepared for the period under review.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.562,877 could not be confirmed.

3. Unsupported Expenditure on Casual Employees

The statement of financial performance and Note 9 to the financial statements reflect Kshs.685,167 on employee costs which include Kshs.33,500 on casual employees. However, the expenditure was not supported by a master roll, recruitment criteria, rates paid and evidence of need for the casual employees.

In the circumstances, the accuracy of Kshs.33,500 on casual employees' cost could not be confirmed.

4. Unsupported Comparative Opening Balances

As previously reported, the financial statements for the financial year 2020/2021 did not have comparative opening balances while the statement of changes in net assets for the year ended 30 June, 2021 reflect retained earnings balance of Kshs.463,269 as at 1 July, 2020. Further, the statement reflected unexplained prior year adjustments of unutilized funds, loan balance and debtors.

In the circumstances, the accuracy and completeness of balance totalling to Kshs.159,300,441 at 30 June, 2022 as reflected in the statement of changes in net assets could not be confirmed.

5. Inaccurate Statement of Cash Flows

The statement of financial performance reflects transfers from the National Government totalling to Kshs.3,392,500 which agrees with the receipts reflected in the statement of cashflows. However, the statement of cashflows reflects a payment for receivables from non-exchange transactions of Kshs.1,000,000 which has not been explained. Further, the statement has not included receivables from rendering of services-fees from students of Kshs.705,010.

In the circumstances, the accuracy and completeness of the statement of cashflows for the year ended 30 June, 2022 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on 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. Lack of Land Ownership Documents

As previously reported, Note 16(b) to the financial statements reflects a balance of Kshs.157,472,019 in respect to property, plant and equipment. Included in this balance is land whose value is indicated as Kshs.14,000,000 measuring approximately 6.25 acres on which the College's buildings and other infrastructures stand. However, review of records revealed that the land belonged to the community and Management was in the process of acquiring it.

In the circumstances, ownership of land valued at Kshs.14,000,000 could not be confirmed.

2. Untagged Assets

Physical verification of property, plant and equipment revealed that the assets were not tagged contrary to Regulation 139(a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer of National Government entity shall take full responsibility and ensure that proper control systems exist for assets and that preventative mechanism are put in place to eliminate theft, and security including misuse and that movement and conditions of the assets can be easily tracked.

In the circumstances, ownership of College's assets could not be confirmed.

3. Irregular Appointment of Board Members

Review of compliance with prescription on Board and Chief Executive Officers' terms of service and entitlements revealed that appointment of Board was not done by a notice in the Kenya Gazette. This was contrary to Chapter 1.1.11 of Mwongozo which states that

each board member shall be formally appointed to the Board through a gazette notice and thereafter appointment letter.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Risk Management Policy

Management has not established internal audit function, ICT policy and a risk management policy. This is contrary to Regulation 165 of the Public Finance Management (National Governments) Regulations, 2015 which requires the Accounting Officer to develop risk management strategies which include fraud prevention mechanism and internal control that builds robust business operations.

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

2. Lack of Internal Audit Function and Inactive Audit Committee

The College had not established an internal audit function, contrary to Section 73(1) of the Public Finance Management Act, 2015 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.

Further, although the College had established an Audit Committee, no meetings were held by the Committee during the year under review contrary to Regulation 179(1) of the Public Finance Management Regulations, 2015 which states that the audit committee shall meet at least once in every three months.

In the circumstances, Management was in breach of the law and did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee

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

Responsibilities of Management and Board of Governors

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

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain its services, disclosing, as applicable matters related to sustainability of its services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions

of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 July, 2023

XII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

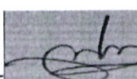
	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6	3,392,500	2,232,500
		3,392,500	2,232,500
Revenue from exchange transactions			
Rendering of services- Fees from students	7	1,576,269	470,680
Sale of goods		750	–
Revenue from exchange transactions		1,577,019	470,680
Total revenue		4,969,519	2,703,180
Expenses			
Use of goods and services	8	2,175,576	1,526,010
Employee costs	9	685,167	131,000
Remuneration of directors	10	345,500	380,000
Depreciation and amortization expense	11	15,759,171	18,145,150
Repairs and maintenance	12	98,379	39,750
Finance costs		–	–
Total expenses		19,063,793	20,221,910
Other gains/(losses)			
Total other gains/(losses)			–
Net Surplus/ (Deficit) for the year		(14,094,274)	(17,581,730)
Attributable to:			
Surplus/(deficit) attributable to minority interest			–
Surplus attributable to owners of the controlling Lari Technical and Vocational college			–
		(14,094,274)	(17,581,730)

The notes set out on pages 7 to 35 form an integral part of the Annual Financial Statements.

XIII. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2021-2022 Kshs	2020-2021 Kshs
Assets			
Current assets			
Cash and cash equivalents	13	562,877	297,979
Current portion of receivables from exchange transactions	14a	705,010	208,210
Receivables from non-exchange transactions	15	1,000,000	597,500
		2,267,887	1,103,689
Non-current assets			
Property, plant and equipment	16	157,472,019	172,831,190
Total Non-current Assets		157,472,019	172,831,190
Total assets		159,739,906	173,934,879
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	14,000	14,000
		14,000	14,000
Non-current liabilities			
Deferred tax liabilities			-
			-
Total liabilities		14,000	
Net assets			-
Reserves		190,976,340	190,976,340
Accumulated surplus / deficit		(31,747,235)	(17,055,461)
Capital Fund		-	-
Total net assets and liabilities		159,229,105	173,934,879

The Financial Statements set out on pages 7 to 35 were signed on behalf of the Institute Council/ Board of Governors by:



Chairman of Council/Board of Governors

Date.....18/05/23.....



Finance Officer
ICPAK No ASSOC/3956

Date.....18/05/23.....



Principal

18/05/23

XIV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2022

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
At July 1, 2021	190,976,340		(17,055,461)		173,920,879
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Capital/Development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
At June 30, 2021	190,976,340	-	(17,055,461)	-	173,920,879
At July 1, 2022	190,976,340	-	(17,055,461)	-	173,920,879
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income/ loss	-	-	(14,094,274)	-	(14,094,274)
Capital/Development grants received during the year	-	-	(597,500)	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	(-)	-
At June 30, 2022	190,976,340	-	(31,747,235)	-	159,229,105

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

XV. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

		2021-2022	2020-2021
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6a,b	3,392,500	2,232,500
Public contributions and donations		-	-
Rendering of services- Fees from students	7	1,576,269	262,469
Sale of goods		750	-
Rental revenue from facilities and equipment		-	-
Finance income		-	-
Other income		-	-
Total Receipts		4,969,519	2,494,969
Payments			
Compensation of employees	9	685,167	131,000
Board of Governors expense	10	345,500	380,000
Use of goods and services	8	2,175,576	1,526,010
Repair and maintenance	12	98,379	39,750
Receivables from non- exchange transactions	14	1,000,000	597,500
Other payments		-	-
Grants and subsidies paid		-	-
Total Payments		4,304,622	2,674,260
Net cash flows from operating activities		664,897	(179,291)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(400,000)	(-)
Proceeds from sale of property, plant and equipment			
Decrease in non-current receivables			-
Increase in investments			(-)
Net cash flows used in investing activities		(400,000)	-
Cash flows from financing activities			
Proceeds from borrowings		-	514,000
Repayment of borrowings		-	(500,000)
Increase in deposits		-	-
Net cash flows used in financing activities			14,000
Net increase/(decrease) in cash and cash equivalents		264,898	(165,290)
Cash and cash equivalents at 1 JULY 2021	13	297,979	463,269
Cash and cash equivalents at 30 JUNE 2022	13	562,877	297,979

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference	Explanation of material variances
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	
	Kshs	Kshs	Kshs	Kshs	Kshs	%	
Revenue							
Transfers from other Govt entities	3,000,000	-	3,000,000	892,500	(2,107,500)	-70%	(a)
Capitation grants							
Operational grant - Recurrent expenditure grant.	-	-	-	2,000,000	2,000,000	100%	(b)
Rendering of services- Fees from students	2,642,000	-	2,642,000	929,180	(1,712,820)	-65%	(c)
Sale of goods	150,000	-	150,000	137,830	(12,170)	-8%	
Finance Income	-	-	-	-	-	-%	
Other Income	-	-	-	-	-	-%	
Gains on disposal, rental income and agency fees	-	-	-	-	-	0%	
Total income	5,792,000	-	5,792,000	3,959,510	(1,832,490)		
Expenses							
Compensation of employees	720,000	-	720,000	687,167	34,833	5%	
Use of Goods and services	4,242,000	-	4,242,000	2,175,576	2,066,424	49%	(d)
Finance costs	-	-	-	-	-	0%	
Repair and maintenance	350,000	-	350,000	98,379	251,621	72%	(e)
Remuneration of directors	480,000	-	480,000	345,500	134,500	28%	(f)
Grants and subsidies paid	-	-	-	-	-	0%	
Total expenditure	5,792,000	-	5,792,000	3,304,622	2,487,378	0%	
Surplus for the period	-	-	-	654,888	654,888		

Budget notes

- a. There is a negative 70% variance because the budget was based on 100 students. However, only 44 students were in the college during the year. In addition 330,000 was reallocated to rendering of services by Ministry of education.
- b. The operational grant/ recurrent expenditure grant was not included in the budget.
- c. There is a negative 65% variance because the budget was based on 100 students. However, only 44 students were in the college during the year.
- d. Use of goods and services declined due to low enrolment against the estimated budget.
- e. The institution had no major repairs conducted
- f. The board of governors did not meet frequently due to COVID 19 effect during the year

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

XVII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Lari technical and vocational college is established by and derives its authority and accountability from TVET Act 2013. The Lari Technical and Vocational College is wholly owned by the Government of Kenya and is domiciled in Kenya. The Lari Technical and Vocational College's principal activity is training.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Lari technical and vocational college accounting policies. There are no areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements.

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.

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

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

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

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

iii. Early adoption of standards

The Lari Technical and Vocational College did not adopt any new or amended standards in year 2022.

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

ii) Revenue from exchange transactions

Rendering of services

The Lari Technical and Vocational College 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 Lari Technical and Vocational college.

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Lari Technical and Vocational College's right to receive payments is established.

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the Council or Board in September. No revisions or additional appropriations were made to the approved budget.

The Lari Technical and Vocational College's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

c) Taxes

Current income tax

Lari technical and vocational college is exempt from paying taxes as a public training institution

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

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

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

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Lari Technical and Vocational College 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Lari Technical and Vocational College. 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 Lari Technical and Vocational College also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Lari Technical and Vocational College 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 Lari Technical and Vocational College. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

The Lari Technical and Vocational College expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Lari Technical and Vocational College 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.

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Lari Technical and Vocational College determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

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

i) Inventories

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

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

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

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Lari Technical and Vocational College.

j) Provisions

Provisions are recognized when the Lari Technical and Vocational college has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Lari Technical and Vocational College expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

The Lari Technical and Vocational College creates and maintains reserves in terms of specific requirements. The Lari Technical and Vocational College maintains revaluation reserves.

l) Changes in accounting policies and estimates

The Lari Technical and Vocational College recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

m) Employee benefits

Retirement benefit plans

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

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

n) Foreign currency transactions

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

o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Related parties

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

q) Service concession arrangements

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

r) Cash and cash equivalents

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

s) Comparative figures

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

t) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

No provisions were raised and management determined an estimate based on the information available.

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

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2021-2022	2020-2021
	Kshs	KShs
Unconditional grants		
Capitation grants	892,500	232,500
Operational grant	2,500,000	2,000,000
Other grants		-
	3,392,500	2,232,500
Conditional grants		
Other organizational grants	-	-
Total government grants and subsidies	3,392,500	2,232,500

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Lari Technical and Vocational college sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	2021-2022 KShs
Education Ministry/State Department-VTT	3,392,500	-	3,392,500	3,392,500
Total	3,392,500	-	3,392,500	3,392,500

7. RENDERING OF SERVICES

Description	2021-2022	2020-2021
	Kshs	KShs
Tuition fees	767,036	174,152
Activity fees	103,654	23,534
Repair and maintenance	124,384	28,241
Local transport and travel	124,384	28,241
Electricity water and conservancy	124,384	28,241
Personal emolument	414,614	94,136
Administration fees	207,307	47,068
Advertisement and promotion	207,307	47,068
Total revenue from the rendering of services	1,576,269	470,680

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

8. USE OF GOODS AND SERVICES

Description	2021-2022	2020-2021
	Kshs	KShs
Teaching and learning materials	157,015	64,532
Industrial attachment costs		-
Electricity	28,351	-
Water	87,135	35,630
Security	456,000	379,000
Professional and Consultancy services or resource persons	38,060	-
Subscriptions	82,000	38,000
Advertising	176,450	44,500
Examination fees	335,810	38,000
Gas expenses	2,950	-
Conferences and delegations	219,100	657,500
Travelling and accommodation	126,200	63,072
COVID 19 response expenses		145,000
Cleaning expenses	4,600	-
Bank service charge	4,762	630
Licenses and permits		-
Postage and telephone	22,725	7,725
Printing and stationery	71,581	46,255
Office expenses	36,238	6,166
Internet installation and expenses	115,799	-
Agriculture department expenses	17,200	-
Sporting and games expenses	15,900	-
Landscaping and surveying	74,900	-
Refund to transferred students	54,300	-
Website and domain expenses	48,500	
Total good and services	2,175,576	1,526,010

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE COSTS

Description	2021-2022	2020-2021
	Kshs	KShs
Salaries and wages	685,167	131,000
Social contributions	-	-
Employee costs	685,167	131,000

10. REMUNERATION OF DIRECTORS

Description	2021-2022	2020-2021
	Kshs	KShs
Chairman's Honoraria	-	-
Sitting allowance	345,500	380,000
Other allowances	-	-
Total director emoluments	345,500	380,000

11. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2021-2022	2020-2021
	Kshs	KShs
Property, plant and equipment	15,759,171	18,145,150
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	15,759,171	18,145,150

12. REPAIRS AND MAINTENANCE

Description	2021-2022	2020-2021
	Kshs	KShs
Equipment and machinery	98,379	39,750
Other	-	-
Total repairs and maintenance	98,379	39,750

13. CASH AND CASH EQUIVALENTS

Description	2021-2022	2020-2021
	Kshs	KShs
Current account	562,287	279,979
Cash at hand	590	-
Total cash and cash equivalents	562,877	279,979

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2021-2022	2020-2021
		Kshs	KShs
a) Current account			
Kenya Commercial bank	1262609909	562,287	297,979
Equity Bank, etc		-	-
Sub- total		562,287	297,979
Cash account			
Cash at hand		590	-
Grand total		562,877	297,979

14. RECEIVABLES FROM EXCHANGE TRANSACTIONS

14(a) Current Receivables from Exchange Transactions

Description	2021-2022	2020-2021
	Kshs	KShs
Current receivables		
Student debtors	705,010	208,210
Total current receivables	705,010	208,210

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2021-2022	2020-2021
	Kshs	KShs
Current receivables		
Capitation grants*	-	97,500
Transfers from other govt. entities/ operational grant	1,000,000	500,000
Total current receivables	1,000,000	597,500

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2020	14,000,000	47,669,215	21,000,000	4,514,452	103,792,673	-	190,976,340
Additions						-	-
Disposals	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-
At 30th June 2021	14,000,000	47,669,215	21,000,000	4,514,452	103,792,673	-	190,976,340
Additions	-	-	-	-	-	400,000	400,000
Disposals		-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-
At 30th June 2021	14,000,000	47,669,215	21,000,000	4,514,452	103,792,673	400,000	191,376,340
Depreciation and impairment	-	-	-	-	-		-
At 1 July 2020	-	1,191,730	2,625,000	1,354,336	12,974,084		18,145,150
Depreciation	-	1,161,937	2,296,875	948,035	11,352,324		15,759,171
Impairment	-	-	-	-	-	-	-
At 30 June 2020	14,000,000	47,669,215	21,000,000	4,514,452	103,792,673	-	190,976,340
Depreciation	-	-	-	-	-		
At 30th June 2022	-	2,353,667	4,921,875	2,302,371	24,326,408		33,904,321
Net book values							
At 30th June 2022	14,000,000	46,315,547	16,078,125	2,212,081	79,466,265	-	157,472,019
At 30th June 2021	14,000,000	46,477,484	18,375,000	3,160,116	90,818,589	-	172,831,190
<i>[Include brief description of WIP as a footer]</i>							

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 (a) Valuation

Land is estimated local value of seven acres' buildings were valued based on bill of quantities during construction. These amounts were adopted on 01/07/2020.

16 (b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	14,000,000	-	14,000,000
Buildings	47,669,215	2,353,667	45,315,547
Plant and machinery	103,792,673	24,326,408	79,466,265
Motor vehicles, including motorcycles	-	-	-
Computers and related equipment	4,514,452	2,302,371	2,212,081
Office equipment, furniture, and fittings	21,000,000	4,921,875	16,078,125
Capital in progression	400,000	-	400,000
Total	190,976,340	33,904,321	157,472,019

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. BORROWINGS

BREAKDOWN OF LONG- AND SHORT-TERM BORROWINGS

Description	2021-2022	2020-2021
	Kshs	KShs
Short term borrowings(current portion)	14,000	14,000
Long term borrowings	-	-
Total	14,000	14,000

18. CASH GENERATED FROM OPERATIONS

Surplus for the year before tax	2021-2022	2021-2022
	KShs	KShs
Adjusted for:	(14,094,274)	(17,581,730)
Depreciation	15,759,171	18,145,150
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	944,300	805,710
Increase in deferred income		
Increase in payables		
Increase in payments received in advance		
Net cash flow from operating activities	720,597	(179,291)

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. FINANCIAL RISK MANAGEMENT

The Lari Technical and Vocational college'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 Lari Technical and Vocational College's financial risk management objectives and policies are detailed below:

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the 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 Lari Technical and Vocational College's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	463,269	463,269	-	-
Total	463,269	463,269	-	-
At 30 June 2022				
Receivables from exchange transactions	208,210	208,210	-	-
Receivables from non-exchange transactions	597,500	597,500	-	-
Bank balances	297,979	297,979	-	-
Total	1,103,689	1,103,689	-	-

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. FINANCIAL RISK MANAGEMENT (Continued)

(i) Credit risk (continued)

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

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

(ii) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2022				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	14,000	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	14,000	14,000

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk

The Lari Technical and Vocational College has put in place an internal audit function to assist it in assessing the risk faced by the Lari Technical and Vocational College 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 Lari Technical and Vocational College'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 Lari Technical and Vocational college's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

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

a) Foreign currency risk

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

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

	Ksh Kshs	Other currencies Kshs	Total Kshs
At 30 June 2022			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2022			
Financial assets(investments, cash ,debtors)	-	-	-
Liabilities	-	-	-
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2021			
Euro	10%	-	-
USD	10%	-	-
2022			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

Interest rate risk is the risk that the Lari Technical and Vocational College'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.

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20 FINANCIAL RISK MANAGEMENT (Continued)

iv) Capital Risk Management

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

	2021-2022	2020-2021
	Kshs	Kshs
Revaluation reserve	190,976,340	190,976,340
Retained earnings	(31,747,235)	(17,055,461)
Capital reserve		-
Total funds	159,229,105	173,920,879
Total borrowings	14,000	14,000
Less: cash and bank balances	(562,877)	(297,979)
Net debt/(excess cash and cash equivalents)	(548,877)	(283,979)
Gearing	0.34%	0.16%

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Lari Technical and vocational institute
- iv) Key management;
- v) Board of directors;

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

	2021-2022	2020-2021
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Others (Specify)	-	-
Total	-	-
b) Purchases from related parties		
Purchases of electricity from KPLC	28,351	-
Others (specify)	-	-
Total	28,351	-
b) Grants /Transfers from the Government		
Grants from National Govt	3,392,500	2,232,500
Grants from County Government	-	-
Donations in kind	-	-
Total	3,392,500	2,232,500
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for one employees	685,167	131,000
Payments for goods and services	-	-
Total	685,167	131,000
d) Key management compensation		
Directors' emoluments	345,500	380,000
Compensation to key management	-	-
Total	345,500	380,000

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. CAPITAL COMMITMENTS

Capital commitments	2021-2022	2020-2021
	Kshs	Kshs
Authorised for	600,000	-
Authorised and contracted for	-	-
Total	600,000	-

22. EVENTS AFTER THE REPORTING PERIOD

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

23. ULTIMATE AND HOLDING LARI TECHNICAL AND VOCATIONAL COLLEGE

The Lari Technical and Vocational college is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of education. Its ultimate parent is the Government of Kenya.

24. CURRENCY

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

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Lari Technical and Vocational college responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Principal



Cosmas M. Mwangi

Date. 16/05/23

APPENDIX II: PROJECTS IMPLEMENTED BY THE LARI 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	One	-	1 year	-	No	Yes
2						

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	One	600,000	400,000	67%	600,000	600,000	Recurrent grant

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.

APPENDIX III: INTER-ENTITY TRANSFERS

LARI TECHNICAL AND VOCATIONAL COLLEGE NAME:				
Break down of Transfers from the State Department- Ministry of Education				
FY 2021/2022				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Recurrent expenditure	16/07/2021	500,000	2020/2021
	Capitation grant	16/07/2021	97,500	2020/2021
	Recurrent expenditure	23/11/2021	500,000	2021/2022
	Capitation grant	23/11/2021	232,500	2021/2022
	Recurrent expenditure	23/11/2021	500,000	2021/2022
	Capitation grant	02/03/2022	232,500	2021/2022
	Capitation grant	03/06/2022	330,000	2021-2022
		Total	3,392,500	
b.	Development Grants	The institution did not receive any development grants.		
d.	Donor Receipts	The institution did not receive any development grants.		
		Total	3,392,500	

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

Finance Manager
 Lari Technical and vocational college

Sign  -----

Head of Accounting Unit
 Ministry of education

Sign-----

LARI TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022.