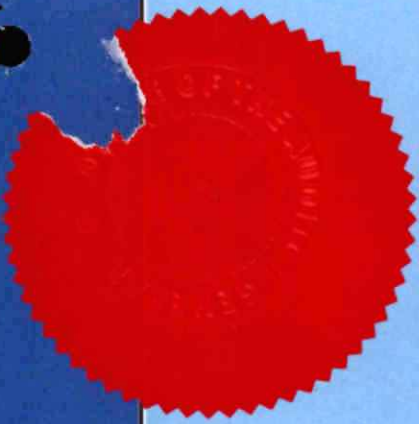


REPUBLIC OF KENYA



Enhancing Accountability



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REPORT

OF

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 18 JUN 2025	DAY: Wednesday
TABLED BY: Hon. Owen Ganyiko Deputy Leader of Opposition	
CLERK-AT THE-TABLE: homale	

THE AUDITOR-GENERAL

ON

**BELGUT TECHNICAL AND VOCATIONAL
COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2023**

Revised Template: 30th June 2023



BELGUT TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2023**

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

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BELGUT TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

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1. ACRONYMS & GLOSSARY OF TERMS

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVC	Technical Vocational College
KISM	Kenya institute of supply Management
Fiduciary Management	Key management personnel who have financial responsibility in the Institution.

Provide a list of Acronyms and glossary of terms used in the financial report as per above example. The list to be exhaustive)

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Belgut Technical and Vocational College was incorporated/ established under the TVET Act No. 29 of 2013 on 14th April, 2019. It is domiciled in Kenya and has no branches. The institute is under the Ministry of Education.

The Board of Governors do oversight on the institution's operational activities. The day to day operations is undertaken by a management team comprising the Principal, Deputy Principal, Registrar, Dean of Students, Finance officer and Procurement officer.

There are five departments namely, Electrical and Electronics Engineering, Building and Civil Engineering, Business, Information Communication Technology and Informatics, Institutional Management and Fashion Design.

The departments are all housed under one institutional tuition block with administrative offices, classrooms, ICT laboratory, Fashion and Design workshop and stores.

It is located in a fenced five-acre land, in Belgut Constituency, Kericho County.

(b) Principal Activities

The principal activities of the Institution is to offer technical and business training services. The Principal's main focus is to develop and maintain effective Technical and Business educational programmes and to promote the improvement of teaching and learning in the Institution and who should also strive to create an environment which fosters Trainees and Trainers growth.

The institutions vision is to be a leading TVET institution in the provision of diverse technologies that meet the needs and expectations of the industry.

The mission is to equip trainees with quality and relevant skills responsive to the industry.

The institutions core values are Teamwork, Commitment, Accountability, Integrity and Creativity and Innovation

The strategic objectives are:

1. Develop relevant skills for the 'Big four initiatives and vision 2030'
2. Establish linkages through collaboration and partnerships with industry and training institutions for research and innovation
3. Build capacity of the college's human resource
4. Mobilize financial resources for the institution

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(c) Key Management

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

- Board of Governors is the oversight top organ.
- Principal is the accounting officer and the secretary to the Board of Governors.
- The Management team comprises of the Principal, Deputy Principal, Registrar, Dean of students, Finance officer and the Procurement officer.
- The Heads of departments form the middle management team.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	Ernest Cheruiyot
2.	DeputyPrincipal Academics/Administration	Bernard Korir
3	Registrar	Eric Chumba
4	Dean of students	Rael Cheruiyot
5	Finance Officer	Wesley K. Bii
6	Procurement Officer	Mercy Kirui

BELGUT TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

Key Belgut TVC Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

The fiduciary oversight is executed by the Board through the established Board Committees as follows:

- Audit and Risk Management Committee that receive audit reports, from internal auditor, deliberate on them, make recommendations and present a report for ratification and approval during the full board meetings held on quarterly basis over the financial year.
- Education and Training and Human Resource Management Committee whose activity is ensure existence of training machines, equipment, tools and materials, staff trainings, academic programmes and courses, recruitment of staff, discipline, motivations and continuous development. Operational activities such as quality management systems.
- Finance and Infrastructure Committee – Finance reports: Quarterly and annual financial statements, infrastructural development/facilities- new buildings, renovations, maintenance and improvements, sourcing development partners and sponsors.

(f) Belgut TVC Headquarters

Belgut Technical and Vocational College
P.O. Box 205 – 20200, Kericho.
Chepng'etuny Shopping Centre, off Kericho-Litein Road
Belgut Sub-County
Kericho County, KENYA

(g) Entity Contacts

Telephone: (254) 701566195
E-mail: belguttechnical@gmail.com
info@betti.ac.ke
Website: www.betti.ac.ke

(h) Entity Bankers

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

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Other Commercial Banks:
Kenya commercial Bank, Kericho Branch
P o Box 43-20200
Kericho

(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

**Belgut Technical A
nd Vocational college
Annual Report and Financial Statements for the year ended 30th June 2023**

3.THE BOARD OF GOVERNORS

No.	Member/ Director	Details
1.	 Dr. Rotich John Kimutai: Chairman	Holds doctorate in mathematics and has wide experiences in teaching at the University. He is currently the Chairman of the Board of Governors. DOB:1 st February,1980.
2.	 Prof. Susan Abong'o: Member	A professor in Fashion and Design, a lecturer at Maseno University She is the chairperson of the Education and Training and Human Resource Management Committee. DOB:19----
3.	 Mr. Ken Agutu: Independent Member	Currently a private consultant in corporate finance and human resource services and the Chairman of the Finance and Infrastructure committee of the Board. DOB:10 th November,1962.
4.	 CPA Gilbert Bii: Member	Currently a banker with Equity Bank and the Chairman of the Audit and Risk Management committee of the Board. DOB:7 th December,1986.



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5.	 Eng. Wesley Tonui: Member	<p>An engineer with the ministry of Public works with wide experience in building technology</p> <p>He is a member of the Finance & Infrastructure as well as the Education and training and human resource Management Committees</p> <p>DOB:21st January,1965.</p>
6.	 Ev. Nyongesa Wandera: Member	<p>Currently serving as an Evangelist in western Kenya</p> <p>He is a member of the Audit and Risk Management Committee.</p> <p>DOB:19---</p>
7.	 Mr. Brian Sagala: Member	<p>He is an ICT consultant in Nairobi.</p> <p>Currently serving as a member of the Audit and Risk Management committee.</p> <p>DOB:4th December,1985.</p>
8.	 Mr. Ernest Cheruiyot: Principal/BOG Secretary	<p>He has masters in Entrepreneurship Development.</p> <p>He is the secretary to Board of Governors and the Board committees.</p> <p>Has wide experiences in human resource management and general administration in corporate institutions.</p> <p>DOB:1st January,1963.</p>
9.	 Mr. Peter Cheruiyot: Member	<p>He is the representative of the Cabinet Secretary in charge of Ministry of Education.</p> <p>He is also a member of the Education and training and Human Resource Management Committee.</p> <p>DOB:8th August,1972.</p>

BELGUT TECHNICAL AND VOCATIONAL COLLEGE
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4. KEY MANAGEMENT TEAM

No.	Member/ Director	Details
1.	 <p>The Principal/BOG Secretary Mr. Ernest Cheruiyot MSc. in Entrepreneurship</p>	<p>Responsible for: Curriculum implementation, Financial Management, Procurement, Human Resource Management, Infrastructure Maintenance and development, Strategic Management, Establishment of Linkages and collaborations.</p> <p>He is the accounting officer of the institution.</p> <p>DOB 1st January, 1963.</p>
2.	 <p>Deputy Principal Mr. Bernard Korir BSc Information Technology</p>	<p>Assists the Principal in the day-to-day administrative and academic activities</p> <p>DOB 21st December, 1974.</p>
3.	 <p>Registrar Mr. Eric Chumba Bsc Information Technology</p>	<p>Student admissions and registration Student Capitation Institutional Programmes and Courses</p> <p>DOB: 14th August, 1981.</p>

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4.	 Mrs. Rael Chepchirchir Dean of Students .	Welfare of Students Sports and Recreation Clubs and Societies DOB: 1 st January, 1978
5.	 Mr. Wesley Bii – Finance Officer CPA(K)	Financial management, accounting services and financial reporting Member in procurement committees Advises the principal on financial matters DOB 22 nd December, 1974.
6.	 Ms. Mercy Kirui – Procurement officer Bsc. Procurement and Supply Chain Management	Procurement of Goods, Works and services Supply and Stores management Standing secretary to procurement committees. Provides professional opinion on procurement matters. DOB: 1 st November, 1993.

5. CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT FOR THE YEAR 2022-2023

On behalf of the Board, I acknowledge that we are responsible for corporate governance. I am specifically responsible for the leadership of the Board, ensuring its effectiveness on all aspects of its role, including good governance in dealing on all matters concerning Belgut TVC.

This includes ensuring that Board meetings are held in an open manner, that the Members and the stakeholders receive accurate, timely and clear information and allowing sufficient time for agenda items to be discussed.

Key Activities in The Year 2022-2023

Some of the key activities in the year 2022-2023 are as follows:

a) Construction of workshop and classrooms

Belgut TVC mission is to equip trainees with quality and relevant skills responsive to the industry. The Belgut fraternity therefore developed a budget to aid at the construction of Electrical workshop phase 1. It kicks off in the financial year 2023-2024.

b) Utility Vehicle

The institution has been facing challenges in terms of logistics and the Board members discussed and resolved on allocating a development budget for purchasing the Institute Van. The van was to be purchased under the Contract Agreement between the Government of Kenya and Government Institutions that began in May 2021 for a period of two years ending May 2023.

c) Hired Four Security staff and more trainers

The institution through a competitive and transparent process has continued to advertise shortlist, interview and hire qualified staff to fill vacant positions as per the staff establishment policy. This will deliver efficient training service to trainees and security to the Institution's Assets.

d) Installation of Management Information System (MIS)

There is need for MIS in the Institution for efficient workflow and low paperwork. The MIS will help the Institution improve internal Aids the work allocation process and also will allow real-time performance report.

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Successes Consolidated For The Year 2022-2023

Some of the achievements in the year 2022-23 are as follows:

Improved pass rate on the Kenya National Examinations to 71% as at the year 2022-23. This is due to the continued staff motivational activities and support by the Management and the Board of Governors.

Starting off the construction of the workshop and classrooms that will help ease congestion in classrooms and also better learning workshops for the technical units.

Challenges For Year 2022-2023

The Institution faced low enrolment of students due to low marketing.

Capitation received in Quarter 2 and Quarter 3 was less than anticipated also receiving none in Quarter 4 dragging down the implementation of approved projects.

The Institution didn't receive operating Grants for the last two years for the new established Institutions amounting to 2 million Kenya shillings that could have helped in development of the Institutions Projects.

The Public Service Commission did not deploy enough Trainers to the Institution forcing the Management to employ more Trainers under Board of Governors Terms of Service causing the Wage Bill to go up therefore destabilising the Financial Health.

Future Outlook of Belgut TVC

a) Continuous annual improvement of student's enrolment

In its quest to further improve enrolment, the institution will apply the following strategies: Continue marketing through road shows and visits to high schools within Kericho county to create awareness about Belgut TVC and Improve political good will and to present proposals to the Kericho County government and also National government through the area MP to provide bursaries and other funds to support needy students in the institutions. The improvement of enrolment is one of the key approaches towards our strategic objective of mobilizing financial resources of the institution.

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b) Develop physical infrastructure in the institute

Due to continuous annual increase in student's population, Belgut TVC endeavours to meet the demand for training space by continuously seeking for sponsors in the government and in the private sector for the construction of workshops, lecture halls and offices as per the strategic plan 2023-2025.

c) Improving efficiency in records and data analysis

To be able to improve efficiency in records and data analysis the institution has a plan for the year 2022-2023 and beyond. Some of the strategies to be adopted includes but not limited to: Installation of ERP system in all modules as phase I installation was only done to 4 modules which are the Admissions/Registry Module, Finance Module, Procurement and Stores Module and Human Resource and Payroll modules, Installation of Biometric system for login and logout by staff and students and Installation of modern state of the art CCTV that can be accessed online.

d) Capacity-building of the Institute's human resource

The staff welfare has been a challenge in our institution and has contributed to staff turnover. In the future we plan to consider their welfare by getting a staff van to transport them to and from town the institution every time to ease their movements from their place of residents, secondly we plan to solicit for mortgage and other development funds that can encourage the staff to invest in their housing within Kericho county for their comfort and convenience while teaching and training and last but not least we plan to encourage the staff to form unions, SACCOs and welfare groups through relevant bodies to provide information and empower them socially, economically and morally for efficiency in service.

e) Promote collaboration and linkages in Training, Research and Innovation

As part of the strategic objective, we shall continue to deliberately seek for collaborations and linkages on institutions and organizations that can work together with our institute towards helping us achieve our mission and vision. This will include those that will accept to take our students for their attachment and other trainings within the term.

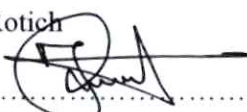
f) Income Generating Activities

A policy framework on income-generating activities to engage in to be formulated and regular training to equip teachers with skills to manage income-generating activities will be conducted; also proper record keeping should be embraced to ensure there is accountability in learning institutions.

Activities like crop cultivation, livestock rearing, poultry and agro-forestry to be looked into.

Chairman, Board of Governors

Dr. John K. Rotich

Signed.....

Date.....05/02/2025

6. REPORT OF THE PRINCIPAL

i. Students enrolment

The growth in population of students and staff influenced the introduction for more programs and courses with increased demand for services provided by our stakeholders particularly suppliers of goods, works and services. This brought about the need for good working relationships with stakeholders and establishment of industrial linkages and collaboration.

To optimize trainee learning, engagement, experience and outcomes, the following programmes were undertaken in three levels that is Artisan, Certificate and Diploma.

- ✓ Building & Civil Engineering Department
- ✓ Electrical & Electronics Engineering
- ✓ Hospitality & Institutional Management
- ✓ Computing & Informatics
- ✓ Agriculture & liberal Studies
- ✓ Business

Some of the Milestones achieved over the financial year under consideration include the following:

ii. Participation in Co-curricular activities

In the year 2023, the college participated in similar competitions and qualified to the national competitions held in Mombasa in March 2023.

- i. Athletics Competitions
 - The college participated in the Athletics competitions at the regional and national levels.
 - 2 athletes participated in the national competitions held in Nairobi in short races: 200M Men and 100M men.

iii. Greening of the College

For the Financial Year 2022/2023, the College participated in the greening TVET programme and in the government's 15 billion tree growing initiative.

The college received and planted 500 tree seedlings (100 tree seedlings planted in the college land and 300 trees planted in the water catchment area near the college). The exercise took place in January 19th, 2023.

In June 2023, the college received 1.5kg of tree seeds from the Kenya Forestry Research Institute (KEFRI). These trees are still young and will be valued in the next two years and which will be reflected as biological assets as trees.

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iv. Conferences, workshops, trainings and seminars

The College supported a number of staff to attend conferences, workshops, trainings and seminars in the following areas: WITED, Research & Innovations, ODEL, OCS, Finance, Performance Contracting, Procurement, Management trainings among others.

Among the officers supported to attend Management Trainings organized by the Public Service Commission in collaboration with KSTVET include:

- i. Ernest Cheruiyot – Principal
- ii. Benard Korir – Deputy Principal
- iii. Eric Chumba – Registrar
- iv. Judith Chepkemoi – Procurement/Stores Officer
- v. Wesley Bii – Finance Officer
- vi. Wesley Kosgei – Accountant
- vii. Kenneth Kandie, HoD Electrical & Electronics Engineering
- viii. John Seurey, HoD Building & Civil Engineering
- ix. Andrew Mathitu, HoD Hospitality and Hospitality Management
- x. Kiptoo Cheruiyot, HoD Computing & Informatics
- xi. Robert Chepkwony- Office of the Career Service Coordinator

v. Infrastructure

The Institution was able to kick off the construction of workshops and classrooms in order to improve the learning in the Institution by equipping the workshops with the necessary machines once it is completed.

Principal

Mr Bernard K. Korir

Signed.....

Date



BELGUT TECHNICAL AND VOCATIONAL COLLEGE
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7. Statement of Performance against Predetermined Objectives

Belgut Technical and Vocational College has 6 strategic Pillars and objectives within current Strategic Plan for the FY 2022- FY2023. These strategic pillars are as follows:

- i. Curriculum Implementation and student's enrolment.
- ii. Infrastructure Development.
- iii. Corporate Image.
- iv. Administration and Human Resource Management.
- v. Quality Assurance.
- vi. Income Generating Activities and Resource Mobilization.

Belgut TVC develops its annual work plans based on the above 6 Strategic Pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Belgut TVC achieved its performance targets set for the FY 2021/22 period for its 6 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Strategy	Objective	Key Performance Indicators	Activities	Achievements
Curriculum Implementation and students enrolment.	-Employ enough trainers. -Introduce CBET and NITA. -Allocate days for internal tournaments	-To promote extra and co-curricular activities. -To provide adequate games and sporting activity.	-Increased enrolment. -CBET and NITA Courses launched. -Internal tournaments days schedule and documentation of participation.	- Enhanced Marketing. -Registration of the institution as the NITA Centre. -Inter-departmental competitions.	-Increased enrolment. -Trainees sitting for NITA exam. -Sports activities at regional level and National level
Infrastructure Development.	-Procure more storage tanks. -Procure an automatic	-To ensure use of the most cost effective way in supply of	-Storage tanks installed.	-Elevating tanks and water harvesting.	-Sufficient water supply/storage.

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	standby generator. -Procure an institute bus/van	water and energy. -To ensure that the transport needs of the institution are met. -To optimize the efficient use of energy.	-Standby generator to be procured. -bus/van to be purchased.	-Seeking for additional funds - Seeking for additional funds	-Back –up power supply. Easy transportation.
Corporate Image.	-Construct more signage at strategic points. Advertise the institution on social media. Participate in CSR activities.	-To enhance positive public view of the institute. Actively promote and maintain good image of then institute.	-Signage installed on strategic sites. -The institutions information updated on the institutions website. -Production of protective masks.	-signage’s installed along the highway. -Creation of social media platforms for the Institution. - Distributions of the protective masks to the local primary schools and community.	-Enhanced accessibility and location of the institution. -Marketing strategy. -prevention of the spread of covid.
Administratio n and Human Resource Management.	-Create welfare scheme for the employees. -Organize for capacity training for the staff.	-Ensure proper management of resources. -To grow the institute capacity. -To follow all legal	-Number of policies/regulati ons, implemented. -Good rapport and working relation between administration and staffs.	- Development of HR manual. - Development of HRM Committee.	- Clear way handling HR matters which include; i. Placement. ii. Deployment iii. Development.

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	-Set up clear policies to govern the institution.	requirements.	-Departments working together to list good learning materials.		iv. Release
Quality Assurance.	-Formation of internal quality assurance committee -Training/ sensitization of quality assurance officers. -Conduct internal quality audits.	-To enhance quality in all aspects of the institute.	-Internal quality assurance committee formed. -Quality Assurance Officers trained. -Internal Quality Audit conducted.	-Internal Quality Assurance implemented.	-Better performance of the Institute. -Better performance of the staff.
Income Generating Activities and Resource Mobilization.	-Develop an IGA Policy. -Staff sensitization on IGA Policy.	-To identify possible income generating activities the institute can take advantage of.	-IGA Policy developed. -Staff sensitized during staff meetings.	-Members participated in IGA activities which include; i. Computer packages training ii. Installation of Green House for Production of green groceries	-More revenue to the institution. -increased corporate image for the institute.

8. CORPORATE GOVERNANCE STATEMENT

Belgut Technical and Vocational College is committed to good corporate governance through the leadership and management by the Board of Governors and the Management team.

The Board meets once every other quarter of financial year and all members attend full board meetings save for committee meetings.

The Board of Governors is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, to oversee the overall success of the Institution and its financial strength in order to discharge its mandate of offering training services. The Board of Governors are appointed for a one term that is a period of 3 years that also can be renewed. The Board of Governors serves as the ultimate decision-making body of the Institution. The Board oversees the operational activities as implemented by the management and also the performance and evaluation. Furthermore, the Board of Governors regularly reviews the infrastructural developments and corporate governance as the case may be.

9. MANAGEMENT DISCUSSION AND ANALYSIS

Material arrears in statutory and other financial obligations.

-Statutory deductions complied with NSSF Act 2013 and NHIF Act. All statutory deductions remitted on time to the relevant bodies.

Major risks

-The institutions didn't receive operational grants for newly established Institution (TVC).

-Declining capitation received on time hence affecting budget for the period under review.

-Fourth quarter capitation was not received. Fees collection reduced due to declining economic activities in the year under review.

Belgut TVC Key Projects or Investment Decision.

Construction of workshops and Purchasing of Utility Vehicle is on process as they were budget for the year under review.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT

The Institute Environment sustainability.

The institute has already implemented Presidential Directives on tree growing exercise. So far over 2,000 trees have been planted as part of Presidential Directive and Environments Directive.

Belgut TVC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant

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goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organization's strategic objectives.

Sustainability strategy and profile

For the sustainability the institution focuses on market driven programs and courses that is informed by environmental industrial and global changes in terms of technology, climate change.

Focusing on Human Resource Development and Management through continuous training and motivation for retention of the best skill man-power.

Continuous resource mobilization through linkages, collaboration and partnership with stakeholders including donors, sponsors and funding organizations. In addition, aligning activities and programs to government medium term plans.

Environmental performance

Environmental concerns impact on the activities of the institution and therefore the institution aligns its environmental activities with government policies and presidential directives that includes; tree growing, solid and liquid waste management practices. The institutions subscribe to the policies as outlined in the national Environmental Management Act of 1999.

The Institute have already implemented Presidential directive on tree growing exercise. So far over 2,000 trees have been planted as part of presidential directive and environmental directive.

Employee welfare

The Institution has already developed a Human Resource Management policy that is being utilized. The policy has guided the institution on matters concerning Human Resources all the way from attracting potential employees to the point of developing employees and exiting employees from the service.

The policy also has a clear reward mechanism. Employee's grievance is also well captured on the Human Resource Policy.

Market place practices-

- a) On Responsible competition practice our institution gives an equal opportunity for all, suppliers for goods, works and services through compliance and adherence to the principles outlined in the public procurement and Asset Disposal Act of 2015 and the accompanying regulation of 2020.
- b) Responsible Supply chain and supplier relations.

The Institution employs qualified and competent procurement officers and finance officers who meet the requirements of respective regulatory bodies that includes International Certified Public Accountants of Kenya (ICPAK) and Kenya Institute of Supplies Management(KISM). The Officers subscribes to Ethics and Conduct in relation to compliance and adherence to principles and stakeholder good relations.

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c) Responsible marketing and advertisement-

-Integrity is one of the core values of the Institution. The members of the, marketing team, the institution demands that; they be honest, sincere and trustworthy in their marketing efforts and strategies to project fair and trustworthy marketing information.

d) Product stewardship

- The Institution employs qualified trainers with pedagogy to assure the rights and the interest of the learners is protected against half-bake delivery of service. The Quality Assurance component assures the quality of teaching and learning in prescribed programs and courses.

Apart from the programs and courses offered the institutions co-curricular activities to ensure the development of full potential of the trainees.

Corporate Social Responsibility / Community Engagements

The Belgut TVC strategy for social responsibility includes a commitment to pursue change across the following priority areas:

- **Research with impact**

Research activities is making a positive difference to society, addressing the major challenges of the 21st century.

- **Socially responsible graduates**

Graduates have been trained in good leadership aspects and are learning to exercise ethical, social and environmental responsibility.

- **Engaging our communities**

The Institute graduates carry out a Clean-up exercise through students in partnership with the County Government of Kericho and NEMA.

11. REPORT OF THE BOARD OF GOVERNORS

The Board Members submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Institutions affairs.

Principal activities

The Principal activity in the Institution is to offer technical and business training services.

Results

The results of the Institution for the year ended 30th June 2023, are set out on page 18 to 26

Board of Governors

The members of the Board who served during the year are **shown on** page 1. During the year the term of the Board Member expired on 30th may, 2023.but the term for chair and independent

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Annual Report and Financial Statements for the year ended 30th June 2023

member and regional director was extended to assist during transition period. No member retired or resigned during their term.

Auditors

The Auditor General is responsible for the statutory audit of the Belgut TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of Belgut TVC for the year ended June 30th, 2023, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

.....
Secretary of the Board/Council
Nairobi
Date:

12. STATEMENT OF BOARD OF GOVERNORS/ COUNCIL'S RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013*); –

The Act require the Board Members to prepare financial statements in respect of Belgut TVC, which give a true and fair view of the state of affairs of the Institution at the end of the financial year and the operating results of the institution for that year The Board members are also required to ensure that the Institution keeps proper accounting record which disclose with reasonable accuracy the financial position of the institution. The Board members are also responsible for safeguarding the assets of the institution.

The Board members are responsible for the preparation and presentation of the institution's financial statements, which give a true and fair view of the state of affairs of the institution for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the institution, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

BELGUT TECHNICAL AND VOCATIONAL COLLEGE
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The Board members accept responsibility for the institution's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*) –

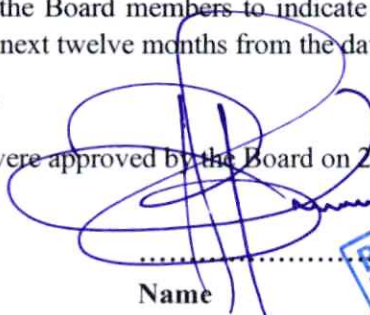
In accordance to the Public Finance and Management Act of 2012 and TVET Act of 2013. The Board members are of the opinion that the institution's financial statements give a true and fair view of the state of institution's transactions during the financial year ended June 30th, 2023, and of the institution's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the institution's which have been relied upon in the preparation of the institution's 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 the institution 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 Institution's financial statements were approved by the Board on 26/09/ 2023 and signed on its behalf by:


.....
Name
Chairperson of the Board


.....
Name
Accounting Officer/Principal



13. REPORT OF THE INDEPENDENT AUDITOR ON BELGUT TECHNICAL AND VOCATIONAL COLLEGE

REPUBLIC OF KENYA

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Enhancing Accountability

HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON BELGUT TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

The accompanying financial statements of Belgut Technical and Vocational College set out on pages 18 to 73 which comprise the statement of financial position as at

30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by BACE Partners LLP Certified Public Accountants (Kenya), auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

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 Belgut Technical and Vocational College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy of Transfers from Other National Government Entity

The statement of the financial performance reflects transfers from other National Government entity amounting to Kshs.10,214,000. However, the amount does not include accrued transfers amounting to Kshs.14,026,000 as disclosed in Note 6 to the financial statements.

In the circumstance, the accuracy and completeness of transfers from other National Government entity amounting to Kshs.10,214,000 could not be confirmed.

2. Inaccuracy of Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions totalling Kshs.17,115,503. The amount includes student debtors totalling Kshs.17,067,503 as disclosed in Note 27 to the financial statements. This amount includes receivables totalling Kshs.6,312,793 which has been outstanding for more than one year. However, no provision has been made for impairments of the receivables in the financial statements.

In the circumstances, the accuracy and completeness of the receivables from exchange transactions totalling Kshs.17,067,503 could not be confirmed.

3. Inaccuracy of Receivables from Non-Exchange Transactions

The statement of financial position reflects receivables from non-exchange transactions totalling Kshs.14,026,000. However, the amount does not include receivables that have

been outstanding for more than one year totalling Kshs.10,875,000 as disclosed in Note 28(a) to the financial statements. Further, no provision has been made for impairments of the receivables in the financial statements.

In the circumstances, the accuracy and completeness of receivables from non-exchange transactions totalling Kshs.14,026,000 could not be confirmed.

4. Unsupported Capital Fund

The statement of financial position reflects capital fund totalling Kshs.128,507,108. The amount includes prior year adjustments amounting to Kshs.7,705,686 as reflected in the statement of changes in net assets. However, journal entries in support of the adjustment were not provided for audit review.

In the circumstances, the accuracy and completeness of capital fund totalling Kshs.7,705,686 could not be confirmed.

5. Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects other incomes and other payments amounting to Kshs.571,507 and Kshs.73,000, respectively. However, the incomes and payments have not been relected in the statement of financial performance.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total income final budget and actual on comparable basis amounting to Kshs.95,099,000 and Kshs.44,529,407, respectively, resulting to underfunding of Kshs.50,569,593 or fifty three percent (53%) of the budget. Similarly, the statement reflects actual total expenditure amounting to Kshs.27,463,455 against actual income of Kshs.44,529,407 resulting to under absorption of Kshs.17,065,952 or thirty-eight (38%) percent of the receipts resulting to an under expenditure of Kshs.67,635,545 or seventy-one (71%) of the budget.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on the delivery of services to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Management is responsible for the other information set out on page iii to page 17 which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Board of Governors, and Statement of Board of Governors' Responsibilities . The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for effects of the matter 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

Irregular Procurement of Photocopier

The statement of the financial performance reflects use of goods and services amounting to Kshs.16,933,450. The amount includes administrative cost amounting to Kshs.2,312,993 as disclosed in Note 15 to the financial statements. Review of records revealed that the administrative cost is in respect of the purchase of a photocopier using the request for quotation method. However, user requisition was completed and approved after quotations had already been dispatched to suppliers. This was contrary to Regulation 71 (1) of Public Procurement and asset disposal Regulation, 2020 which requires that Pursuant to section 73 of the Act, the head of the user department shall initiate the procurement process through a requisition as per the approved procurement plan. Further, the photocopier has not been disclosed as an addition to property, plant and equipment.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

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

Basis for Conclusion

Lack of Internal Audit Function

The College has not established an internal audit function for oversight of the operations of the Management contrary to Section 73 (1) (a) of the Public Finance Management Act, 2012 which states that a National Government entity shall ensure that it has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board.

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

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

Responsibilities of Management and the Board of Governors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit


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

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

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

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

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

19 May, 2025

BELGUT TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from Non-Exchange transactions:			
Transfers from other National Government entity	6	✓10,214,000.00	14,430,000
Grants from donors and development partners	7	-	-
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
Total Revenue from Non Exchange transactions		✓ 10,214,000.00	14,430,000
Revenue from Exchange transactions:			
Rendering of services- fees from students	10	✓15,835,916.05	13,319,621
Sale of goods	11	✓ 11,850.00	130,630
Rental revenue from facilities and equipment	12	-	-
Finance income	13	-	-
Miscellaneous income	14	✓5,516,411.75	5,024,847
Total Revenue from Exchange transactions		✓ 21,364,177.80	18,475,098
Total Revenue		✓ 31,578,177.80	32,905,098
Expenses:			
Use of goods and services.	15	✓ 16,933,450.05	17,954,198
Employee costs	16	✓ 8,501,961.00	4,833,360
Board /Council Expenses	17	✓ 735,550.00	1,005,000
Depreciation and amortization expense.	18	✓ 2,798,299	2,972,687
Repairs and maintenance.	19	✓ 471,394.00	626,985
Contracted services.	20	✓ 400,000.00	250,000
Grants and subsidies	21	-	-
Finance costs	22	-	-
Total Expenses		✓ 29,840,654.05	27,642,230
Other Gains/(Losses):			
Gain on sale of assets	23	-	-
Gain/ Loss on fair value of investments	24	-	-
Impairment loss	25	-	-
Total Surplus		✓ 1,737,523.75	5,262,868

The Financial Statements set out on pages 18 to 26 were signed by:

BELGUT TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets:			
Cash and cash equivalents	26	✓16,569,923.75	12,951,229
Current portion of receivables from exchange transactions	27(a)	✓ 17,115,503	12,500,617
Receivables from non-exchange transactions	28	✓ 14,026,000	8,130,000
Inventories	29	✓ 1,298,555	2,640,041
Investments in financial assets	30	-	-
Total Current Assets		✓ 49,009,981.75	36,221,887
		-	-
Non-Current Assets:			
Long term receivables from exchange transactions	27(b)	-	6650
Investments	30		
Property, plant, and equipment	31	✓101,529,503	102,912,167
Intangible assets	32	-	-
Investment property	33	-	-
Biological Assets	34	-	-
Total Non-Current Assets		✓ 101,529,503	102,918,817
Total Assets		✓150,539,484.75	139,140,704
Liabilities			
Current Liabilities:			
Trade and other payables from exchange transactions	35	✓2,055,571.05	100,000
2,055,571.05	36	-	-
Current provisions	37	-	-
Finance lease obligation	38	-	-
Deferred income	39	-	-
Employee benefit obligation	40	-	-
Payments received in advance	41	-	-
Current portion of borrowings	43	-	-
Social Benefits	45	-	-

BELGUT TECHNICAL AND VOCATIONAL COLLEGE
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Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Total Current Liabilities		2,055,571.05	100,000
Non-Current Liabilities			
Finance lease obligation	38	-	-
Deferred income	39	-	-
Non-Current Employee Benefit Obligation	40	-	-
Non-Current Provisions	42	-	-
Non- Current Borrowings	43	-	-
Service Concession Liability	44	-	-
Social benefits	45	-	-
Total non- current liabilities			
Total Liabilities		2,055,571.05	100,000
Net Assets			
Revaluation Reserves		-	-
Accumulated Surplus		19,976,805.75	18,239,282
Capital Fund		128,507,107.95	120,801,422
Total Net Assets and Liabilities		150,539,484.75	139,140,704

The Financial Statements set out on pages 18 to 26 were signed by



Chairman of Board

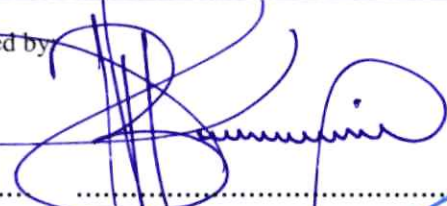
Date 05/02/2025



Finance Officer

ICPAK No 26514

Date 05/02/2025



Principal

Date 5.2.25



Comparative FY refers to the financial year preceding the current year.

**Belgut Technical A
nd Vocational college
Annual Report and Financial Statements for the year ended 30th June 2023**

16. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2023

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
	KSH	KSH	KSH	KSH
At July 1, 2021 (previous year)	-	12,976,414.00	89,788,632	102,765,046.00
Revaluation gain				
Surplus/(deficit) for the year	-	5,262,868.00		5,262,868.00
Capital grants received during the year				
Transfer of depreciation/amortisation from capital fund to Retained earnings				
Prior year adjustment	-		31,012,790	31,012,790.00
At June 30, 2022.	-	18,239,282.00	120,801,422	139,040,704.00
At July 1, 2023 (current year).	-	18,239,282.00	120,801,422	139,040,704.00
Revaluation gain				
Surplus/(deficit) for the year	-	1,737,523.75	-	1,737,523.75
Capital grants received during the year.				
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
Prior year adjustment			7,705,685.95	7,705,685.95
At June 30, 2023	-	19,976,805.75	128,507,107.95	148,483,913.70

Note:

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

**Belgut Technical A
nd Vocational college
Annual Report and Financial Statements for the year ended 30th June 2023**

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		✓10,214,000.00	14,430,000
Grants from donors and development partners			-
Transfers from other levels of government			
Public contributions and donations			
Rendering of services- fees from students		✓15,835,916.05	13,319,621
Sale of goods		✓11,850.00	130,630
Rental revenue from facilities and equipment		-	-
Finance income			-
Miscellaneous income		✓5,516,411.75	5,024,847
Other incomes		✓571,507.00	
		✓32,149,684.80	32,905,098
Total Receipts			
Payments:			
Use of goods and services		✓16,933,450.05	17,954,198
Employee costs		✓8,501,961.00	4,833,360
Board Expenses		✓735,550.00	1,005,000
Repairs and maintenance		✓471,394.00	626,985
Contracted services		✓400,000.00	250,000
Grants and subsidies		-	-
Other payments		✓73,000.00	
Total Payments		✓27,115,355.05	26,002,333
Net Cash Flows from operating activities	46	✓5,034,329.75	6,902,765
Cash flows from investing activities:			
Purchase of property, plant, equipment and intangible assets		✓(1,415,635).00	-
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		✓(1,415,635).00	-
Cash flows from financing activities:			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		✓3,618,694.75	6,902,765
Cash and Cash equivalents at 1 JULY,2022	26	✓12,951,229.00	6,048,464

BELGUT TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash and Cash equivalents at 30 JUNE,2023	26	✓16,569,923.75	12,951,229

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

**Belgut Technical A
and Vocational college
Annual Report and Financial Statements for the year ended 30th June 2023**

18. STATEMENT OF COMPARISON OF BUDGET ACTUAL AMOUNTS FOR YEAR ENDED 30 JUNE 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	✓28,500,000	-	✓28,500,000	✓10,214,000.00	✓(18,286,000).00	-64(a)
Grants from donors and development partners/ savings	✓41,500,000	-	✓41,500,000	✓12,951,229	✓(28,548,771).00	-69(b)
Transfers from other levels of government		-	-	-	-	
Public contributions and donations		-	-	-	-	
Rendering of services- fees from students	✓25,099,000	-	✓25,099,000	✓15,835,916.05	✓(9,263,083.95).00	-37(c)
Sale of goods	-	-	-	✓11,850.00	✓11,850.00	-
Rental revenue from facilities and equipment	-	-	-	-	-	
Finance income	-	-	-	-	-	
Miscellaneous Income	-	-	-	✓5,516,411.75	✓5,516,411.75	-
Total Income	✓95,099,000		✓95,099,000	✓44,529,406.80	✓(50,569,593.20)	-53
Expenses						
Use of goods and services	✓37,654,000	-	✓37,654,000	✓16,933,450.05	✓20,720,549.95	55(d)
Employee costs	✓10,640,000	-	✓10,640,000	✓8,501,961.00	✓2,138,039	20(e)
Board /Council Expenses	✓1,200,000	-	✓1,200,000	✓735,550.00	✓464,450.00	39(f)
Repairs and maintenance	✓3,705,000	-	✓3,705,000	✓471,394.00	✓3,233,606.00	87(g)
Contracted services	✓400,000	-	✓400,000	✓400,000.00	0	100
Grants and subsidies		-	-	-	-	
Capital Expenditure/development	✓41,500,000	-	✓41,500,000	✓421,100	✓41,078,900	99
Total Expenditure	✓95,099,000		✓95,099,000	✓27,463,455.05	✓67,635,544.95	71
Surplus for the Period	-	-	-	✓17,065,951.75	✓17,065,951.75	

BELGUT TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023
(Budget notes)

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
 (a) The movement in capitation grants were due to late and less amount received than anticipated. Non for quarter four were received.
 (b) The spending on savings delayed and could not be commenced few months to the end of financial year. Its implemented in the current financial 2023-2024
 (c) The movement in rendering of service were due to fees collected declined as as result of t economic hardship among the payers and decline in government funding through help and bursaries
 (d) Movement in Use of goods were due to late disbursement of fund and subsequent failure in quarter four disbursement
 (e) Movement in personal emolument were due to late receipt of fund as capitation grant and partial uptake of vacancies
f movement in employee 's cost were due to policy and separation of duties and assignment.
 2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis; statement of financial performance is accrual) provide a reconciliation.

COMPARABLE RECONCILIATION STATEMENT
AS AT 30TH JUNE, 2023

BALANCE AS PER BUDGET COMPARISON	KSH 17,065,951.75
LESS: BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR 2021/2022	<u>KSH 12,951,229.00</u>
	KSH 4,114,722.75
LESS: PURCHASE OF ASSETS	KSH (421,100.00)
ADD: DEPRECIATION FOR THE YEAR	KSH 2,798,299.00 <u>KSH 2,377,199.00</u>
SURPLUS FOR THE YEAR AS PER STATEMENT OF PERFORMANCE	<u>KSH 1,737,523.75</u>

19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Belgut TVC is established by and derives its authority and accountability from TVET Act. The Institution is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institution's Principal activity is Training of manpower for industrialization

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 *institution's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Institution*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, *(include any other applicable legislation)*, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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 2023.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • 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 an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(No impact /applicable during the year under review)</i></p>
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p> <p><i>(No impact /applicable during the year under review)</i></p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>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.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p>

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Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>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.</p> <p><i>(NO impact /applicable during the year under review)</i></p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <p><i>(NO impact /applicable during the year under review)</i></p>

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>(NO impact /applicable during the year under review)</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025.</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>(NO impact /applicable during the year under review)</i></p>

iii. Early adoption of standards

Belgut TVC did not early-adopt any new or amended standards in year 2022/2023. Belgut TVC did not adopted the standard The is no impact of these standards on institution's financial statements.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government Institutions

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for Financial Year 2022/2023 was approved by the Board on **30.06.2022**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of ***NIL*** on the financial year 2022/2023 budget following the Board's approval. The Institution's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page **26 under section 3** of these financial statements.

c) Taxes

Current income tax

Belgut TVC is exempt from paying taxes.

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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 NIL year. 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. The following depreciation rates are applicable to the Institution:

Land and Building	2%,
furniture's and fittings	13%,
computers and accessories	25%,
plant and Machinery	10%.

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

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. Belgut TVC also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the

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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 Institution. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

Belgut TVC assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. Belgut TVC recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are not set out in *any notes*.

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

k) Provisions

Provisions are recognized when Belgut TVC 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 Belgut TVC 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

Belgut TVC 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

Belgut TVC 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 Institution in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Social Benefits

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

Belgut TVC does not maintain appropriate policy at the moment.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) 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.

q) 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.

r) Related parties

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

Summary of Significant Accounting Policies (Continued)

s) Service concession arrangements

Belgut TVC analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, Belgut TVC 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, Belgut TVC also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) 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 imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

u) Comparative figures

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

v) 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, 2023.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Belgut TVC 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 Institute. 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 Institution.

The nature of the asset, its susceptibility and adaptability to changes in technology and processes.

The nature of the processes in which the asset is deployed.

Availability of funding to replace the asset.

Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is not included in any Note.

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

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

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2022-2023	2021-2022
	Kshs	Kshs
Unconditional Grants:		
Capitation Grants 808 STUDENTS XKSH 30,000	✓ 24,240,000	22,560,000
Operational Grant	-	-
Unconditional Development grants	-	-
Other Grants		
Total unconditional Grants	✓ 24,240,000	22,560,000
Less: Amount received	✓ 10,214,000	14,430,000
Balance accrued	✓ 14,026,000	8,130,000
Conditional Grants amortised/ recognised in revenue:		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
Total Government Grants and Subsidies	✓ 10,214,000	14,430,000

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET					
Ministry of Education	✓ 10,214,000	-	-	✓ 10,214,000	✓ 14,430,000
Total	✓ 10,214,000	-	-	✓ 10,214,000	✓ 14,430,000

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

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

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

The details of the reconciliation have been included under appendix iii

Notes to the Financial Statements (Continued)

7. Grants from Donors and Development Partners

Description	2022-2023	2021-2022
	Kshs	Kshs
JICA- Research Grant	-	-
World Bank Grants	-	-
In-Kind Donations	-	-
Donations transferred to revenue-conditions met	-	-
Other Grants (specify)	-	-
Total Grants from Development Partners	-	-

(a) Reconciliations of grants from donors and development partners

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Yet To Be Met - Remain Liabilities	-	-

(Provide brief explanation for this revenue)

8. Transfers from Other Levels of Government

Description	2022-2023	2021-2022
	Kshs	Kshs
	-	-
Transfer from County XX	-	-
Transfer from XX University	-	-
Transfer from XX Institute	-	-
Total Transfers	-	--

9. Public Contributions and Donations

Description	2022-2023	2021-2022
	Kshs	Kshs
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
Total Donations and Contributions	-	-

(Provide brief explanation for this revenue)

Notes to the Financial Statements (Continued)

10. Rendering of Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Fees	4,450,484.05	1,740,240
Student council	271,133.00	262,630
Activity Fees	1,171,097.00	982,313
RMI	1,309,960.00	1773664
LT&T	2,185,885.00	2,279,209
Medical	137,590.00	337,938
Industrial Attachment/ILO Fees	386,233.00	563,117
Insurance	452,994.00	660,042
EWC	395,252.00	349,360
PE	2,658,101.00	868,276
Administrative cost	1,822,234.00	2,029,093
ICT/Automation	425,903.00	161,070
Registration	169,050.00	307695
Development/infrastructure.	-	1,004,974
Total Revenue from The Rendering of Services	15,835,916.05	13,319,621

This is a table showing fees break down received as per the fees structure.

11. Sale of Goods

Description	2022-2023	2021-2022
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	-	-
Cafeteria sales	-	-
Sale of dust coats	11,850	130,630
Total Revenue from Sale of Goods	11,850	130,630

The table above shows income received from the sales of Dust Coats.

12. Rental revenue from facilities and equipment

Description	2022-2023	2021-2022
	Kshs	Kshs
Hire of Facilities and Equipment	-	-

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Contingent Rentals	-	-
Operating Lease Revenue	-	-
Total	-	-

*(Provide brief explanation for this revenue. *Contingent rentals include hire grounds, institutional facilities like halls, kitchen etc.)*

Notes to the Financial Statements (Continued)

13. Finance Income

Description	2022-2023	2021-2022
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

(Provide brief explanation for this revenue.)

14. Miscellaneous Income

Description	202-2023	2021-2022
	Kshs	Kshs
KNEC Examination	5,240,181.75	3,801,027
Dev./infrastructure	80,480	-
Identity card	119,200	289920
Placement	46,250	774,670
Practical food	26,300	135,230
Tender	4000	-
Total miscellaneous income	5,516,411.75	5,000,847

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified.)

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Notes to the Financial Statements (Continued)

15. Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Fees	5,049,976.05	7,665,555
Student council	209,515.00	180,220
Activity Fees	1,397,346.00	1,468,018
LT&T	2,022,165.00	1,879,020
Medical	57,000.00	12,440
Industrial Attachment/ILO Fees	346,840.00	146,400
Insurance	0.00	112,931
EWC	517,726.00	142,135
Administrative cost.	2,312,993.00	1,952,658
ICT/Automation	153,189.00	344,251
Registration	0.00	56,000
KNEC exams	4,890,700.00	3,333,980
Development infrastructure		54,620
Placement		48,000
Production	-	315,855
Identity card	-	136,550
Tender	1,000.00	27,970
Practical food	-	77,595
Total good and services	16,958,450.05	17,954,198

Notes to the Financial Statements (Continued)

16. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries and wages	7,476,521	4,624,370
Employee related costs - contributions to pensions and medical aids	1,025,440	208,990
NHIF		
Travel, motor car, accommodation, subsistence and other allowances		
Housing benefits and allowances		
Overtime payments		
Social contributions		
Employee Costs	8,501,961	4,833,360

17. Board/Council Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Chairman's Honoraria	173,330	192,000
BOG Emoluments	479,750	813,000
PAYE	82,470	-
Other Board/Council Expenses	-	-
Total	735,550	1,005,000

18. Depreciation and Amortization expense

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, plant and equipment	2,798,299	2,972,687
Intangible assets		
Investment property carried at cost		
Total depreciation and amortization	2,798,299	2,972,687

19. Repairs and Maintenance

Description	2022-2023	2021-2022
	Kshs	Kshs
Property	471,394	626,985
Investment property – earning rentals		-
Equipment and machinery		-
Vehicles		-
Furniture and fittings		-
Computers and accessories		-
Total Repairs and Maintenance	471,394	626,985

Notes to the Financial Statements (Continued)

20. Contracted Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	400,000	250,000
Other (specify)	-	-
Total contracted services	400,000	250,000

21. Grants and Subsidies

Description	2022-2023	2021-2022
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Total Grants and Subsidies	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

22. Finance Costs

Description	2022-2023	2022-2021
	Kshs	Kshs
Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Total Finance Costs	-	-

*(*Borrowing costs that relate to interest expense on acquisition of non-current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)*

Notes to the Financial Statements (Continued)

23. Gain On Sale of Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
Total Gain On Sale of Assets	-	-

24. Gain/(loss) on Fair Value Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Fair value on equity investments	-	-
Fair value arising from investment property	-	-
Fair value arising from biological assets	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

25. Impairment Loss

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

26. Cash and Cash Equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Account-1257399845	12,575,222.00	12,940,254
Current Account-1290546444	3,994,415.75	9,809
On - Call Deposits		-
Fixed Deposits Account		-
Staff Car Loan/ Mortgage		-
Cash in hand	286.00	1,166
Total Cash and Cash Equivalents	16,569,923.75	12,951,229

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

Notes To The Financial Statements (Continued)

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

Financial Institution	Account number	2022-2023	2021-2022
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank- Bureti Technical Institute Belgut OPP a/c-	1257399845	3,994,415.75	12,940,254
Kenya commercial bank-Belgut Technical & Vocational College	1290546444	12,575,222	9,809
Equity Bank, etc.			
Sub- Total		16,569,637.75	12,950,063
b) On - Call Deposits			
Kenya Commercial Bank			
Equity Bank – etc.			
Sub- Total			
c) Fixed Deposits Account			
Kenya Commercial Bank			
Bank B			
Sub- Total			
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank			
Bank B			
Sub- Total			
e) Others(<i>Specify</i>)			
Cash in Transit			
Cash in Hand		286.00	1166
Mobile Money account			
Sub- Total			
Grand Total		16,569,923.75	12,951,229

Notes to the Financial Statements (Continued)

27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Student Debtors	17,067,503	12,500,617
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Imprest	48,000	-
Bursary		
Less: Impairment Allowance	-	-
Total Current Receivables	17,115,503	12,500,617

27 (b) Long- term Receivables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	-	-
Total	-	-
Current Portion Transferred To Current Receivables	-	-
Total Non-Current Receivables	-	-
Total Receivables	-	-

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2022-2023	% of total	2021-2022	% of total
Less than 1 year	10,754,710	63.01	4,296,466	34.37
Between 1- 2 years	5,140,993	30.12	4,220,838	33.77
Between 2-3 years	1,171,800	6.87	3,983,313	31.86
Over 3 years	0	0	0	0
Total (a+b)	17,067,503	100	12,500,617	100

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

Description	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	12,500,617	9,013,930
Provisions during the year	20,402,802.05	19,815,000
Recovered during the year	(15,835,916.05)	(16,328,313)
Write off during the year	-	0
At the end of the year	17,067,503	12,500,617

(Entity to state the expected credit loss rates for various categories of its receivables. The institution should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

28. Receivables from Non-Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Capitation Grants 808 Students x ksh30,000 =24,240,000 less received Ksh.. 10,214,000	14,026,000	8,130,000
Transfers from Other Govt. entities		
Undisbursed Donor Funds		
Other Debtors (Non-Exchange Transactions)		
Less: Impairment Allowance		
Total Current Receivables	14,026,000	8,130,000

(*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review).

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

Description	2022-2023		2021-2022	
	Kshs	% of the total	Kshs	% of the total
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year	14,026,000	56%	8,130,000	75%
Between 1- 2 years	8,130,000	33%	2,745,000	25%
Between 2-3 years	2,745,000	11%	-	-
Over 3 years	-	-	-	-
Total	24,901,000	100%	10,875,000	100%

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

Description	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	8,130,000	2,745,000
Additional provisions during the year	16,110,000	11,640,000
Recovered during the year	10,214,000	6,255,000
Written off during the year	0	0
At the end of the year	14,026,000	8,130,000

29. Inventories.

Description	2022-2023	2021-2022
	Kshs	Kshs
Consumable stores	96,641	372,390
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	990,886	1,027,345
Cleaning Materials stores	2,000	-
Catering stores	8,988	571,515
Building and plumbing	200,040	668,791
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value.	1,298,555	2,640,041

Notes to the Financial Statements (Continued)

30. Investments in financial assets

Description	2022-2023	2021-2022
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks	-	-
Bank X	-	-
Bank Y	-	-
Sub- Total	-	-
c) Equity Investments (Specify)	-	-
Equity/ Shares in Company Xxx	-	-
Sub- Total	-	-
Grand Total	-	-

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

d) Shareholding in other entities

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

Name of Entity where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	2022-2023	2021-2022
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
	-	-	-	-	-	-

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31. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
		2%		13%	25%	10%		
At 1 July 2021 (previous year)	15,000,000	58,819,135	-	2,917,500	1,395,000	11,941,000	-	90,072,635
Additions								
Disposals								
Transfers/Adjustments	-	24,280,865	-	787,550	(452,800)	(6,006,200)	-	18,609,415
At 30 th June 2022 (previous FY)	15,000,000	83,100,000	-	3,705,050	942,200	5,934,800	-	108,682,050
Additions					716,540	277,995	421,100	1,415,635
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-537,300	565,700	-28400	0	0
At 30 th June 2023 (current year)	15,000,000	83,100,000		3,167,750	2,224,440	6,184,395	421,100	110,097,685
Depreciation And Impairment								
At 1 July 2021 (previous year)	-	1,152,855		308,088	261,563	1,074,690	-	2,797,196
Depreciation		1,662,000		481,657	235,550	593,480		2,972,687
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
At 30 June 2022 (previous year)	-	2,814,855	-	789,745	497,113	1,668,170	-	5,769,883
Depreciation	--	1,605,703	-	309,141	431,832	451,623	0	2,798,299
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment								
At 30 th Jun 2023 (current year)	-	4,420,558	0	1,098,886	928,945	2,119,793	0	8,568,182
Net Book Values								

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Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 30 th June 2022 (previous year)	15,000,000	80,285,145	-	2,915,305	445,087	4,266,630	-	102,912,167
At 30 th June 2023 (current year)	15,000,000	78,679,442	0	2,068,864	1,295,495	4,064,602	421,100	101,529,503

[Include Brief Description of WIP as A Footer]

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by icons professional valuers on December,2021. These amounts were adopted in the financial statements on 30,06,2022 and thereafter.

31 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	15,000,000	-	15,000,000
Buildings	83,100,000	4,180,966	78,919,034
Plant And Machinery	6,212,795	3,602,960	2,609,835
Motor Vehicles including Motorcycles	-	-	
Computers and Related Equipment	1,658,740	1,347,735	311,005
Office Equipment, Furniture, And Fittings	3,705,050	1,692,689	2,012,361
Total	109,676,585	10,824,350	98,852,235

32. Intangible Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Additions–internal development	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

Notes to the Financial Statements (Continued)

33. Investment Property

Description	2022-2023	2021-2022
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain or loss on fair value- if fair value is elected	-	-
At end of the year	-	-

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Institution should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

34. Biological Assets

	2022-2023	2021-2022
	Kshs	Kshs
Cattle	-	-
Trees	-	-
Others (Specify)	-	-
Total		

35. Trade and Other Payables

Description	2022-2023		2021-2022	
	Kshs	% of the Total	Kshs	% of the Total
Trade payables	1,484,064.05		100,000	
Fees paid in advance	-		-	
Salary deductions	-		-	
Third-Party Payments	-		-	
Bursary-Unallocated	441,507		-	
Helb- unallocated	130,000		-	
Total Trade and Other Payables	2,055,571.05		100,000	
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	2,055,571.05	100%	100,000	100
1-2 years	-		-	

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2-3 years	-		-	
Over 3 years	-		-	
Total (to tie to totals above)	2,055,571.05	100	100,000	100

36. Refundable Deposits from Customers/Students

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	-		-	
Other refundable deposits	-		-	
Total Deposits	-		-	
	2022-2023	% of the Total	2021-2022	% of the Total
Ageing analysis:				
Under one year	-	%	-	--
1-2 years	-	-	-	
2-3 years	-	-	-	--
Over 3 years	-	-	-	-
Total (to tie to totals deposits above)	-	-	-	-

37. Current Provisions

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

38. Finance Lease Obligation

Description	2022-2023	2021-2022
	Kshs	Kshs
At the start of the year	-	-
Discount interest on Lease Liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

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

Analysed as:

Description	Amount Kshs
Current	-
Non- Current	-
Total	-

39. Deferred Income

Description	2022-2023	2021-2022
	Kshs	Kshs
National Government	-	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

Notes to the Financial Statements (Continued)

The deferred income movement is as follows:

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

Include columns as needed for the various sources of income deferred.

Analysed as:

Description	Amount
Current	Kshs -
Non- Current	-
Total	-

40. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2022-2023	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	--	-	-

Retirement benefit Asset/ Liability

Belgut tack operates no defined benefit scheme for all full-time employees from July 1, 2022. There is neither scheme administered nor the custodians of the scheme.

No actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at 30th June 2023 by xxx actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

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Description	2022-2023	2021-2022
	Kshs	Kshs
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (Pre- Retirement)	-	-
Mortality (Post- Retirement)	-	-
Withdrawals	-	-
Ill Health	-	-
Retirement	years	years

Recognition of Retirement Benefit Asset/ Liability

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

Description	2022-2023	2021-2022
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (<i>specify</i>)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

b) Amounts recognised in the Statement of Financial Position

Description	2022-2023	2021-2022
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others	-	-
Net asset or liability arising from defined benefit obligation	-	-

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Belgut TVC also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Institution obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 2160 per employee per month (maximum). Other than NSSF the Institution has no defined contribution scheme. Employees contribute nil while employers contribute nil of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

41. Payments received in advance.

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Fees received in advance	-	-	-	-
Others (Specify)	-	-	-	-
Total	-	-	-	-
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

42. Non-Current Provisions

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

(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 36)

43. Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
Balance at end of the year	-	-

43 a) Analysis of External and Domestic Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'	-	-
Sterling pound denominated loan from 'yyy organization'	-	-
Euro denominated loan from zzz organization'	-	-
Domestic borrowings	-	-
Kenya shilling loan	-	-
Total balance at end of the year	-	-

43 b) Breakdown of Long and Short-Term Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Short Term Borrowings(Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

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

44. Service Concession Arrangements

Description	2022-2023	2021-2022
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

45. Social Benefit Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
People Living with disabilities benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g. poverty, age, unemployment among others.

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Notes to the Financial Statements (Continued)

46. Cash generated from operations.

Surplus for the year before tax	2022-2023	20221-2022
	Kshs	Kshs
Adjusted for:	2,236,030.75	3,930,078
Depreciation	2,798,299.00	2,972,687
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	-	-
Increase in Deferred Income	-	-
Increase in Payables	-	-
Increase in Payments received in advance	-	-
Net Cash Flow from Operating Activities	5,034,329.75	6,902,765

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

Notes to the Financial Statements (Continued)

47. Financial Risk Management

Belgut TVC 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 institution's financial risk management objectives and policies are detailed below:

(i) Credit risk

Belgut TVC 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 Institution'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 institution's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully perfor ming Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022(previous year)				
Receivables from exchange transactions	12,500,617	-	-	-
Receivables from non-exchange transactions	8,130,000	-	-	-
Bank balances	12,951,229	-	-	-
Total	33,581,846	-	-	-
At 30 June 2023 (current year)				
Receivables from exchange transactions	17,115,503	-	-	-
Receivables from non-exchange transactions	14,026,000	-	-	-
Bank balances	16,569,923.75	-	-	-
Total	47,711,426,75	-	-	-

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

Notes to the Financial Statements (Continued)
Financial risk management (continued)

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

The Institution has no significant concentration of credit risk on amounts due from **30.06.2023**.

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022(previous year)				
Trade Payables	100,000	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	100,000	-	-	-
At 30 June 2023 (current year)	-	-	-	-
Trade Payables	-	2,055,571.05	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	2,055,571.05	-	-

Notes to the Financial Statements (Continued)

Financial risk management (continued)

(iii) Market risk

Belgut TVC has put in place an internal audit function to assist it in assessing the risk faced by the Institution on an on-going basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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

The Institution'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 Institution's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

Belgut TVC has no 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 Institution's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 20XX			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities	-	-	-
Trade and Other Payables	-	-	-
Borrowings	-	-	-
	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Belgut TVC manages foreign exchange risk form future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Notes to the Financial Statements (Continued)

Financial risk management (continued)

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
20xx			
Euro	10%	-	-
USD	10%	-	-
20xx		-	-
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

Belgut TVC analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (20XX: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20XX – Kshs xxx)

Notes to the Financial Statements (Continued)
Financial risk management (continued)

iv) Capital Risk Management

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings	19,624,441.75	18,239,282
Capital Reserve	128,372,577.95	120,801,422
Total Funds	147,997,019.70	139,040,704
Total Borrowings		
Less: Cash and Bank Balances	16,569,923.75	12,951,229
Net Debt/(Excess Cash and Cash Equivalents)	131,427,095.95	126,089,475
Gearing	88.80%	90.69%

48. Related Party Balances

Nature of related party relationships

Institutions and other parties related to Belgut TVC 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 Belgut TVC, holding 100% of the Institution's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Institution, both domestic and external. Other related parties include:

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

Notes to the Financial Statements (Continued)

49. Segment Information

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

Notes to the Financial Statements (Continued)

50. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

Contingent Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case against Belgut TVC	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

(Give details)

51. Capital Commitments

Capital Commitments	2022-2023	2021-2022
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-

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

Notes to the Financial Statements (Continued)

52. Events After the Reporting Period

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

53. Ultimate and Holding Entity

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

54. Currency

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

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8. Appendices

Appendix I: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/CN/BELGUT/TVC/2021/2022	-Budgetary control and performance -Late submission of financial statement -Land without ownership -Irregularly procurement of service Composition of board members -Non-compliance with the law on ethnic composition	To be resolved in the financial 2023/2024	Yet to be resolved	30.06.2024

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;

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- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Name:
Accounting Officer
PRINCIPAL
Date:

[Handwritten signature]
[Handwritten date: 2.2.23]



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Appendix II: Projects Implemented by Belgut TVC

Projects

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

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

Status of Projects completion

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

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

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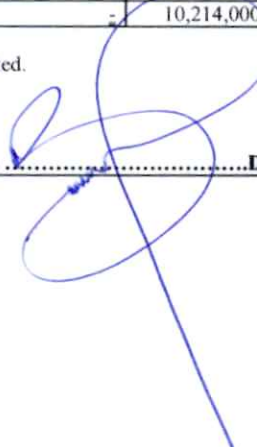
Appendix III- Inter-Entity Confirmation Letter

The *Belgut Technical and Vocational College* wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Belgut Technical and Vocational College] as at 30 th June 2023							
Reference Number/receipt number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2023				Amount Received by [Belgut tvc] (Kshs) as at 30 th June 2022 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
5276	24.10.2022	3,750,000	-	-	3,750,000		
6542	26.01.2023	3,232,000	-	-	3,232,000		
8584	30.06.2023	3,232,000	-	-	3,232,000		
Total		10,214,000	-	-	10,214,000	14,430,000	(4,216,000)

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

Head of Accountants department of Belgut TVC:

Name CPA Bii K. Wesley..... Sign ..... Date 05/02/2023

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Source Of Funds				Implementing Partners
				Q1	Q2	Q3	Q4	
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

Appendix V: Reporting on Disaster Management Expenditure

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

