

REPUBLIC OF KENYA



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REPORT

DATE: 24 JUN 2025

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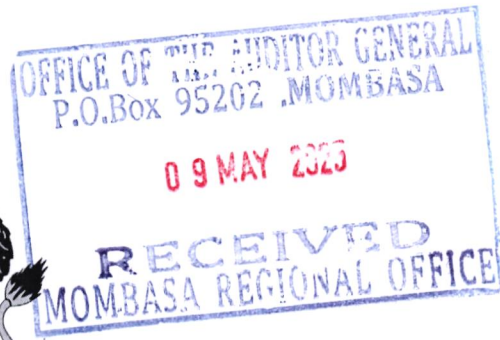
THE AUDITOR-GENERAL

ON

**KINANGO TECHNICAL AND VOCATIONAL
COLLEGE**

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

Revised 30th June 2024



**KINANGO TECHNICAL AND VOCATIONAL COLLEGE
P.O BOX 6-80120 SAMBURU MOMBASA**

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

Kinango Technical & vocational training college envisions itself to be a path finder and trail blazer in Technological Training in the current and next generation.

(a) Background information

Kinango Technical and Vocational College was incorporated/ established under the TVET Act/ 2013 Section 20 (1). The College is domiciled in Kenya Kwale County Mackinnon Road Township. The College is under the Ministry of Education. Kinango Technical and Vocational College has 5 (Five) departments namely:

- i) Electrical and Electronics Engineering
- ii) Automotive Engineering
- iii) Fashion and design
- iv) Information Communication Technology
- v) Business Studies

(b) Principal Activities

COLLEGE VISION

A path finder and trail blazer in Technical Training.

THE COLLEGE MISSION

To provide demand based and industry tailored technical skills for industrialization.

MOTTO

Relevant Skills for Industrialization.

COLLEGE STRATEGIC OBJECTIVES

- I. To increase student enrolment.
- ii. To promote relevant training.
- iii. To provide infrastructure for training and services in the college
- iv. To strengthen college security.
- v. To promote technology and innovations in the college.
- vi. To increase financial sustainability in the college
- vii. To improve the college's Human Resource Capacity for effective service delivery.

(c) Key Management

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

- Board of Governors/ Council/ Management
- Accounting officer/ Principal.
- Deputy Principal Administration.
- Deputy Principal Academics.
- Registrar.
- Dean of students.
- Finance Officer.
- Heads of department

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(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	Victor Mchana
2.	Deputy principal Finance	Douglas Muasya
3.	Deputy principal Academics	Anselim Mwakio
4	Registrar (s)	Duke Nyanchongí Kimori
5	Dean of students	David Onditi O
6	Head of Finance	Frumence K. Lagat

Key Entity Information and Management

(e) Fiduciary Oversight Arrangements

- **Audit and risk committee activities**

The Finance and human resource committee recommended that the College should use Mentors Internal Auditor for normal routine which is guided by the government auditor's reports.

Every department shall prepare a risk register. The college has prepared the academic, and the human resource policy. The policies shall be interrogated and then shared with the full board. The college strategic plan has been in place since 2021.

- **Finance and operations committee activities**

This committee shall interrogate the Human Resource policy developed by the college management and determine the college Human Resource needs. This committee shall also source for additional funds and advise the college management on income generating activities. The committee shall deliberate on the college infrastructural needs and ways of addressing them.

- **Academic committee activities**

This committee advises on new courses to be developed and interrogates college external results. This committee shall meet with HODs after the examination results to discuss the challenges, strategies and methods for improvement. Other areas of interest for the committee include:

1. Liaison with industry
2. Students' welfare and discipline
3. Students' mentorship and graduation (when possible)

(f) Entity Headquarters

Kinango Technical and Vocational College
P.O. Box 6 – 80120
Mackinnon Road
Samburu
Mombasa, Kenya

(g) Entity Contacts

Telephone: (254) 0746632243/0788280009
E-mail: kinangotti2030@gmail.com
Website: www.kinangotvc.go.ke

(h) Entity Bankers

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

(i) Independent Auditors




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

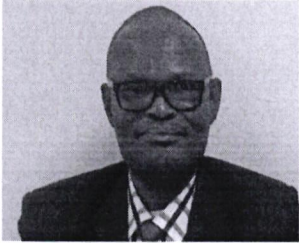

(j) Principal Legal Adviser

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



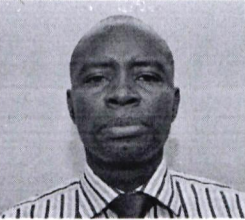
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3.The Council/Board of Governors

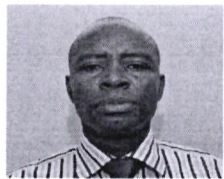





SN.	Member/ Director	Details
1.	 Amina Ndinya Council/ BoG Member 2 Master's in Business Administration (MBA)	Date of birth: 27/9/1975 Qualifications: Master's in Business Administration (MBA) Work Experience: -Assistant Lecturer – Taita Taveta University <ul style="list-style-type: none"> - Part Time Lecturer – Management University of Africa - Part Time Lecturer – Kenya Institute of Management. - Part Time Lecturer – University of Nairobi. - Procurement and Costing Officer – Micato Safaris. - Business Advisor – KIM (Jitihada Business Competition) - Trainer – KEPSA/KYEP Member description: Member
2.	 Mwangi Wangai Peter TVET County Director Master's degree in Education Management and Administration	Date of birth: 24/02/1966 Qualifications: Master's degree in Education Management and Administration. Member description: TVET County Director.
3.	 Jane Waguthi Kabiru Council/ BoG Member 4 Bachelors Business and Information Technology (BBIT)	Date of birth: 17 th September 1990 Qualifications: Bachelors Business and Information Technology (BBIT) Work Experience: May 2019 to date work as Marketing and Communication Manager at Safepak limited. <ul style="list-style-type: none"> - February 2017 – April 2019 work as Administrative Manager at AVVY group ltd. - June 2015 – July 2016 work as Customer Care Assistant at SPACE global ltd. - December 2013 – March 2015 work as Marketing Executive and Communication Officer at Capital Realty ltd. - August 2013 – November 2013 worked as Intern at Africa Centre of Cooperate Studies. - January 2010 – February 2011 worked as Executive Assistant at Sikamu Investment.

		<ul style="list-style-type: none"> - September 2012 – January 2013 worked as Programs Coordinator at IT Club Africa Nazarene University. <p>Member description: Member</p>
4.	 <p>Dr Mvurya Mgala Council/ BoG Member 6 Doctor of Philosophy (PHD</p>	<p>Date of birth: 12th March 1968 Qualifications: Doctor of Philosophy (PHD Work Experience: Coordination and Supervision: Director, Institute of Computing and Informatics Technical University of Mombasa.</p> <ul style="list-style-type: none"> - Worked as Curriculum Development Officer Technical University of Mombasa. - Worked as Chairman Research Committee Technical University of Mombasa - February 2011 to July 27, 2012 worked as Chairman of Department Mombasa Polytechnic University College. - May 2010 Feb 2011 worked as Examination Coordinator Mombasa Polytechnic University College. - 2004 - 2010 worked as Departmental Industrial liaison officer Mombasa. Polytechnic University College. - Worked as Curriculum Development officer Mombasa. Polytechnic University College. <p>Member description: Member</p>
5.	 <p>MD. RODAH MODANI BOG Member</p>	<p>Date of Birth: 7th October 1967 Qualifications: Degree Work Experience: Business woman Member Description: BOG Member.</p>
6.	<p>JULIUS MULINGE MULI BOG Member Bachelor of education (Technology Education – power Mechanics Technology)</p>	<p>Date of Birth: 6th March 1994 Qualifications: Bachelor of education (Technology Education – power Mechanics Technology) Work Experience: From 12th February 2020 – To date: Automotive Lecturer USIU Mtito Andei Member Description: Member</p>

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7.	 <p>CHRISANTUS SOITA WASIKE BOG Member Btech Information and Communication Technology</p>	<p>Date of Birth: 22/6/1984 Qualifications: BTech Information and Communication Technology Work Experience: Sept 2016-Date: CAP Youth Empowerment Institute Regional Coordinator worked in Nairobi region and currently supporting Coast region. Sept 2015-July 2016: CAP Youth Empowerment Institute Regional Coordinator (Mt Kenya/Coast regions) Feb 2013-Aug 2015: CAP Youth Empowerment Institute. Centre coordinator and IT/Entrepreneurship Facilitator (Mombasa/Athi River centers) Sept 2010- April 2013: Ministry of youth — Msambweni, coast Member Description: BOG Member</p>
8.	 <p>MORRISON KANIU NJOROGE BOG Member Masters Business Administration (Strategic Option)</p>	<p>Date of Birth: 15th November 1984 Qualifications: Masters Business Administration (Strategic Option) Work Experience: 2018 Feb, To date - Relationship Manager Corporate Banking, -June 2012: Equity Bank Relationship Manager Agency and Acquiring Member Description: BOG Member</p>
9.	 <p>Victor Mchana Secretary to the Board Masters Business Administration (Accounting & Finance)</p>	<p>DOB: 9th April, 1973 Qualifications: BED(A), MBA (Accounting & Finance) Has attended courses for senior government officers including; Senior Management Course (SMC) & Strategic Leadership Development Programme (SLDP) Work Experience: Has taught for 22 years as a teacher holding various positions from a Graduate teacher, HOD, Deputy Principal and Principal, Worked for 4 years as a Sub County administrator Position: Principal/Secretary of the Board</p>

4. Key Management Team

SN.	Member/ Director	Details
10.	 Victor Mchana MBA (Accounting & Finance)	Principal/ Secretary to the Board
11.	 Douglas Muasya Bachelor of Business Information Technology	D/Principal Administration
12.	 Anselim Mghanga Mwakio Masters of Science in Entrepreneurship Development	D/Principal Academics
13.	 Duke Nyanchongi Kimori Bachelors of Science (B. Sc) Computer Science	Registrar Ag.
14.	 David Onditi Omondi Bachelor of Education (Bed.) Technology Education (Power Mechanics)	Dean of Students Ag.
15.	 Frumence K. Lagat Certified Public Accountant (CPA III) Ongoing	Finance Officer

5. Chairman's Statement

Kinango Technical and Vocational College financial position is improving. The college has increased its student population through College marketing and publicity. This shows positive response on strategies used by management in College marketing and publicity. However, the College has had its fair share of challenges. First there has been a challenge of neighbours encroaching on College land thus hindering College expansion and other activities such as putting up a fence or a perimeter wall around College land. Water also has been a problem and there has been a proposal during meetings to have a borehole for the College in order to have constant supply of clean water and minimise the cost of water bill. The management installed three water tanks of 10,000 litres each to enhance water storage.

The College is planning to continue increasing student population, improve service delivery to students through learning as they are our clients, enhance accountability in resource management and facilitate good implementation of College strategic plan. The Kinango Technical and Vocational College Board of Governors recognizes the reforms that the government is undertaking on technical and vocational training in order to develop highly skilled manpower to provide the technical skills needed for industrialization. The national plans and other strategic priorities have consistently placed emphasis on development of skills that match the industry requirements and the government strategies and policies as outlined in the constitution of Kenya 2010.

The board of governors appreciates the critical role that the TVET play in building the foundation which will move this country to the next level of economic development. Finally, I sincerely congratulates everybody who contributed in one way or another to the development of Kinango Technical and Vocational College. It is through your dedication, sacrifice and collaborative efforts that there has been an increase in College population and improvement in infrastructure.


BOG Chairperson

6. Report of the Chief/Senior Principal

Kinango Technical and Vocational College has been expanding rapidly since its inception in 2019 with a total student's population of 616 (Six hundred and sixteen) as at 30th June 2022. As at the end of this financial year 2022-2023 the student population increased to a population of 1541 students as at the close of the year.

The College Management has had Challenges due to land encroachment by squatters thus hindering College expansion and other activities such as fence around College land or a perimeter wall which is urgently required to safeguard the Property. Water also has been a problem and there had been proposal during meeting to having a borehole for the College in order to enable the College to have constant supply of clean water and minimise the cost of water bill being incurred.

The College is planning to continue increasing student population, improve service delivery to students through learning as they are our clients, and enhance accountability in resource utilization by operationalizing the internal audit committee.

The College Management recognizes the reforms that the government is undertaking on technical and vocational training in order to develop highly skilled manpower to provide the technical skills needed for industrialization. The national plans and other strategic priorities have consistently placed emphasis on development of skills that match the industry requirements and the government strategies and policies as outlined in the constitution of Kenya 2010.

Kinango Technical and Vocational college operational and financial performance is based on direct fee collection from students, Students Helb loans applications, Bursary, Sponsorship, Capitation from government and government grants. The opening bank balance of this financial year 2023-2024 was kshs. 3,751,271. For the first Quarter i.e. July – September 30th 2023, the college received funds from student's fee, Helb loans, Bursary and Sponsorship. The college however did not receive Capitation allocation for Quarter 4 2022-2023. The college had a net deficit of Kshs. 3,185,039.50 as at 30th September 2023 financial performance. The opening bank balance for quarter 2 FY 2023-2024 was Kshs. 425,230.50. For the 2nd Quarter i.e. October – December 31st 2023, the college received funds from student's fee, Helb loans, Bursary and Sponsorship and Capitation for Quarter 1 FY 2023-2024. The college had a net surplus of Kshs. 3,806,321.75 as at 31st December 2023 financial performance. The College had not yet received Quarter Two Capitation as at the end of Quarter. For the 3rd Quarter i.e. January – March 31st 2024, the college received funds from student's fee, Helb loans, Bursary and Sponsorship and Capitation for Quarter 2 & 3 FY 2023-2024. The college had a net surplus of Kshs. 14,341,120.42 as at 31st March 2024 financial performance. For the 4th Quarter i.e. April – June 30th 2024, the college received funds from student's fee, Helb loans, Bursary and Sponsorship and Capitation for Quarter 4 FY 2023-2024. The college had a net deficit of Kshs. (2,057,490.50) as at 30th June 2024 financial performance.

In the statements that follow, I'm pleased to present the statement of performance against Predetermined objectives which outlines the performance of the Board against its key pillars in the 5-year strategic plan. I also present management discussion and analysis that indicate how funds received were allocated and utilised.

I thank the Board of Management for their leadership and guidance throughout the year and for the members of staff for their commitment towards achievement of the set targets despite limitations in resources experienced. I also thank our stakeholders for their support and look forward to working with you in future.



Board of Governors Secretary/ Principal.

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7. Statement of Performance against Predetermined Objectives

Kinango Technical and Vocational College has the following strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2021 FY 2022. These strategic pillars are as follows:

Pillar 1: Increase College financial stability

Pillar 2: Promote relevant and quality TVET Training and learning.

Pillar 3: Improve the college’s Human Resource Capacity for effective service delivery.

Pillar 4: Integrate technology and innovations in college management.

Kinango Technical and Vocational College develops its annual work plans based on the above 5 (Five) pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The College achieved its performance targets set for the FY 2021/22 period for its 5 (Five) strategic pillars, as indicated in the diagram below:

OBJECTIVES	STRATEGIES	ACTIVITIES
1.To increase financial sustainability in the college	Develop alternative sources of funding	<ul style="list-style-type: none"> • Develop funding proposals for donors
	Introduce Income Generating Units	<ul style="list-style-type: none"> • Strengthen existing production units • Introduce new production units
	Improve financial management	<ul style="list-style-type: none"> • Enhance internal checks and Audits • Build capacity in financial management
2. To promote relevant and quality TVET Training and learning	Promote new and modern methods of Training/learning	<ul style="list-style-type: none"> • Build capacity in new and modern methods of Training • Acquire more learning resources
	Initiate research and development activities	<ul style="list-style-type: none"> • Operationalize Research department • Provide funds for research activities • Undertake research activities
	Networking and Collaboration	<ul style="list-style-type: none"> • Establish linkages with industry • Establish linkages with other tertiary institutions • Undertake CSR activities
	Enrol more trainees	<ul style="list-style-type: none"> • Introduce new courses • Strengthen linkage with KUCCPS • Introduce dynamic marketing
	Construct additional infrastructure	<ul style="list-style-type: none"> • Construct additional lecture rooms and additional workshops/labs
	Procure training equipment	<ul style="list-style-type: none"> • Procure additional Training equipment • Develop and implement a maintenance schedule

Kinango Technical & Vocational College

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	Develop and nurture youth talents	<ul style="list-style-type: none"> • Participate in co-curricular activities • Promote innovations • Provide guidance, counseling & mentorship
3. To continuously improve the college's Human Resource Capacity for effective service delivery	Plan and implement staff development programs	<ul style="list-style-type: none"> • Sponsor staff for training • Hold workshops and seminars for staff • Assess and implement the TNA reports where possible
	Increasing number of staff	<ul style="list-style-type: none"> • Lobby the MoE for additional trainers • Employ more BOG staff
4.To Integrate technology and innovations in college management	Improve internet in the college	<ul style="list-style-type: none"> • Increase bandwidth in the college
	Integrate ICT in management	<ul style="list-style-type: none"> • Computerize services in the college • Build user capacity
	Build Staff capacity on ICT	<ul style="list-style-type: none"> • Train staff on relevant ICT skills • Install desktops in the staffroom • Encourage and support the acquisition of personal laptops where possible

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

8. Corporate Governance Statement

The Governance and Strategy Committee of the Board is responsible for the Board's achievement of its strategic objectives and ensures that annual work plans are implemented. The Committee is also responsible to ensure that the organisation's budget and procurement plan are in line with the strategic plan. This committee is also responsible for managing the College risk, ensuring compliance to all applicable laws and regulations, and spearheading good governance practices within the Board of Governors Trainers and staff.

On this financial year Kinango TVC manage to hold three full board meeting and one finance and human resource committee meeting.

9. Management Discussion and Analysis

The entity's operational and financial performance

Kinango Technical and Vocational college operational and financial performance is based on direct fee collection from students, Students Helb loans applications, Bursary, Sponsorship, Capitation from government and government grants. The opening bank balance of this financial year 2023-2024 was kshs. 3,751,271. For the first Quarter i.e. July – September 30th 2023, the college received funds from student's fee, Helb loans, Bursary and Sponsorship. The college however did not receive Capitation allocation for Quarter 4 2022-2023. The college had a net deficit of Kshs. 3,185,039.50 as at 30th September 2023 financial performance. The opening bank balance for quarter 2 FY 2023-2024 was Kshs. 425,230.50. For the 2nd Quarter i.e. October – December 31st 2023, the college received funds from student's fee, Helb loans, Bursary and Sponsorship and Capitation for Quarter 1 FY 2023-2024. The college had a net surplus of Kshs. 3,806,321.75 as at 31st December 2023 financial performance. The College had not yet received Quarter Two Capitation as at the end of Quarter. For the 3rd Quarter i.e. January – March 31st 2024, the college received funds from student's fee, Helb loans, Bursary and Sponsorship and Capitation for Quarter 2& 3 FY 2023-2024. The college had a net surplus of Kshs. 14,341,120.42 as at 31st March 2024 financial performance. For the 4th Quarter i.e. April – June 30th 2024, the college received funds from student's fee, Helb loans, Bursary and Sponsorship and Capitation for Quarter 4 FY 2023-2024. The college had a net deficit of Kshs. (2,057,490.50) as at 30th June 2024 financial performance.

10. Environmental and Sustainability Reporting Statement

Sustainability strategy and profile

Kinango TVC had the plans to have the College fence and automotive workshop block but due to squatters' encroachments and interference and not having College title deed the project is still pending.

Environmental performance

Kinango TVC is yet to establish environmental policy guiding the organisations on managing biodiversity, waste management and efforts to reduce environmental impact of the College's products.

Employee welfare

Kinango TVC usually take into account the gender ratio and stakeholder engagements while hiring staff and trainers. The management often take trainers and staff for benchmarking and respective trainings to improve skills and manage careers. The organisation also trains trainees on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA) to enhance their awareness.

Market place practices-

The organisation should outline its efforts to:

- a) Responsible competition practice.
The trainers are encouraged to ensure that trainees get the required skills and be able to pass their respective external exams. Also, during sporting activities, they are encouraged to train hard in order to excel during competition. During last Athletics' Championship, Kinango TVC was position 3 (three) overall in Coast region.
- b) Responsible Supply chain and supplier relations- The College usually request quotations from suppliers and they often pay the successful supplier in time to avoid a lot of pending bills.
- c) Responsible marketing and advertisement-The college management opted to use trainers to attend scheduled chief's barazas and visit different Secondary Schools to source student contacts.
- d) Product stewardship- The college management encourage student leadership to come up with student's union constitution so as to address most of their needs.

Corporate Social Responsibility / Community Engagements

The College was able to engage Community members during bush clearing of the compound in which the management facilitated them as a way of giving back to the society.

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11. Report of the Council/Board of Governors

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

Principal activities

The principal activities of the Kinango TVC are;

VISION

Kinango Technical & vocational training college envisions itself to be a path finder and trail blazer in technical training in the current and next generation

MISSION

We aspire to provide demand based and industry tailored courses in technology for international competitiveness

MOTTO

Relevant skills for international competitiveness

STRATEGIC OBJECTIVES

1. To increase access to quality and relevant TVET training in the region and in the country
2. Embrace partnerships and collaboration with industry, organizations & the community
3. To create and maintain a green environment and culture for effective training
4. To position the college as premier research and innovation centre
5. To expand the college financial base by creating diversified production units
6. To brand and market, the college & integrate ICT in training
7. To put in place sound & accountable governance systems & standard financial reporting procedures
8. To bring up a well-motivated and courteous work force for quality services

Results

The results of Kinango TVC for the year ended June 30 are set out on page 1 of the financial statements.

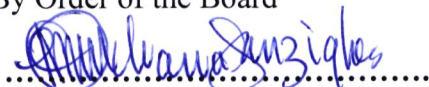
Council/Board of Governors

The members of the Board /Council who served during the year are shown on page vii to page x. During the year 2022 no director retired hence no appointment made.

Auditors

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

By Order of the Board



.....
Secretary of the Board/Council

Nairobi

Date: 08/05/2025

12. Statement of Board of Governors/ Council's Responsibilities

Section 83 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect of Kinango Technical and vocational college which gives a true and fair view of the state of affairs of the college at the end of the financial period and the operating results of the College for that period. The Board members are also required to ensure that the college keeps proper accounting records which disclose with reasonable accuracy the financial position of the college. The Board members are also responsible for safeguarding the assets of the entity.


The Board members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial period ended on 30th June, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

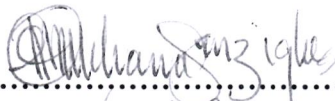
The Board members accept responsibility for the college's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The Board members are of the opinion that the college's financial statements give a true and fair view of the state of college's transactions during the period ended 30th June, 2024, and of the college's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

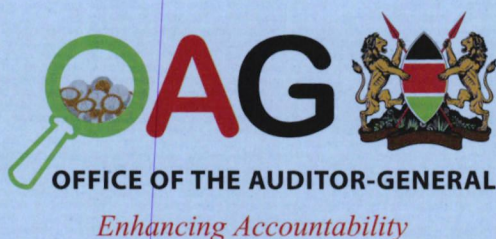
Kinango TVC financial statements were approved by the Board on 08/05/2025 2025 and signed on its behalf by:


.....
Name AMINA NDIRA
Chairperson of the Board/Council


.....
Name VICTOR S. MCHAWA
Accounting Officer/Principal

REPUBLIC OF KENYA

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



HEADQUARTERS
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P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KINANGO TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kinango Technical and Vocational College set out on pages 1 to 32, which comprise the statement of financial

position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kinango Technical and Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Technical and Vocational Education and Training Act, and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Misstatement of Opening Balances

The statement of financial performance reflects total revenue comparative balance of Kshs.73,015,050 while the audited total revenue for the year ended 30 June, 2023 reflected Kshs.83,949,050 resulting to unexplained variance of Kshs.10,934,000. Further, the opening balance of accumulated fund of Kshs.55,664,072 differs with the audited prior year balance of Kshs.66,598,071 resulting to an unexplained and unreconciled variance of Kshs.10,934,000.

In the circumstances, the accuracy and completeness of the total revenue comparative balance of Kshs.73,015,050 could not be confirmed.

2. Unsupported Board/Council Allowances

The statement of financial performance and Note 11 to the financial statements reflects Board/Council expenses amounting to Kshs.1,099,600 which includes board sitting and transport allowances of Kshs.466,000 incurred during the year. However, expenses totalling Kshs.289,000 was not supported with evidence of meetings held including attendance registers and board minutes.

In the circumstances, the accuracy and completeness of board sitting and transport allowances of Kshs.466,000 could not be confirmed.

3. Inaccurate Cash and Cash Equivalents Balance

The statement of financial position and Note 15 to the financial statements reflect cash and cash equivalents balance of Kshs.14,309,071. However, the balance differs with the cashbook closing balance of Kshs.14,134,070 resulting to a variance of Kshs.175,001.

Further, the management did not prepare bank reconciliation statements on a monthly basis as required.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.14,309,071 could not be confirmed.

4. Property, Plant and Equipment

The statement of financial position and Note 18 to the financial statements reflects property, plant and equipment balance of Kshs.149,481,409. Included in this balance is Kshs.20,661,250 in respect to land on which the College is built. The value is arrived at based on an estimate reported on significant accounting judgements number 5 at nominal value of Kshs.2,500,000 per acre. However, the basis of the estimate was not supported by documents or professional estimate report. In addition, ownership documents such as land title deed or certificate of allotment was not provided for audit review.

In the circumstances, the accuracy and ownership of land valued at Kshs.20,661,250 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kinango 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 actual receipts and actual expenditure of Kshs.49,788,352 and Kshs.36,434,377 respectively resulting to under absorption of Kshs.13,353,975 or 27% of the actual receipts.

The under-absorption may have affected the planned activities of the College and delivery of the 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 report in the year under review.

Other Matter

Unresolved Prior Year Audit matters

In the audit report for the previous year, several issues were raised under Report on the Financial Statements and the Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board template.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Procurement Plan

The statement of financial performance and Notes 9 and 13 to the financial statements reflects use of goods and services and repairs and maintenance expenditure of Kshs.28,353,885 and Kshs.789,665 respectively.

Review of documents provided for audit revealed that the college did have an approved procurement plan as required under Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 which requires a procuring entity to prepare a procurement plan each financial year as part of its budgeting process.

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

2. Lack of Imprest Management System

The statement of financial performance and Note 9 to the financial statements reflect use of goods and services expenditure of Kshs.28,353,885 which includes Kshs.7,835,190 incurred on travelling and accommodation. However, review of documents provided for audit revealed that the College did not maintain an Imprest register or system to monitor the issuance, usage, surrender, and clearance of Imprests issued to staff for official purposes. This is a contravention of Regulation 93 (4) (c) of Public Finance Management (National Government) Regulations, 2015 which requires accounting officers to ensure that an imprest applicant has been recorded in the imprest register including the amount applied for and that imprest is surrendered upon return from official duties.

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

3. Lack of Internal Audit Function and Audit Committee

Review of administrative records shows that the College had not constituted an audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which requires an accounting officer of a National Government entity to establish internal audit unit to assess effectiveness of the internal controls through an internal performance appraisal commenting on its effectiveness in the annual report.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for

Conclusion on 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 Staff Establishment

Review of human resource records reflects that the college carried out various human resource functions such as recruitment, selection and appointment of employees. However, there was no approved staff establishment to guide on the vacancies for appointments, promotions and planning on employee development.

In the circumstances, the effectiveness of the human resource functions could not be confirmed

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

Responsibilities of Management and Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal 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 ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 May, 2025

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

14. Statement of Financial Performance for the Year Ended 30 June 2024


	Notes	2023-2024	2022-2023
		Current FY	Current FY
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	41,969,726	42,484,797
Grants from donors and development partners		-	
		41,969,726	42,484,797
Revenue from Exchange transactions			
Rendering of services- fees from students	7	60,719,865	30,530,253
Miscellaneous income	8	7,600	-
Revenue from Exchange transactions		60,727,465	30,530,253
Total Revenue		102,697,191	73,015,050
Expenses			
Use of goods and services	9	28,353,885	12,639,422
Employee costs	10	5,481,307	5,380,106
Board /Council Expenses	11	1,099,600	422,300
Depreciation and amortization expense	12	18,927,809	18,438,078
Repairs and maintenance	13	789,665	243,120
Contracted services	14	709,920	
Total Expenses		55,362,186	37,123,026
Net surplus/(deficit) for the year		47,335,005	35,892,024

The Financial Statements set out on pages 1 to 34 were signed by:



.....
Chairman of Council/Board

Date 08/05/2025



.....
Principal

Date 08/05/25



.....
Finance Officer

ICPAK No

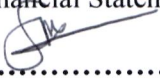
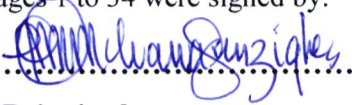
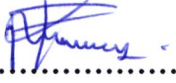
Date 08/05/2025

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

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

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	14,309,071	3,752,467
Current portion of receivables from exchange transactions	16	64,040,557	28,406,667
Receivables from non-exchange transactions	17	21,505,500	21,505,500
Total Current Assets		99,855,128	53,664,634
Non-Current Assets			
Property, plant, and equipment	18	149,481,409	165,952,482
Intangible assets	19	232,012	
Total Non-Current Assets		149,713,421	165,952,482
Total Assets		249,568,549	219,617,116
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	20	450,817	541,025
Refundable deposits from customers	21	162,700	92,500
Deferred income	22	45,875,419	28,511,856
Payments received in advance	23		
Total Current Liabilities		46,488,936	29,145,381
Non-Current Liabilities			
Deferred income	22	79,419,286	114,146,413
Total non-current liabilities		79,419,286	114,146,413
Total Liabilities		125,908,222	143,291,794
Net Assets		123,660,327	76,325,322
Revaluation Reserves			
Accumulated Surplus		102,999,077	55,664,072
Capital Fund		20,661,250	20,661,250
Total Net Assets and Liabilities		123,660,327	76,325,322

The Financial Statements set out on pages 1 to 34 were signed by:

		
.....
Chairman of Council/Board	Principal	Finance Officer
Date 08/05/2025	Date 08/05/2025	ICPAK No
		Date 08/05/2025

Kinango Technical & Vocational College
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16. Statement of Changes in Net Asset for the Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2022 (Previous year)		19,772,048	20,661,250	40,433,298
Surplus/(deficit) for the year	-	35,892,024		35,892,024
At June 30, 2023	-	55,664,072	20,661,250	76,325,322
At July 1, 2023 (current year)	-	55,664,072	20,661,250	76,325,322
Surplus/(deficit) for the year	-	47,335,005		47,335,005
At June 30, 2024	-	102,999,077	20,661,250	123,660,327

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

17. Statement of Cash Flows for the Year Ended 30 June 2024

Description		2023-2024	2022-2023
	Note	Current FY Kshs	Current FY Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	24,606,163	9,842,000
National Government Grant and donors			10,934,000
Rendering of services- fees from students	7	25,104,389	14,658,620
Refundable deposits from students	21	70,200	81,000
Fees paid in advance			238,415
Miscellaneous income	8	7,600	
Total Receipts		49,788,352	35,754,035
Payments			
Use of goods and services	9	28,353,885	12,639,422
Employee costs	10	5,481,307	5,380,106
Board /Council Expenses	11	1,099,600	422,300
Repairs and maintenance	13	789,665	243,120
Contracted services	14	709,920	
Total Payments		36,434,377	18,684,948
Net Cash Flows from operating activities		13,353,975	17,069,087
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	18	(2,688,748)	(16,379,507)
Net cash flows used in investing activities		10,665,227	689,580
Repayment Of Prepayments (Excess fees from students)		(108,622)	
Net cash flows used in financing activities		(108,622)	
Net Increase/(Decrease) in Cash and Cash equivalents		10,556,605	689,580
Cash and Cash equivalents at 1 JULY	15	3,752,467	3,062,887
Cash and Cash equivalents at 30 JUNE	15	14,309,071	3,752,467

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

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	16,000,000		16,000,000	24,606,163	(8,606,163)	154%
Rendering of services- fees from students	33,390,000		33,390,000	25,104,389	8,285,611	75%
Miscellaneous Income				7,600	(7,600)	
Refundable deposits				70,200		
Total Income	49,390,000	-	49,390,000	49,788,352	(398,352)	101%
Expenses						
Use of goods and services	40,240,344		40,240,344	28,353,885	11,777,837	71%
Employee costs	6,307,736		6,307,736	5,481,307	826,429	87%
Board /Council Expenses	1,632,000		1,632,000	1,099,600	532,400	67%
Repairs and maintenance	500,000	-	500,000	789,665	(289,665)	158%
Contracted services	709,920		709,920	709,920	-	100%
Total Expenditure	49,390,000	-	49,390,000	36,434,377	-	74%
Surplus For the Period				10,556,605		
Repayment Of Prepayments (Excess fees from students)				(108,622)		
Capital Expenditure	6,216,904		6,216,904	(2,688,748)	3,528,156	43%

Kinango Technical & Vocational College
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(Budget notes)

1. Explanation of differences between actual and budgeted amounts (10% over/ under)
IPSAS 24.14

The revenue Transfers from National Government for quarter 4 had been received as at the end of the period. Also the revenue was received from Students direct deposits, Helb loans, Bursary funds, sponsorship funds and Government Scholarship.

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)

There were no changes made to the original budget after it was endorsed by the BOG Members.

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.

19. Notes to the Financial Statements

1. General Information

Kinango Technical and Vocational College is established by and derives its authority and accountability from TVET Act/ 2013 Section 20 (1). The Institution is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institution's principal activity is to be a path finder and trail blazer in Technical training in the current and next generation.

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 College'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 Kinango TVC. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

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

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Measurement	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

iii. Early adoption of standards

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

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

Rental income

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

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b) Budget information

The original budget for FY 2023/2024 was approved by the Board on 4th July 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the College recorded additional appropriations on 22nd July 2023 of the FY 2023/2024 budget following Board's approval. Kinango TVC budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule CAP 470 of the Income Tax Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 10 (Ten-year) period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

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

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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

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

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

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

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. Kinango TVC does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company'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 entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

The entity 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.

Inventories (Continued)

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

k) Provisions

Provisions are recognized when the Kinango 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 the Kinango 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

The Kinango 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

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

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. The entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

Kinango TVC creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

Kinango 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

Kinango TVC does not have permanent employees so far as all workers are contracted. The college is yet to formulate a human resource policy. Meanwhile the college makes use of the Public Service Human Resource Policies and Procedures Manual for the Public Service – May 2016.

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

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

s) Service concession arrangements

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

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 imprests 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, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 8 and Note 16.

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.

-Depreciation on property plant and equipment is calculated using straight line method to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates;

Motor Vehicle 25%

Furniture & fitting 12.5%

Computers 30%

Equipment 12.5%

Building 2%

Intangible asset 33.33%

-Land has been estimated in handing over report from our mentor institution to be 4 ha (hectares) which is equivalent to 8.2645 Acres. The approximated value of land per acre is estimated at a

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nominal value of kshs. 2,500,000 (Two million five hundred thousand) on market price. Therefore, the total amount for 8.2645 Acres is Kshs. 20,661,250 (Twenty million six hundred and sixty-one thousand two hundred and fifty).

-Building has been estimated at a cost of kshs. 56,630,025 as per the handing over report to Kinango TVC Board of Governors.

-Plant, Machinery and Equipment's, Computers, Laptops and accessories, Furniture and Fittings donated by Government to Kinango TVC had a cost of US Dollars. 1,036,061 which is equivalent to Kshs. 103,606,100 on assumption that 1Usd = Kshs. 100

On this financial year Kinango TVC received 100 Computers complete with its accessories from Gok through KONZA in line with the Bottom-up Economic Agenda in TVET Institutions. However, there were no value attached. Hence, as per IPSAS 17 that we can give a nominal value based on the market price it is estimated that 1 (one) complete computer amounts to Kshs. 109,340 thus Kshs. 10,934,000 for 100 Complete computers.

6. Transfers from other National Government entities

Description	2023-2024	2022-2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	24,606,163	27,622,500
Operational Grant		500,000
Unconditional Development grants		
Deferred Income	17,363,563	14,362,297
Total unconditional Grants	41,969,726	42,484,797
Total Government Grants and Subsidies	41,969,726	42,484,797

7. Rendering of Services

Description	2023-2024	2022-2023
	Current FY	Current FY
	Kshs	Kshs
Tuition Fees	59,843,815	28,469,853
Examination Fees	705,550	1,383,280
R. M. I		29,870
Registration Fees	96,000	240,500
Student ID	74,500	101,000
Practical's fee		305,750
Total Revenue from The Rendering of Services	60,719,865	30,530,253

Revenue received through bursaries, Helb loans and student's direct deposits.

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8. Miscellaneous Income

Description	2023-2024	2022-2023
	Current FY	Current FY
	Kshs	Kshs
Loss of items	7,600	
Total other income	7,600	-

9. Use of Goods and Services

Description	2023-2024	2022-2023
	Current FY	Current FY
	Kshs	Kshs
Teaching and learning materials	3,009,602	2,559,173
Industrial attachment costs	455,300	348,300
Electricity, Water Conservancy	684,983	646,405
Library		9,405
Student Union KTSU	187,120	78,380
Subscriptions	1,811,097	265,125
Advertising	3,560,580	1,600,855
Examination fees	4,756,310	1,809,960
Audit fees	250,000	
Catering, conferences, and delegations	1,003,165	
Travelling and accommodation	7,835,190	2,005,700
Administrative Expense	726,035	
Sports Music and Drama	2,235,244	619,300
General Expense	642,152	1,488,975
Printing and stationery	403,350	659,420
Bank charges	15,786	15,200
Rent expenses	189,000	189,000
Telephone & Postage expenses	280,372	187,868
Internet expenses	248,140	156,356
Fire Safety	60,459	
Total good and services	28,353,885	12,639,422

10. Employee Costs

Description	2023-2024	2022-2023
	Current FY	Current FY
	Kshs	Kshs
Salaries and wages	4,396,245	4,122,460
Employee related costs - contributions to pensions and medical aids	1,085,062	560,246
Travel, motor car, accommodation, subsistence and other allowances		697,400
Housing benefits and allowances		
Overtime payments		
Social contributions		
Employee Costs	5,481,307	5,380,106

11. Board/Council Expenses

Description	2023-2024	2022-2023
	Current FY	Current FY
	Kshs	Kshs
Chairman's Honoraria		
Directors Emoluments	1,099,600	422,300
Total	1,099,600	422,300

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12. Depreciation and Amortization expense

Description	2023-2024	2022-2023
	Current FY	Current FY
	Kshs	Kshs
Property, plant and equipment	18,811,820	18,438,078
Intangible assets	115,988	
Total depreciation and amortization	18,927,809	18,438,078

13. Repairs and Maintenance

Description	2023-2024	2022-2023
	Current FY	Current FY
	Kshs	Kshs
Property	789,665	243,120
Total Repairs and Maintenance	789,665	243,120

14. Contracted Services

Description	2023-2024	2022-2023
	Current FY	Comparative FY
	Kshs	Kshs
Security Services	709,920	-
Total contracted services	709,920	-

15. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Current FY	Current FY
	Kshs	Kshs
Current Account	14,309,071	3,751,271
Cash	-	1,196
Total Cash and Cash Equivalents	14,309,071	3,752,467

(a). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	2023-2024 Comparative	2022-2023 Comparative
		FY	FY
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1277092303	14,309,071	3,751,271.00
Equity Bank, etc.			
Sub- Total		14,309,071	3,751,271.00
e) Others(Specify)			
Cash in Hand			1,196.00
Mobile Money account			
Sub- Total			1,196.00
Grand Total		14,309,071	3,752,467.00

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16. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Student Debtors	64,040,557	28,406,667
Total Current Receivables	64,040,557	28,406,667

(b) Long- term Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	162,700	92,500
Advance Payments	432,403	541,025
Total	595,103	633,525

(c) Ageing Analysis of Receivables from Exchange transactions

Description	2023-2024 Current FY		2023-2023 Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	70,200	%	319,415	%
Between 1- 2 years	524,903	%	314,110	%
Between 2-3 years		%		%
Over 3 years		%		%
Total (a+b)	595,103	%	633,525	%

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

Description	2023-2024	Audited prior year
	Kshs	KShs
At the beginning of the year	28,406,667	12,535,034.00
Provisions during the period	35,633,890	15,871,633.00
Recovered during the period		
Write off during the period		
At the end of the period (sept/Dec/ March/June)	64,040,557	28,406,667.00

17. Receivables from Non-Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Capitation Grants*	21,505,500	18,280,500
Less: Impairment Allowance	-	
Total Current Receivables	21,505,500	18,280,500

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

Description	2023-2024		2022-2023	
	Kshs		Kshs	
		Current FY	% of the total	
Less than 1 year		18,280,500	66%	
Between 1- 2 years	21,505,500	3,225,000	29.49%	
Between 2-3 years			%	
Over 3 years			%	
Total	21,505,500	21,505,500	55.78%	

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

Description	2023-2024		2022-2023	
	Kshs		Kshs	
At the beginning of the year		21,505,500.00		3,225,000.00
Additional provisions during the year				18,280,500.00
Recovered during the year				
Written off during the year				
At the end of the year		21,505,500.00		21,505,500.00

18. Property, Plant and Equipment

Cost	Land		Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Library Books	Capital Work in progress	Total
	Kshs	Buildings							
Rate	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs.	Kshs	Kshs
At 1st July 2023 (current year)	20,661,250	56,630,025	120,000	3,303,920	12,109,302	105,837,574			198,662,071
Additions				929,456	643,585	515,881	251,826		2,340,748
Disposals									
Transfer/Adjustments									
At 30th June 2024 (current year)	20,661,250	56,630,025	120,000	4,233,376	12,752,887	106,353,455	251,826	-	201,002,819
Depreciation And Impairment									
Depreciation And Impairment for the year		1,132,600.50	30,000.00	529,172.00	3,825,866.10	13,294,181.88	-	-	18,811,820
At 30th Jun 2024 (current year)	-	(3,397,802)	(90,000)	(1,034,115)	(7,458,657)	(39,540,837)		-	(51,521,410)
Net Book Values									
At 30th Jun 2024 (current year)	20,661,250	53,232,224	30,000	3,199,262	5,294,230	66,812,618	251,826	-	149,481,409

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 have not been revalued. These amounts adopted in the financial statements are estimates as per current land market price.

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(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	20,661,250	-	20,661,250
Buildings	56,630,025	(3,397,802)	53,232,224
Plant And Machinery	106,353,455	(39,540,837)	66,812,618
Motor Vehicles including Motorcycles	120,000	(90,000)	30,000
Computers and Related Equipment	12,752,887	(7,458,657)	5,294,230
Office Equipment, Furniture, And Fittings	4,233,376	(1,034,115)	3,199,262
Library Text books	251,826	-	251,826
Total	201,002,819	(51,521,410)	149,481,409

19. Intangible Assets

Description	2023-2024 Current FY	2022-2023 Comparative FY
	Kshs	Kshs
Cost		
At beginning of the year	348,000	
Additions		
At end of the year	348,000	
Additions-internal development		
At end of the year	348,000	
Amortization and impairment		
At beginning of the year	348,000	
Amortization	115,988	
At end of the year	232,012	
Impairment loss		
At end of the year		
NBV	232,012	

20. Trade and Other Payables

Description	2023-2024 Current FY	2022-2023 Current FY
Fees paid in advance	432,403	238,415
Other Payables	18,414	
Total Trade and Other Payables	450,817	238,415

Ageing analysis:		Comparative FY	% of the Total
Under one year	18,414	238,415	%
1-2 years	432,403	302,610	%
2-3 years			%
Over 3 years			%
Total (to tie to totals above)	450,817	541,025	%

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21. Refundable Deposits from Customers/Students

Description	2023-2024	2022-2023	
	Kshs	Kshs	
Consumer deposits			
Caution money	162,700		92,500
Total Deposits	162,700		92,500
Ageing analysis:		2022-2023	% of the Total
Under one year	70,200	81,000	
1-2 years	81,000	11,500	%
2-3 years	11,500		%
Over 3 years			%
Total (to tie to totals deposits above)	162,700	92,500	%

22. Deferred Income

Description	2023-2024	2022-2023
	Kshs	Kshs
National Government	114,146,412	160,765,694
International Funding Bodies		
Public Contributions and Donations		
Total Deferred Income	114,146,412	160,765,694

The deferred income movement is as follows:

Description	National government	National government
		Kshs
Balance brought forward	114,146,412	131,937,007
Additions during the year	-	10,934,000
Transfers to capital fund	(17,363,563)	(14,362,297)
Transfers to income statement	(17,363,563)	(14,362,297)
Other transfers	-	
Balance carried forward	79,419,286	114,146,412

Analysed as:

Description	Amount	Amount
		Kshs
Current	17,363,563	14,362,297
Non- Current	79,419,286	114,146,412
Total	96,782,849	128,508,709

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23. Payments received in advance.

Description	2023-2024 Comparative FY		2022-2023 Comparative FY	
	Kshs		Kshs	
Fees received in advance	541,025		238,415	
Repayment of prepayments during the year	(108,622)			
Total	432,403		238,415	
Ageing analysis:	Comparative FY	% of the Total	Comparative FY	% of the Total
Under one year		%	238,415	%
1-2 years	432,403	%	302,610	%
2-3 years		%		%
Over 3 years		%		%
Total	432,403	%	541,025	%

24. Cash generated from operations.

Surplus for the year before tax	2023-2024	2022-2023
	Current FY	Current FY
	Kshs	Kshs
Adjusted for:	47,335,005	46,826,024
Depreciation	18,927,809	18,438,078
Non-Cash grants received		
Contributed assets	(2,688,748)	
Impairment		
Working Capital Adjustments		
Increase in Inventory		
Increase in Current Receivables	(35,633,890)	(15,871,633)
Increase in Non-Current Receivables	(17,363,563)	(18,280,500)
Decrease in Payments received in advance	(108,622)	
Increase in Refundable deposits	70,200	(14,362,297)
Increase in Payables	18,414	81,000
Increase in Payments received in advance		238,415
Net Cash Flow from Operating Activities	10,556,605	17,069,087

25. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount	Fully performing	Past due
	Kshs	Kshs	Kshs
At 30 June 2023 (current year)			
Receivables from exchange transactions	64,040,557	64,040,557	-
Receivables from non-exchange transactions	21,505,500	21,505,500	-
Bank balances	14,309,071	14,309,071	-
Total	99,855,128	99,855,128	-

Financial risk management (continued)

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

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

(ii) Liquidity risk management

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

(iii) Market risk

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

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

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

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

b) Interest rate risk

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

Management of interest rate risk

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

iv) Capital Risk Management

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

26. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry; Ministry of Education
- iii) State Department of Vocational Technical Training
- iv) County Government
- v) Semi- Autonomous Government Agencies;
- vi) Key management;
- vii) Board of directors;

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

Description	2023-2024	2022-2023	2021-2022 Comparative FY
	Kshs	Kshs	Kshs
Transactions with Related Parties			
a) Sales to related parties			
Sales of electricity to govt agencies			
Rent income from govt. agencies			
Water sales to govt. agencies			
Others (<i>specify</i>)			
Total			
B) Purchases from related parties			
Purchases of electricity and Water	684,983	646,405.00	456,669.00
Purchase of water from govt service providers			
Rent expenses paid to govt agencies	189,000	189,000.00	30,000.00
Training and conference fees paid to govt. agencies	7,835,190	2,005,700.00	1,535,445.00
Others (<i>specify</i>)			
Total	8,709,173	2,841,105.00	2,022,114.00
b) Grants /Transfers from the Government			
Grants from National Govt			
Grants from County Government			
Donations in Kind		10,934,000.00	-
Total		10,934,000.00	-
c) Expenses incurred on behalf of related parties			
Payments of Salaries and Wages for Employees	5,481,307	5,380,106.00	2,960,100.00
Payments for			
Teaching and learning materials	3,009,602	2,559,173.00	2,191,000.00
Industrial attachment costs	455,300	348,300.00	136,500.00
Library		9,405.00	60,257.00
Student Union KTSU	187,120	78,380.00	
Subscriptions	1,811,097	265,125.00	719,450.00
Advertising	3,560,580	1,600,855.00	1,285,830.00
Examination fees	4,756,310	1,809,960.00	341,340.00
Administrative Expense	726,035		828,783.00
Sports Music and Drama	2,235,244	619,300.00	491,200.00
General Expense	642,152	1,488,975.00	799,830.00
Printing and stationery	403,350	659,420.00	287,740.00
Bank charges	15,786	15,200.00	
Telephone expenses	280,372	187,868.00	156,556.00
Internet expenses	248,140	156,356.00	123,982.00
Total	23,812,395	15,178,423.00	10,382,568.00
d) Key Management Compensation			
Directors' emoluments	1,099,600.00	422,300.00	567,880.00
Compensation to Key Management			
Total	1,099,600.00	422,300.00	567,880.00

27. Events After The Reporting Period

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

28. Ultimate And Holding Entity

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

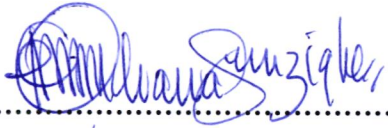
29. Currency

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

30. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

The financial statements for financial year 2023-2024 have not yet been audited looking forward for the same exercise.



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Name **VICTOR S. MCHANA**
Accounting Officer
BOG Secretary/Principal
Date 08/05/2025



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Appendix III- Inter-Kinango TVC Confirmation Letter

MINISTRY OF EDUCATION STATE DEPARTMENT OF TECHNICAL AND VOCATIONAL TRAINING
 KINANGO TECHNICAL AND VOCATIONAL COLLEGE
 P O BOX 6 - 80120 SAMBURU MOMBASA
 Tel No: +254788280009 Email: kinangotti2030@gmail.com
 Website: www.kinangotvc.ac.ke



Vision: A path finder and trail blazer in Technical Training

Our Ref:

Date: 30/09/2024

Name of transferring: State Department Technical and Vocational Education Training

Name of beneficiary: Kinango TVC

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Capitation (A)	Scholarship (B)	Total (C)=(A+B)	Remarks
FT232713M8XL	02-Oct- 2023	5092000		5,092,000	
FT24018Q3782	18-Jan-24	4343500		4,343,500	
FT240317BJ3S	05-Feb-24	4964000		4,964,000	
FT24151G18WV	31-May-24	3722425		3,722,425	
FT24040R713P	27-Feb-24		6369517.20	6,369,517.20	
FT24058DQTW1	27-Feb-24		114221.30	114,221.30	
Total		18,122,425	6,483,738.50	24,606,163.50	

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity: Kinango TVC

Name FRUMENTICE LACAT Sign [Signature] Date 08/05/2025

