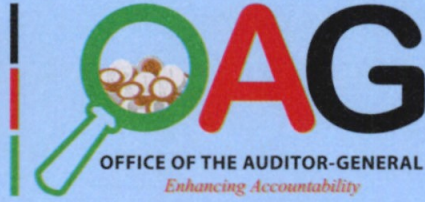


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY  
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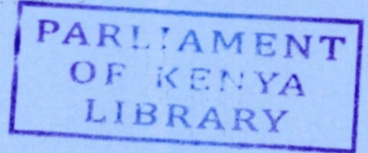
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Deputy Majority Whip  
Mado Atabo

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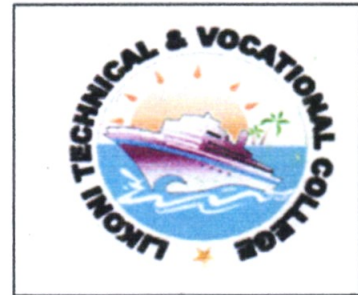
OF

THE AUDITOR-GENERAL

ON

LIKONI TECHNICAL AND  
VOCATIONAL COLLEGE

FOR THE YEAR ENDED  
30 JUNE, 2025



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# LIKONI TECHNICAL & VOCATIONAL COLLEGE

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2025

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

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

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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
LTVC	Likoni Technical and Vocational College
NG- CDF	National Government Constituency Development Fund

**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 Likoni TVC Information and Management**

### **(a) Background information**

The Likoni Technical and Vocational College was incorporated/ established under the TVET ACT No. 29 of 2013 on 20th April, 2022. The entity is domiciled in Kenya. The institute is under the Ministry of Education, State Department for Vocational and Technical Training. The institution has five academic departments namely:-

- Electrical and Electronics,
- Mechanical- has three sections namely Refrigeration and Air Conditioning, Plumbing, Welding & Fabrication and Painting,
- Hospitality,- which has three sections – Culinary Art, Beauty and Hair Dressing and Fashion & Design
- ICT and Computing and
- Business studies.

The college is located in Mombasa County, Likoni Sub County, Bububu Settlement Scheme, off Corner Mtongwe Road, on a three acre plot. It is a day institution with private hostels adjacent to the college, offering courses in Artisan, Craft and Diploma levels, plus a variety of short-courses in the part-time program. Currently we are offering CBET Curriculum from Level 3 to Level 6 in the mentioned courses.

LTVC is a center of excellence in Refrigeration and Air Conditioning with modern and state of the art equipment. The government is committed to equip the college with more modern training equipment and qualified staff in order to provide quality training so as to steer the country towards industrialization (Vision 2030).

### **The Mandate of LTVC**

The Likoni technical and Vocational College derived its mandate from the TVET Act, 2013 and the Education Act, 2013

- i) Provide Technical, Vocational Education and Training with strong component of Research, innovation and Entrepreneurship for Self- reliance and National Development
- ii) Collaborate with industry and academia to plan and implement programmes that facilitate the development of self and the nation at large.

**(b) Principal Activities**

The principal activity is to produce competent and quality trainees by implementing approved technical and vocational training curriculum to satisfy local and international market through training and to be a global centre of excellence in research, vocational and training.

**Our Vision**

To be a global center of excellence in research, vocational and training.

**Our Mission**

Produce competent and quality trainees by implementing approved technical and vocational training curriculum to satisfy local and international market through training

Our core values are:

- Integrity
- Creativity, Efficiency and Competence
- Team work and discipline
- Accountability and transparency
- Honesty
- Innovativeness
- Professionalism

Our prospective trainees are advised to apply by visiting the college and filling in an application form and they have an option of being registered on-line.

Our Key Quality Objectives;

- i) To increase access to quality technical training
- ii) To provide adequate infrastructure for learning and training
- iii) To enhance research, innovations and consultancy
- iv) To provide effective trainees welfare services
- v) To promote institutional sustainability.

**(c) Key Management**

Likoni TVC day-to-day management is under the following key organs:

- Board of Governors
- Accounting officer/ Principal
- Deputy Principal Academics
- Deputy Principal Administration
- Registrar
- Dean of students.

**(d) Fiduciary Management**

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

<b>SN.</b>	<b>Designation</b>	<b>Name</b>
1.	Principal	Mrs. Samira Abdallah Soud
2.	Deputy principal Administration	Mr. Antony Wanjala
3	Deputy principal Academics	Mr Geoffrey Sawe Nyambeche
4	Registrar	Mr. Titus Ceaser Mtawa
5	Dean of students	Mr. Suleiman Dunga
6	Head of Finance	Mr. Joseph Rashid
7	Head of Procurement	Mrs. Msikiti Nassoro
8	Head of stores	Mrs Sarah Kalenga

**Key Entity Information and Management (Continued)**

**(e) Fiduciary Oversight Arrangement**

Risk & Audit Committee

- Review Annual Reports and Financial Statements
- Review the Quarterly Internal Audit Report, internal Audit Policies and Risk Management Policy

Education & Development Committee

- Formulate, Review and Recommend Academic Policies for implementation

Administration, Human Resource & Finance Committee

- Review draft Annual Budgets and Report to the Full Board
- Review Annual Report and quarterly Financial Statements
- Give directions on employment ,
- Approval of advertisement for Positions (BOG Staff)
- Conduct the interviews for BOG Staff

**(f) Entity Headquarters**

P.O. Box 96343-80110  
Likoni TVC Building  
Likoni-Mombasa Road  
Bububu Settlement Scheme,  
Mombasa-Kenya

**(g) Entity Contacts**

Telephone: **(254) 0115078664/10390504**  
E-mail: **likonitvc@gmail.com**  
Website: **likonitvc.go.ke**

**(h) Entity Bankers**

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

Kenya Commercial Bank  
Haile Selassie Avenue  
P.O. Box 90254, Mombasa  
City/Town: Mombasa  
Email Address: [treasurysqr@cb.co.ke](mailto:treasurysqr@cb.co.ke)




**(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

3.The Council/Board of Governors




S N.	Member/ Director	Details
1.	 <b>MR CHAMBO JUMA JUMA</b>	<p>Position: BOG Chairman – Independent member.            DOB: 25/11/1993            Qualification: Bachelors of Science Civil Engineering            2021 – 2024: Kenya Roads Boards Seconded to Kerra.            Assistant Engineer            2020 Jan – 2020 November – Wintech System Limited            site agent.            August 2018 – October 2018 –Maycons Builders            limited Student Trainee</p>
2.	 <b>MR. NYUNDO KATEMBOH</b>	<p>Position: Chair Administration, finance &amp; Human            Resource Committee - Independent member.            DOB: 10/5/1967            Qualification: Bachelor of Commerce (Accounting            Option)            2016-Date: Businessman            2008-2015: Managing Director, Kwale Water &amp;            Sewerage Co.            2006- 2008 Chief Internal Auditor Coast Water Board.</p>
3.	 <b>MR. ABDULSWAMAD            ABDUL ALI</b>	<p>Position: Member Administration, finance &amp; Human            Resource Committee - Independent member.            Member            DOB: 9/6/1971            Qualifications: Bachelor of Technology – Civil            Construction &amp; Management.            2016 -Date: Head Mombasa Old Town Conservation            Office            2014-2015: Site Manager Jomo Kenyatta Public Beach            Mombasa/Senior engineering Technologist at            Mombasa Old Town Conservation Office            2002 - 2013: Senior Supervisor Restoration of            historical Building – Old Town Mombasa            2004 -2005            Senior Supervisor Road &amp; Landscaping Project            Mombasa Old Town            2000-2002            Project Supervisor of Restoration of 22 houses in Lamu            and Mombasa            1998 - 2000 Deployed as a Clerk of Works in the            revival and development of Swahili Culture Project.</p>



<p>4.</p>	 <p><b>MRS. SARIA MOHAMED MISHI</b></p>	<p>Position: Chair Audit, Risk &amp; Governance Management Committee – Independent member.                  DOB: 1/3/1986                  Qualifications Bachelor of Commerce                  Experience: - Management Course.                  April 2021 to Date – Sub County Internal Auditors Rabai Sub – County Treasury.                  2015 – 2018 National Government Affirmative Action Fund. Fund Manager /County Coordinator. Mombasa County.</p>
<p>5.</p>	 <p><b>MR. JOHN MUSUVA</b></p>	<p>Position: Member Audit, Risk &amp; Governance Management Committee – Independent Member.                  Qualification: -MSc Business Administration Management, Bachelor of Commerce (Business Administration &amp; Management), Senior Management Course - KSG                  2020-Date: County Chief Officer Education Mombasa County                  2016 To Date: Ag. CEO Elimu Fund                  2014 – 2017 : PA to County Executive                  2013 – 2014 : The Grass Company Nrb General Manager                  2012 – 2013: General Manager Canaan Health Providers                  2007 – 2011: IT Manager/Account Admin/Trainer at Atos Origin. USA                  2005 – 2008 : Tax Preparation Manager at Acorn Tax Preparation Services USA</p>
<p>6</p>	 <p><b>MR. THEOPHIL KIPOMA</b></p>	<p>Position: Member Academics, Research &amp; students Affairs Committee - Independent member.                  DOB: 16/5/1962                  Qualifications: <b>Masters of Arts (IN COMMUNICATION STUDIES)</b>                  - <b>Windfall communication and public relations</b> - Communication and public relation consultant.  <b>Mombasa County Public Service Board.</b> Director Communication and Public Relations.                  -<b>Kenya Institute of Finance and Applied Management</b> - Director Media and Communication Department.                  -<b>Kenya Institute of Professional studies</b> – Head of Media and Journalism Section.  <b>The Islamic Foundation Worldwide</b> – Communications Manager.  <b>The Ummah Foundation Kenya</b> – Communication and Public Relations Manager.  <b>Iqra FM Nairobi</b> – Radio Communication Manager.  <b>Nairobi Observer Magazine:</b> Director</p>

		<b>Tetra pak ( Swedish) International:</b> Logistic Manager
7	 <p><b>MR. PATRICK MACHONI KING'OINA</b></p>	<p>Position: Chair Academics, Research &amp; students Affairs Committee - Independent member.                  DOB: 17/3/1963                  Qualification: Masters of Business administration(executive)                  Experience:                  May 1988 – Aug 2009 – Assistant Lecturer Machakos Technical Training Institute.                  August 2000 – May 2004: Deputy Registrar.                  May 2004 – Aug 2009 – Registrar                  Aug 2009 – December 2014 – Deputy Principal Coast Institute of Technology                  December 2014 – December 2020: Principal Coast Institute of Technology                  December 2020 to Date: Principal at Ahmed Shahame Technical Training Institute.</p>
8	 <p><b>MS. BENETTE WAMWENE NZAMBA</b></p>	<p>Position: Member Academics, Research &amp; students Affairs Committee; Member Audit, Risk &amp; Governance Management Committee - Independent member.                  DOB: 3/4/1991                  Qualification: Bachelor of Law                  3/2/2023: Member Board of Trustees of Elimu Scheme Mombasa County.                  4/10/2022: Review of the EAC Surveillance Compliance and Enforcement Bill 2022 ( East African Legislative Assembly)                  20/11/2017: Elected Board of Directors St. Teresa Girls Secondary School.                  6/5/2016: Elected Judge Intervarsity Human Rights Debates.                  1/7/2015: Supervisor Tallying work. Kenya urban Roads Authority.                  Experience: July 2020 to Date Advocate.</p>
9		<p>Position: Board Secretary – Principal                  DOB: 9/03/1968                  Qualification: Bsc. Communication &amp; Public Relations - Diploma in Education (Humanities)                  2021-date: Principal Likoni TVC                  2017-2020: Deputy Principal A.S. Mwidani TVC                  3/17-7/17: Registrar                  2007: Principal Lecturer II</p>

	<b>MRS. SAMIRA ABDALLAH SOUD</b>	2000-2007: Senior lecturer 1991-2000: Trained Technical Teacher.
10.	 <b>Mr PETER MWANGI</b>	Position: Member Administration, finance & Human Resource Committee – Regional Director TVET. Mr. Peter Mwangi was born in 1966. He is currently the County Director TVET Mombasa County and by virtues of his office he is a Board member. He is a Holder of Masters in Education with an experience of over 30 years.

4. Key Management Team

SN	Member/ Director	Details
1.	 <p><b>SAMIRA ABDALLAH</b></p>	<p>Position: Principal            DOB: 9/03/1968            Qualification: Bsc. Communication &amp; Public Relations            Diploma in Education (Humanities)            2021-date: Principal Likoni TVC            2017-2020: Deputy Principal A.S. Mwidani TVC            3/17-7/17: Registrar            2007: Principal Lecturer II            2000-2007: Senior lecturer            1991-2000: Trained Technical Teacher.</p>
2.	 <p><b>ANTONY WANJALA</b></p>	<p>Position: Deputy Principal Administration            DOB: 06/04/1976            Qualifications Masters Business Administration            2023 – Deputy Principal Likoni TVC            2005 – 2023: HOD Performance Contracting            HOD -Tourism            Sport Officer</p>
3.	 <p><b>GEOFFREY S. NYAMBECHE</b></p>	<p>Position: Deputy Principal Academic Affairs            DOB: 22/12/1975            Qualifications: Degree in Tourism Management            2024 – Deputy Principal Likoni TVC            2022 – 2024: Registrar            HOD -Tourism</p>

4.	 <b>TITUS CEASER MTAWA</b>	<p>Position: Registrar DOB: 27/11/1991 Qualifications: Bachelors Business Information Communication and Technology. Diploma Information Communication and Technology Diploma Information Systems 2021- to Date Trainer Likoni TVC</p>
5.	 <b>SULEIMAN DUNGA</b>	<p>Position: Dean of Students DOB: 23/07/1989 Qualifications: Bachelor of Science (Computer Science) 2024 to Date: Trainer Likoni TVC</p>

## **5. Chairman's Statement**

On behalf of the Board, I highly appreciate the efforts put by the National Government in collaboration with the Likoni Constituency Development Fund to establish and equip Likoni Technical and Vocational College with world class training facilities. The establishment of this college will contribute greatly in entrenching the culture of technology and innovation in our society as envisaged in Vision 2030.

Likoni Technical and Vocational College provides an opportunity for people to acquire skills and knowledge that would empower them to participate effectively in economic activities. By being a member of the larger Technical, Vocational Education and Training fraternity, the college will contribute greatly in plugging the shortage of artisan, craftsmen and technicians which is very crucial in realising the Big Four Agenda.

Currently the institution is not fenced, which is at a greater risk, this is a project that needs to be undertaken quickly to secure the college's property. We seriously need to look for a donor who will put up a perimeter fence. The institution is experiencing a rapid growth in both enrolment and courses. This has made the board to work harder to equip and improve the infrasture, plans are underway to work with Ng- CDF – Likoni to build additional classrooms, workshops and offices to accommodate the trainees.

Once again, I would sincerely like to appreciate the efforts being made by the government to promote and support Technical, Vocational Education and Training institutes in this country by providing the much needed financial support in form of Students Loan (HELB) and Capitation.

The Board shall continue to provide support, oversight and much needed resources to propel it to the next level.

Thank you.



Mr. Chambo Juma Juma

BOG Chairman

## **6. Report of the Chief/Senior Principal**

On behalf of the Board, I am glad to see the on-going reforms being carried out by the National Government at Technical, Vocational Education & Training (TVET) aimed at promoting Competency Based Education and Training to improve on the competitiveness of TVET graduates globally. The decision to have each Constituency in the country having a quality Technical and Vocational College has tremendously increased access to quality Technical, Vocational Education and Training.

The move by the government to invest heavily in TVET institutions goes a long way in realising Vision 2030 by entrenching the culture of technology, innovation and entrepreneurship in our society. The renewed focus on TVET is a good strategy of dealing with unemployment in the country.

Likoni Technical and Vocational College will strive to offer responsive skills programs that meet the market needs. This will enable the college contribute positively to the Big Four Agenda, especially in areas of industrialization and housing. In this financial year 2024/2025, the college has come up with a budget mainly focusing on improving the quality of education by adding more training facilities and staff capacity building.

The total budget estimates for the approved budget for FY 2024/2025 amounts to Kshs. 28,816,816.00. The expected sources of income are from both internal and external sources. The internal generated income is from expected fees from the projected 350 students amounting to Kshs.23,516,150.00 at Kshs.67,189.00 per student per year payable by parents or sponsors and 3,300,000.00 from production unit. The remainder Kshs2,000,000.00 are grants for operations from the Government of Kenya.

### **Risks and Challenges**

LTVC is under a lot of pressure from the existing infrastructure (Classrooms and Workshops) to accommodate the growing training programmes. The lack of fence around the college posing security issues. Poor road infrastructure leading to the college especially during rainy season. We

have a major problem of adequate staff both trainers and non-teaching and limited financial resources which affected implementation of planned projects.

### **Future Outlook**

We look forward to harness our Strategic Plan 2024 – 2028 to guide the future development of the institution, launch of our Service Delivery Charter and approval of many policies which are already prepared awaiting approval by the board to use in running the institution

### **Conclusions**

I would sincerely wish to thank our industry partners who have continuously provided us with training slots for our Dual Training students, attachment and collaborative avenues to work together in training workforce that is industry ready for gainful employment. I'm greatly honoured to serve the government and the people of Kenya and be a big part of nation Building.

On behalf of the Board, Management, Staff and Students I would like to appreciate the support from the government especially through its focus on Technical and Vocational Education and Training the mentoring institution Kenya Coast National Polytechnic for their support. I believe this is the sure way to industrialization for this country.

Thank you.



SAMIRA ABDALLAH SOUD

**PRINCIPAL/SECRETARY BOG**

**7. Statement of Performance against Predetermined Objectives**

Likoni TVC has Five (5) strategic pillars and objectives within its Strategic Plan for the FY 2023/2024- 2027/2028. These strategic pillars are as follows:

- Pillar 1: Access to Quality Training
- Pillar 2: Infrastructure Development
- Pillar 3: Research, Innovation and Development
- Pillar 4: Trainees Welfare
- Pillar 5: Organizational Sustainability

Likoni TVC develops its annual work plans based on the above five (5) pillars. Assessment of the Board’s performance against the work plan is done on annual basis. The Likoni TVC achieved its performance targets set for the FY 2024/2025 period for its annual strategic pillars, as indicated in the diagram below:

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1	Access to Quality Training	To increase access to quality technical training	✓ New courses mounted	<ul style="list-style-type: none"> <li>✓ Advertisement and admission of new courses</li> <li>✓ Training</li> </ul>	Increased students’ enrolment in the college
			✓ Attach trainees with relevant industry	<ul style="list-style-type: none"> <li>✓ Establishing linkages with industry</li> <li>✓ Trainees’ placement</li> <li>✓ Industrial training assessment</li> </ul>	College Participated in research activities
Pillar 2	Infrastructure Development	To Provide adequate infrastructure for learning and training	✓ Additional training materials & equipment	<ul style="list-style-type: none"> <li>✓ Procure training materials</li> <li>✓ Procure training equipment</li> </ul>	Additional training materials procured

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 3	Research, Innovation and Development	To enhance research, innovations and consultancy	Enhanced participation in research & innovation activities	✓ undertake Research	College Participated in research activities
Pillar 4	Trainees Welfare	To Provide effective trainees welfare services	Number of trainees welfare activities undertaken	<ul style="list-style-type: none"> <li>✓ Sporting activities</li> <li>✓ Initiate students clubs activities</li> <li>✓ Guidance and Counselling activities</li> </ul>	Enhanced participation in Trainees Welfare activities
Pillar 5	Organizational Sustainability	To Promote institutional sustainability	Number of Sustainable projects in the college	<ul style="list-style-type: none"> <li>✓ Tree planting and beautification</li> <li>✓ Waste management</li> <li>✓ Clean energy promotion</li> </ul>	Enhanced college sustainability

## **8. Corporate Governance Statement**

Likoni Technical and Vocational College is committed to upholding the highest standards of corporate governance, integrity, accountability, and transparency in the execution of its mandate as a public training institution. The governance framework of the College is structured to promote sound decision-making, safeguard institutional assets, ensure compliance with applicable laws and regulations, and foster stakeholder confidence.

### **Governance Structure**

According to the TVET Act 2013, the College is governed by the Board of Governors, which provides strategic leadership, monitors performance, and oversees policy implementation. The members of the Board of Governors are nominated by a selection panel and submitted to the Cabinet Secretary for approval and appointment to serve for a period of three years. The Board is supported by several committees that execute delegated responsibilities in accordance with approved Terms of Reference. The committees are:

- i. Administration, finance & Human Resource Committee
- ii. Academics, Research & students Affairs Committee
- iii. Audit, Risk & Governance Management Committee

The Board is made up of 9 members. Its composition draws a good mix of skills and experiences. The members are drawn from diverse professions to provide informed advice and directions that is, Leadership, Technology, Accounting, Engineering, ICT/Law, Management, and Representative from the Governor's office and The PS.

All independent Board members earn sitting allowances every time they sit for a meeting.

### **Succession Planning**

The College has an established succession plan designed to ensure continuity in key leadership roles. This plan provides for talent identification, continuous staff development, and structured transition processes to mitigate disruptions, preserve institutional knowledge, and sustain effective operations in the event of senior management changes.

### **Policy on Conflicts of Interest**

The College maintains a conflict-of-interest policy that requires Board members, management, and staff to disclose any personal or financial interest that may influence decision-making. All disclosures are documented, and parties with conflicting interests are recused from deliberations and decision-making processes to ensure objectivity and protection of institutional interests.

### **Ethics and Code of Conduct**

All employees and members of the Board are bound by a formal Code of Ethics and Conduct that emphasizes professionalism, integrity, accountability, and responsible use of funds, respect, and compliance with statutory and regulatory obligations. Regular awareness initiatives are undertaken to reinforce ethical behavior across the institution.

### **Governance Audit**

A governance audit is conducted periodically in line with statutory requirements to evaluate the effectiveness of governance systems, structures, policies, controls, and compliance. Findings and recommendations from the audit are reviewed by the Board and used to drive continuous improvement in governance processes.

### **Communication Policy**

The College implements a structured communication and stakeholder engagement policy that ensures accurate, timely, and consistent information flow to internal and external stakeholders. Communication is carried out through approved channels to enhance transparency, public confidence, and accountability in institutional operations.

### **Committee Terms of Reference**

The Board committees, including Audit & Risk, Finance & Administration, Academic Affairs, and Human Resource Committees, operate under formally approved Terms of Reference. These clearly outline the mandate, authority, scope, reporting requirements, and responsibilities of each committee, ensuring efficient oversight and clear lines of accountability.

### **Policy on Related Party Transactions**

Likoni Technical and Vocational College has a policy governing related party transactions to ensure that any dealings with Board members, management, staff, or associated entities are conducted transparently, at arm's length, and in the best interest of the institution. All such transactions are disclosed, reviewed, and approved according to established governance procedures.

## 9. Management Discussion and Analysis

### Financial Performance Overview

The College maintained good **financial performance** throughout the financial year. Revenue generation remained steady, driven by increased enrolment and successful rollout of new courses.

However, due to **delayed fee payments** by most students, the college was **unable to fully meet all supplier obligations** during the period. This led to **material arrears** in non-statutory financial obligations, particularly to key suppliers.

### Compliance with Statutory and Financial Obligations

The College **fully complied with all statutory requirements**, including remittance of taxes, pension contributions, and other regulatory obligations. There were no instances of non-compliance reported during the financial year.

### Operational Highlights

#### a) Enrolment Trends

The College experienced a **general increase in student enrolment** across all academic departments.

#### b) New Courses Introduced

Four new courses were successfully mounted and received positive feedback:

- Welding and Fabrication
- Plumbing
- Accountancy
- Fashion and Design

These programs were implemented as part of the College's strategic expansion into high-demand skill areas.

### Infrastructure and Capital Investments

To accommodate the growing student population and expanding training programs, the College undertook the following capital investments:

<b>Project/Investment</b>	<b>Status</b>	<b>Impact</b>
Construction of 3 Temporary Workshops	Completed	Improved hands-on training in technical courses
Purchase of Sewing Machines	Completed	Enhanced practical training in Fashion & Design
Purchase of Culinary Arts and F&B Equipment	Completed	Upgraded training in hospitality-related courses

**Academic Performance**

The College recorded a **notable improvement in overall examination performance** during the year. This success is attributed to increased access to training resources, better learning environments, and enhanced instructional methods.

**Risks and Challenges**

<b>Risk/Challenge</b>	<b>Description</b>	<b>Mitigation Measures</b>
Fee Arrears from Students	Delays in revenue affecting supplier payments	Strengthening fee collection and sensitization
Increased Demand for Training Facilities	Strain on physical infrastructure	Phased expansion and use of temporary spaces

**Strategic Focus**

Looking ahead, the College will:

- Expand existing infrastructure to meet growing demand.
- Improve student support services and academic resources.
- Enhance engagement with industry to align training with market needs.
- Strengthen financial planning and revenue collection mechanisms.

The College made **significant progress** in financial performance, academic delivery, and infrastructure development. Despite challenges related to fee arrears, management remained compliant with all statutory obligations and implemented several strategic initiatives to support long-term growth.

## **10. Environmental And Sustainability Reporting Statement**

### **Sustainability strategy and profile**

The institute management has embarked on strategies aiming at improving revenue streams which critical in day to day operations.

These include:

- a) Increase students' enrolment beyond the coastal counties.
- b) Strengthen and broaden production units.
- c) Introduce cost utility measures by utilizing alternative power source for security, pumping water and running light machines
- d) Establish partnerships with the industry and other donors for infrastructure expansion.
- e) Develop industry linkages and partnerships for all training programmes

### **Environmental performance**

In responding to the environmental protection, the college is;

- a) Currently in the process of coming up with the an environmental policy
- b) Greening the environment by planting trees(More fruits trees) to act as carbon sink
- c) Using of green energy by installing energy saving bulbs and solar security lighting.
- d) Using waste bin at strategic points at the compound
- e) Consider using solar pump for pumping water from a borehole.

### **Employee welfare**

On addressing employee welfare;

- a) The college has developed a policy on occupational safety.
- b) A safety committee has been put in place
- c) The college has developed a human resource policy in line with the labour regulations in Kenya
- d) The college shall continue sponsoring its employees for relevant capacity building seminars and trainings.

**Market place practices-**

LTVC ensures that it puts its efforts to:

**a) Responsible competition practice.**

- a) Conducting root cause and investigations before determining whether punishment is required also contribute towards building a culture where fairness is perceived and where people can learn from their mistakes.
- b) The college is committed to maintaining good business practises by:
  - i. Being transparent and accepting accountability in order to request orders from suppliers with acceptable lead time and without changers
  - ii. The organisation maintains good business practices through fairness respect for others, keeping promise, law abiding and integrity.
- c) The college is committed to maintaining ethical marketing practises by:
  - i. Maximising benefits and minimising risks
  - ii. Committing to sustainability and human rights
  - iii. Being transparent
  - iv. Protecting consumer data and privacy
  - v. Not making false comparison
- d) The institution is putting efforts to safeguard consumer rights and interests by:
  - i. Protecting them from hazard to their health and safety
  - ii. Availability of effective consumer redness.
  - iii. Freedom to form group or union to present their views in decision making processes affecting them.

**Corporate Social Responsibility / Community Engagements**

- i. The college has actively participated in forums organised to support the neighbouring community.
- ii. Sensitisation meetings on opportunities available at the college were held in chief's Barazas across the whole Likoni sub county.
- iii. The college is looking forward to community clean-up and tree planting activities to promote greening initiate and also intends to hold sensitize forum for the community on importance of effective waste management.

## **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, 2025, which show the state of Likoni TVC affairs.

### **Principal activities**

The principal activity of the college is to provide training in industry relevant employable technical and innovative skills for gainful employment and job creation through self-employment

### **Results**

The results of the entity for the year ended 30<sup>th</sup> June 2025 are set out on page xvii.

### **Council/Board of Governors**

The members of the Board of Governors who served during the year 2024/2025 are shown on page viii to xi.

### **Auditors**

The Auditor General is responsible for the statutory audit of Likoni TVC in accordance with Article 229 of the Constitution of Kenya 2010 and the Public Audit Act 2015. Section 23 of the Public Audit Act, 2015 empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....  
**Samira Abdallah Soud**  
**Principal/Secretary BOG**  
**Mombasa**  
**Date:**

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

Section 81 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 council members to prepare financial statements in respect of Likoni TVC which give a true and fair view of the state of affairs of LTVC at the end of the financial year/period and the operating results of LTVC for the financial year ended 30<sup>th</sup> June 2025. The Council members are also required to ensure that Likoni TVC keeps proper accounting records which disclose with reasonable accuracy the financial position of the institution. The council members are also responsible for safeguarding the assets of the institution.

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

The Council members accept responsibility for the institutions 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 (Accrual Basis). The council members are of the opinion that the institutions financial statements give a true and fair view of the state of the institutions transactions during the financial year ended June 30, 2025, and of the institutions financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the institutions which have been relied upon in the preparation

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

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of the institutions financial statements as well as the adequacy of the systems of internal financial control.

**Approval of the financial statements**

Likoni TVC financial statements were approved by the Board on 3/12/2025 2025 and signed on its behalf by:



.....  
**Name:** Chambo Juma Juma  
**Chairperson of the Board/Council**



.....  
**Name:** Samira Abdallah Soud  
**Accounting Officer/Principal**

# REPUBLIC OF KENYA



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

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

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### 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 Likoni Technical and Vocational College set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2025 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 Likoni Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Omitted Statement of Changes in net assets**

The statement of financial position reflects a net asset balance of Kshs.151,683,595. However, a statement of changes in net assets in support of the net asset balance of Kshs.151,683,595 and disclosing movement in revaluation reserves, accumulated surplus and capital fund balances between prior year and current periods was omitted from the financial statements.

In the circumstances, the accuracy of the net asset balance of Kshs.151,683,595 could not be confirmed.

#### **2. Variance Between Statement of Cash Flows and Cashbook Records**

The statement of cash flows reflects total receipts and payments of Kshs.20,882,655 and Kshs.21,949,770 respectively. However, the cashbook total receipts and payments during the period was Kshs.26,990,611.61 and Kshs.22,632,994 respectively. The variance of Kshs.6,107,956 and Kshs.683,224 in respect of the receipt and payments was not explained or reconciled.

In the circumstances, the accuracy and completeness of the cash and cash equivalent balance of Kshs.6,181,139 could not be confirmed.

#### **3. Inaccuracies of Cash and Cash Equivalent Balance**

##### **3.1 Unconfirmed Cash Balance Brought forward**

The statement of financial position as at 30 June, 2025 reflects a cash and cash equivalent balance of Kshs.6,181,139 and comparative balance of Kshs.947,359. The cashflow statement reflects the cash and cash equivalent balance of Kshs.6,181,139 includes brought forward balance of Kshs.5,533,765. However, the brought forward balance of Kshs.5,533,765 differs with the comparative balance in the statement of financial position of Kshs.Kshs.947,359 by Kshs.4,586,406. Management attributed the variance to correction of a casting error in the period ending 30 June, 2024. No reason was provided as to why the opening balance in the statement of financial position was not adjusted with the casting error.

In the circumstances, the accuracy and completeness of the cash and cash equivalent balance of Kshs.6,181,139.00 could not be confirmed.

### **3.2 Incorrect Casting Balance**

The statement of cashflow for the year ended 30 June, 2025 reflects a cash and cash equivalent balance of Kshs.6,181,140. However, the cashflow statement when casted downwards reflected Kshs.4,031,689. The variance of Kshs.2,149,451.00 was not explained or reconciled.

### **4. Long Outstanding Current Portion of Receivables from Exchange Transactions**

The statement of financial position and Note 16 reflect Current Receivables from Exchange Transactions of Kshs.13,903,546. Ageing analysis of the receivables at note 16 disclose they are due in less than one year. However, the balance as per comparative information shows Kshs.11,974,779 was outstanding in the prior year. Although Management indicated demand notices had been issued to student debtors and the College is developing a credit policy to manage issue of credit, the recoverability of the receivables is in doubt and no provision has been made in the books for bad and doubtful debts.

In the circumstances, the accuracy and recoverability of receivables from exchange transactions of Kshs.13,903,546 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Likoni 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 budgeted versus actual amounts reflects final receipts budget and actual on comparable basis of Kshs.28,816,150 and Kshs.44,546,971 respectively, resulting in over-collection of Kshs.15,730,821, or 55% of the budget. However, Likoni Technical and Vocational College spent a balance of Kshs.21,949,770 against actual receipts of Kshs.44,546,971, resulting in an under-utilization of Kshs.22,597,201 or 51% of actual receipts.

The under-utilization affected the planned activities and may have impacted negatively on service delivery to the public. Further no explanation had been provided for the under-utilization.

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 effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

## Other Matter

### Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the College in 2024/2025 revealed that the following eight (8) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Inaccuracy of Net Deficit for the period
2	2023/2024	Inaccuracy of cash and cash equivalents
3	2023/2024	Failure to receipt funds received
4	2023/2024	Unsupported trade payables
5	2023/2024	Unsupported property, plant and equipment balances
6	2023/2024	Failure to acquire ownership documents
7	2023/2024	Lack of Internal audit services and an effective audit committee
8	2023/2024	Lack of risk management policy and failure to undertake risk assessment on key processes

## Other Information

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

In connection with my audit on the 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 effect 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 Value of Money for the Acquisition of Enterprise Resource Planning System**

The College entered into a contract with software vendor for the supply and implementation of an Enterprise Resource Planning (ERP) System at a contract sum of Kshs.58,000, with a monthly subscription fee of Kshs.11,600. Payments for monthly subscription fees totalling Kshs.92,800.00 for an eight-month period was paid to the software company

Examination of the Service Level Agreement (SLA) indicated that the vendor was required to supply and set up the ERP system with various components, including Student Management, Finance and Accounts Management, Academics, Human Resource and Payroll Management, Asset Management, Procurement and Inventory, Workflow Management, Communication Management, Library Management, and Staff Portal/App. However, not all of the components were operational at the time of the audit, like Human resource and payroll management, Work flow management, Finance accounts management. Only invoicing was functional despite the college continuing to pay the monthly subscription of Kshs.11,600 Management indicated the college is still in the process of building internal capacity for the system administrator and system users to eventually have all the modules operational.

In the circumstance value for money for the expenditure of Kshs.92,800 could not be ascertained.

#### **2. Failure to Maintain an Imprest Register**

The statement of financial performance and note 9 reflects use of goods and services of Kshs.15,944,714. The amount includes Kshs.3,152,301 categorized as Travelling and Accommodation allowance. However, the college did not maintain an imprest register contrary to regulation 92(3) of the public finance (National Government), Regulations, 2015 that temporary imprests shall be issued mainly in respect of official journeys and are intended to provide officers with funds with which they can meet travelling, accommodation and incidental expenses.

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 effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of Substantive Internal Auditor**

During the period under review, no internal audit exercise was done contrary to section 73 (4) of the Public Finance Management Act, 2012 that requires a national government entity to ensure that internal audits in respect of the entity are conducted in accordance with international best practices.

In the circumstances, the effectiveness of internal controls of the Institution could not be confirmed.

#### **1. Lack of an Internal Audit Work Plan and Failure to Carry out Internal Audit Review**

Examination of the college records revealed that the college outsources an Internal Auditor from Kenya Coast National Polytechnic to undertake an internal audit of the College's operations. However, no plan was provided to show that the internal auditor had done a risk-based internal audit annual plan for the College for the year under review. Failure to provide a strategic plan may result in an inadequate basis of risk assessment of the college contrary to Regulation 170 of the Public Finance Management (National Government) Regulations, 2015. that require Internal audit planning be carried out on the basis of risk assessment and shall be set out in a three-year strategic plan, on the basis of which an annual internal audit unit plan shall be developed

In the circumstances, Management was in breach of international best practice.

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

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

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

08 December, 2025

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

Description	Notes	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from National Government entities	6	2,000,000.00	2,000,000.00
Transfers from other levels of government		-	4,694,320.00
		<b>2,000,000.00</b>	<b>6,694,320.00</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	28,277,035.00	15,455,096.00
Miscellaneous income	8	303,000.00	-
<b>Revenue from Exchange transactions</b>		<b>28,580,035.00</b>	<b>15,455,096.00</b>
<b>Total Revenue</b>		<b>30,580,035.00</b>	<b>22,149,416.00</b>
<b>Expenses</b>			
Use of goods and services	9	15,944,714.00	10,524,203.00
Employee costs	10	3,421,581.00	2,373,976.00
Depreciation and amortization expense	11	18,271,830.00	18,202,438.00
Board /Council Expenses	12	299,000.00	990,200.00
Repairs and maintenance	13	1,198,090.00	287,120.00
Contracted services	14	1,086,385.00	1,701,052.00
Grants and subsidies		-	-
<b>Total Expenses</b>		<b>40,221,600.00</b>	<b>34,078,989.00</b>
<b>Other Gains/(Losses)</b>			
Impairment loss		-	-
<b>Total Other Gains/(Losses)</b>		<b>-</b>	<b>-</b>
<b>Net surplus/(deficit) for the year</b>		<b>-9,641,565.00</b>	<b>-11,929,573.00</b>

(The notes set out on pages 7 to 38 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 4 to 6 were signed by:

.....  


**Chairman of Council/Board**

Date 03/12/2025

.....  


**Principal**

Date 3/12/2025

.....  


**Finance Officer**

ICPAK No 27581

Date 03/12/2025

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

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

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

Description	Notes	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	15	6,181,139.00	947,359.00
Current portion of receivables from exchange transactions	16	13,903,546.00	11,974,779.00
Receivables from non-exchange transactions	17	1,500,000.00	-
Inventories	18	518,748.00	-
<b>Total Current Assets</b>		<b>22,103,433.00</b>	<b>12,922,138.00</b>
<b>Non-Current Assets</b>			
Property, plant, and equipment	19	133,106,138.00	150,943,004.00
<b>Total Non-Current Assets</b>		<b>133,106,138.00</b>	<b>150,943,004.00</b>
<b>Total Assets (A)</b>		<b>155,209,571.00</b>	<b>163,865,143.00</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	20	3,525,976.00	2,116,758.00
<b>Total Current Liabilities</b>		<b>3,525,976.00</b>	<b>2,116,758.00</b>
<b>Total Liabilities (B)</b>		<b>3,525,976.00</b>	<b>2,116,758.00</b>
<b>Net Assets (A-B)</b>		<b>151,683,595.00</b>	<b>161,748,384.00</b>
<b>Represented By:</b>			
Revaluation Reserves		156,325,160.00	150,943,004.00
Accumulated Surplus /(Deficit)		-9,641,565.00	11,748,898.00
Capital Fund		5,000,000.00	1,173,240.00
<b>Net Assets</b>		<b>151,683,595.00</b>	<b>163,865,143.00</b>

The Financial Statements set out on pages 1 to 6 were signed by:

.....  
Chairman of Council/Board

.....  
Principal

.....  
Finance Officer

Date 03/12/2025

Date 3/12/2025

ICPAK No 27581  
Date 03/12/2025

16. Statement of Changes in Net Asset For The Year Ended 30<sup>th</sup> June 2025

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Restated	Total
<b>At July 1, 2023 (previous year)</b>	<b>168,645,525.00</b>	<b>5,508,586.00</b>	<b>-</b>		<b>174,154,111.00</b>
Revaluation gain		-	-		
Surplus/(deficit) for the year	-	6,272,864.00	-	-11,929,574.00	-11,929,574.00
Restated		-11,929,574.00			-
Capital grants received during the year	-	-	-		-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-		-
<b>At June 30<sup>th</sup>, 2024</b>	<b>168,645,525.00</b>	<b>-6,420,988.00</b>	<b>-</b>		<b>162,224,537.00</b>
<b>At July 1, 2024 (current year)</b>	<b>168,645,525.00</b>	<b>-6,420,988.00</b>	<b>-</b>		<b>162,224,537.00</b>
Revaluation gain (Grant Account)	-	-	-		-
Deficit /(Surplus) for the year	-	-9,641,565.00	-		-9,641,565.00
Capital grants received during the year	-	-	5,000,000.00		5,000,000.00
Transfer of depreciation/amortisation from capital fund to Retained earnings	-		-		-
<b>At June 30<sup>th</sup>, 2025</b>	<b>168,645,525.00</b>	<b>-16,062,553.00</b>	<b>5,000,000.00</b>		<b>157,582,972.00</b>

*Note:*

The surplus of ksh.6, 272,864 for the year ended 30<sup>th</sup> June 2024 was erroneously posted. The total receipts and payments included had a deficit of ksh.11, 929,574 hence the restated figure posted.

1. *Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).*

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

17. Statement of Cash Flows For The Year Ended 30<sup>th</sup> June 2025

Description		FY 2024/2025	FY 2023/2024 (Restated)	FY 2023/2024
	Note	Kshs	Kshs.	Kshs
<b>Cash flows from operating activities</b>				
<b>Receipts</b>				
Transfers from other National Government entities		500,000.00	2,000,000.00	2,000,000.00
Sponsorship from donors and development partners		3,382,791.00	-	-
Transfers from other levels of government (Ministry)		7,129,817.00	3,316,620.00	3,316,620.00
Rendering of services- fees from students		4,612,719.00	15,455,096.00	15,455,096.00
Transfer from other levels of government(NG-CDF)		1,052,000.00	1,377,700.00	1,377,700.00
Helb		3,902,328.00	-	-
Miscellaneous income		303,000.00	-	-
<b>Total Receipts</b>		<b>20,882,655.00</b>	<b>22,149,416.00</b>	<b>22,149,416.00</b>
<b>Payments</b>				
Use of goods and services		15,944,714.00	10,524,203.00	10,524,203.00
Employee costs		3,421,581.00	2,373,976.00	2,373,976.00
Board /Council Expenses		299,000.00	990,200.00	990,200.00
Repairs and maintenance		1,198,090.00	287,120.00	287,120.00
Contracted services		1,086,385.00	1,701,052.00	1,701,052.00
<b>Total Payments</b>		<b>21,949,770.00</b>	<b>15,876,551.00</b>	<b>15,876,551.00</b>
<b>Net Cash Flows from operating activities</b>		<b>-1,067,114.00</b>	<b>6,272,864.00</b>	<b>6,272,864.00</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant, equipment and intangible assets		-434,961.00	-1,173,240.00	-1,173,240.00
<b>Net cash flows used in investing activities</b>		<b>-434,961.00</b>	<b>-1,173,240.00</b>	<b>-1,173,240.00</b>
<b>Cash flows from financing activities</b>				
Proceeds From Borrowing		-	-	-
Repayment Of Borrowings		-	-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>-1,502,075.00</b>	5,099,625.00	513,219.00
Cash and Cash equivalents at 1 JULY	15	5,533,765.00	434,140.00	434,140.00
<b>Cash and Cash equivalents at 30 JUNE</b>	15	<b>6,181,140.00</b>	<b>5,533,765.00</b>	<b>947,359.00</b>

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In preparing the financial reports, it was identified that the amount relating to Net Increase in Cash and Cash equivalents, and Cash and Cash equivalents as at 30 June 2024 was erroneously stated as ksh.513, 219 and kshs.947, 359 respectively. Posted figures were revised and adjustments made in the statement.

**18. Statement of Comparison of Budget & Actual amounts For Year Ended 30<sup>th</sup> June 2025**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
<b>Budget carryovers from the previous year*</b>	-	-	-	-	-	-
<b>Receipts</b>						
Transfers from National Government entities	2,000,000.00	-	2,000,000.00	500,000.00	1,500,000.00	25%
Sponsorship from donors and development partners	-	-	-	3,382,791.00	-3,382,791.00	-
Transfers from other levels of government NG-CDF	-	-	-	1,052,000.00	-1,052,000.00	-
Rendering of services- fees from students	23,516,150.00	-	23,516,150.00	28,277,035.00	-4,760,885.00	120.0%
Helb	-	-	-	3,902,328.00	-3,902,328.00	-
Transfers from other levels of government(Ministry)	-	-	-	7,129,817.00	-7,129,817.00	-
Miscellaneous Income	3,300,000.00	-	3,300,000.00	303,000.00	2,997,000.00	9%
<b>Total Receipts</b>	<b>28,816,150.00</b>	<b>-</b>	<b>28,816,150.00</b>	<b>44,546,971.00</b>	<b>-15,730,821.00</b>	<b>155%</b>
<b>Payments</b>						
Use of goods and services	20,528,396.00	-	20,528,396.00	15,944,714.00	4,583,682.00	78%
Employee costs	3,680,646.00	-	3,680,646.00	3,421,581.00	259,065.00	93%
Board /Council Expenses	1,368,000.00	-	1,368,000.00	299,000.00	1,069,000.00	22%
Repairs and maintenance	1,500,000.00	-	1,500,000.00	1,198,090.00	301,910.00	80%
Contracted services	1,739,108.00	-	1,739,108.00	1,086,385.00	652,723.00	62%
Grants and subsidies	-	-	-	-	-	-
<b>Total Expenditure Payments</b>	<b>28,816,150.00</b>	<b>-</b>	<b>28,816,150.00</b>	<b>21,949,770.00</b>	<b>6,866,380.00</b>	<b>76%</b>
<b>Capital Expenditure Payments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus /Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,597,201.00</b>		<b>-</b>

*(Budget carryovers\* This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted to the Exchequer. Budget carryovers should not include third-party funds such as contractors' retention.)*

*(Entities can present the Statement of Comparison of Budget & Actual amounts in a different format/categorization as approved by the governing body.)*

**Budget notes**

- i. Low fees payments from trainees leading to unrealized revenue hence utilization difference of 54%
- ii. The increased percentage of receipts was as a result of monies received from sponsors and the government.
- iii. Delays in the appointment of the new board leading to low utilization difference of 22%.

**19. Notes to the Financial Statements**

**1. General Information**

Likoni Technical and Vocational College is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The institution's principal activity is presented in roman above.

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the Likoni TVC accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 8-39. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Likoni 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 2025.*
- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43: Leases	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 45: Property Plant and Equipment	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>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.</p> <p>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.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 46: Measurement	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> </ol>

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	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47: Revenue	<p><b>Applicable 1<sup>st</sup> January 2026</b></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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48: Transfer Expenses	<p><b>Applicable 1<sup>st</sup> January 2026</b></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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49: Retirement Benefit Plans	<p><b>Applicable 1<sup>st</sup> January 2026</b></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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b>Applicable 1<sup>st</sup> January 2027</b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

*iii. Early adoption of standards*

Likoni Technical & Vocational College did not early-adopt any new or amended standards in year 2025.

#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

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

##### **Transfers from other government entities**

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

##### **ii) Revenue from exchange transactions**

##### **Rendering of services**

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

##### **Sale of goods**

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

##### **Interest income**

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

##### **Rental income**

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

**b) Budget information**

The original budget for FY 2024/2025 was approved by the Council or Board and no Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

**c) Taxes**

***Sales tax/ Value Added Tax***

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

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

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

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

**e) Property, plant and equipment**

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

**f) Leases**

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

**g) Intangible assets**

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

**h) Biological Assets**

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

**i) Research and development costs**

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

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

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

**j) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. Likoni TVC does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the institution's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity

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instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

***Financial assets***

***Classification***

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

***Subsequent measurement***

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

***Amortized cost***

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

***Fair value through net assets/ equity***

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

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

***Financial liabilities***

***Classification***

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

**k) Inventories**

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

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

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

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

**Inventories (Continued)**

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

**l) Provisions**

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

***Contingent liabilities***

Likoni 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***

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

**m) Social Benefits**

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

**n) Nature and purpose of reserves**

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

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

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

**p) Foreign currency transactions**

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

**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**

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

**s) Service concession arrangements**

Likoni 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 institution 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 institution 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**

Inaccuracy of net deficit for the period.

The surplus of ksh.6, 272,864 as shown on the changes of net assets for the year ended 30<sup>th</sup> June 2024 was erroneously entered. The total receipts and payments included had a deficit of ksh.11, 929,574.

Inaccuracy of cash and cash equivalent.

Inventory- The closing inventory as at 30<sup>th</sup> June 2022 was at 2,500,000 which at the end of financial year ended 30<sup>th</sup> June 2023 was ksh.115, 408. The change in cashflow was not captured in the Statement of cashflow which was +2,384,592 increase in inventory.

Accounts receivable- There was no entry of changes in accounts receivables in the statement of cashflow for 2023. The accounts receivable as at 30<sup>th</sup> June 2022 was ksh.5, 642,000 and as at 30<sup>th</sup> June 2023 was ksh.7, 822,495. This was an increase of accounts receivable ksh.2, 180,495 hence entry was not done to the Statement of Cashflow. In the year 30<sup>th</sup> June 2023 the closing balance was ksh.7,822,495 and for the year ended June 2024 the closing balance was ksh.11,974,779 an increase of ksh.4,152,284 which was not captured in the Statement of Cashflow.

Accounts Payable – The closing balance for the year ended 30<sup>th</sup> June 2022 was ksh.2,518,899 and the closing balance for the year 30<sup>th</sup> June 2023 was ksh.2,863,457 hence an increase of accounts payable of ksh.344,558 was not effected on the statement of cashflow.

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Receivable from Non-Exchange transactions.

A sum of ksh.500, 000 resulting from recurrent grant for FY 2023/2024 for 4<sup>th</sup> Quarter was not captured in the Statement of Financial Position for the year ended 30<sup>th</sup> June 2024. This revenue was received in FY 2024/2025.

**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<sup>th</sup>, 2025.

## **5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Likoni 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

6. Transfers from other National Government entities

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>Unconditional Grants</b>		
Grants	2,000,000.00	2,000,000.00
Other Grants	-	-
<b>Total unconditional Grants</b>	<b>2,000,000.00</b>	<b>2,000,000.00</b>
<b>Conditional Grants amortised/ recognised in revenue</b>		
Other Organizational Grants	-	-
<b>Total Government Grants and Subsidies</b>	<b>2,000,000.00</b>	<b>2,000,000.00</b>

Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Year ended 30 <sup>th</sup> June 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department for TVCs GoK	2,000,000.00		-	500,000.00	2,000,000.00
<b>Total</b>	<b>2,000,000.00</b>	<b>-</b>	<b>-</b>	<b>500,000.00</b>	<b>2,000,000.00</b>

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

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

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

The details of the reconciliation have been included under appendix ii

**7. Rendering of Services**

	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Attachment	66,000.00	-
Insurance	22,000.00	-
Student Welfare	300,600.00	-
Student ID Card	253,500.00	-
College T-Shirt	174,000.00	-
Personal Emoluments	4,029,220.00	-
Attachment and insurance	172,500.00	1,409,864.00
Examination fee	1,084,878.00	1,360,300.00
Student Council	155,700.00	-
RMI	1,525,828.00	-
Electricity, Water and conservancy (EWC)	1,485,265.00	-
Local Transport and Travel	1,612,895.00	-
Tuition Fees	14,447,472.00	11,946,972.00
Activity Fees	1,827,677.00	438,250.00
Admission Fees/Registration	945,500.00	299,700.00
Caution Money	174,000.00	-
<b>Total Revenue from the Rendering of Services</b>	<b>28,277,035.00</b>	<b>15,455,086.00</b>

This revenue relates to invoices raised to students as at 30<sup>th</sup> June 2025.

8. Miscellaneous Income

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Consultancy fees	-	-
Income from sale of tender	-	-
Services concession income	-	-
KAM -GTZ	253,000.00	-
Nairobits	50,000.00	-
Bad debts recovered	-	-
Income written back	-	-
Others ( <i>specify</i> )	-	-
<b>Total other income</b>	<b>303,000.00</b>	-

**KAM-GTZ; 253,000.00.** This revenue relates to monies sent by Kenya Association of Manufacturers for External Experts/ Consultants Conference (Dual TVET) held on 20<sup>th</sup> September 2024 and utilised during the conference.

**Nairobits; 50,000.00** This revenue relates to monies sent by Nairobits to cater for electricity consumed during the Skills for Inclusive Digital Participation Project held between March – May 2025 at Jitume Lab.

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

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**9. Use of Goods and Services**

	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Teaching and learning materials	6,894,185.00	2,680,291.00
Industrial attachment costs	47,000.00	-
Electricity & Water	175,000.00	207,048.00
Professional and consultancy services	25,000.00	-
Subscriptions	255,500.00	-
Advertising	47,800.00	248,104.00
Examination fees	2,066,151.00	1,360,300.00
Audit fees	100,000.00	250,000.00
Travelling and accommodation	3,152,301.00	848,550.00
Insurance	151,449.00	20,930.00
Activity fees	276,309.00	461,940.00
Sundry cleaning	39,854.00	-
Postage	7,725.00	9,473.00
Printing and stationery	552,816.00	418,633.00
Bank charges	13,738.00	-
Participation fees	494,296.00	545,307.00
Telephone expenses	153,900.00	106,875.00
Training expenses	166,700.00	684,810.00
Administrative expenses	1,324,990.00	2,681,942.00
<b>Total use of good and services</b>	<b>15,944,714.00</b>	<b>10,524,203.00</b>

**10. Employee Costs**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries and wages	3,219,524.00	2,373,976.00
Overtime payments	-	-
Social contributions	202,057.00	-
<b>Employee Costs</b>	<b>3,421,581.00</b>	<b>2,373,976.00</b>

**11. Depreciation and Amortization expense**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property, plant and equipment	18,271,830.00	18,049,490.00
<b>Total depreciation and amortization</b>	<b>18,271,830.00</b>	<b>18,049,490.00</b>

**12. Board/Council Expenses**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
BOG Emoluments	299,000.00	990,200.00
Other Board/Council Expenses	-	-
<b>Total</b>	<b>299,000.00</b>	<b>990,200.00</b>

**13. Repairs and Maintenance**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property	1,148,090.00	154,670.00
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	50,000.00	132,450.00
<b>Total Repairs and Maintenance</b>	<b>1,198,090.00</b>	<b>287,120.00</b>

14. Contracted Services

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>Internet Services</b>		
Starlink	69,616.00	
Dimension data Solutions	144,072.00	385,876.00
Kengsly Trading	7,540.00	
Erido Enterprises Ltd	77,000.00	
Safaricom	12,882.00	
<b>Security Services</b>		
Access Security Services ltd	717,730.00	1,033,176.00
<b>Software Services</b>		
Abno Software International Ltd	58,000.00	282,000.00
<b>Total contracted services</b>	<b>1,086,385.00</b>	<b>1,701,052.00</b>

15. Cash and Cash Equivalents

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Account	6,181,139.00	5,533,765.00
On - Call Deposits	-	-
Others (Specify)	-	-
<b>Total Cash and Cash Equivalents</b>	<b>6,181,139.00</b>	<b>5,533,765.00</b>

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

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

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank	1290527342	6,181,139.00	5,533,765.00.00
<b>Sub- Total</b>		<b>6,181,139.00</b>	<b>5,533,765.00.00</b>
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank		-	-
Equity Bank – etc.		-	-
<b>Sub- Total</b>		<b>-</b>	<b>-</b>
<b>c) Fixed Deposits Account</b>			
Kenya Commercial Bank		-	-
<b>Sub- Total</b>		<b>-</b>	<b>-</b>

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<b>Grand Total</b>		<b>6,181,139.00</b>	<b>5,533,765.00</b>
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**16. Current Receivables from Exchange transactions**

<b>Description</b>	<b>FY 2024/2025</b>	<b>FY 2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Current Receivables</b>		
Student Debtors	13,747,546.00	11,745,779.00
Godoma Technical Debt	100,000.00	-
SOS Children Home	-	49,000.00
Other Debtors; James Kimeu Kavithi	56,000.00	-
<b>Total Current Receivables</b>	<b>13,903,546.00</b>	<b>11,974,779.00</b>

**Ageing Analysis of Receivables from Exchange transactions**

<b>Description</b>	<b>FY 2024/2025</b>		<b>FY 2023/2024</b>	
	<b>Kshs</b>		<b>Kshs</b>	
	<b>Current FY</b>	<b>% of total</b>	<b>Comparative FY</b>	<b>% of total</b>
Less than 1 year	13,903,546.00	100%	-	%
Between 1- 2 years	-	-	-	%
Between 2-3 years		%	-	%
<b>Total</b>	<b>13,903,546.00</b>	<b>100%</b>	<b>-</b>	<b>%</b>

**17. Receivables from Non-Exchange transactions**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*	1,500,000.00	-
Transfers from Other Govt. entities	-	-
<b>Total Current Receivables</b>	<b>1,500,000.00</b>	-

**18. Inventories**

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
<b>Consumable stores</b>		-
Mechanical Engineering Department	103,604.00	-
Fashion and Design department	27,325.00	-
Administration	110,297.00	-
Food and Beverage	57,829.00	-
Electrical	138,090.00	-
Cosmetology	81,603.00	-
<b>Total inventories at the lower of cost and net realizable value</b>	<b>518,748.00</b>	-

This relates to balances of items that are consumed during regular operations and need to be replaced such as stationeries and teaching materials at the stores per department as at 30<sup>th</sup> June 2025.

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19. (a) Property, Plant and Equipment

Cost	Buildings	Furniture and fittings	Computers	Other Assets (Library books)	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2022	71,249,168.00	325,935.00	150,000.00	283,007.00	131,739,434.00	203,747,544.00
Additions	-	287,679.00	-	-	-	287,679.00
At 30 <sup>th</sup> June 2023	71,249,168.00	613,614.00	150,000.00	283,007.00	131,739,434.00	204,035,223.00
Additions	-	1,117,280.00	35,960.00	-	20,000.00	1,173,240.00
At 30 <sup>th</sup> June 2024	71,249,168.00	1,730,894.00	185,960.00	283,007.00	131,759,434.00	205,208,463.00
Additions	-	-	85,840.00	349,121.00	-	434,961.00
As at 30th June 2025	71,249,168.00	1,730,894.00	271,800.00	632,128.00	131,759,434.00	205,643,424.00
<b>Depreciation And Impairment</b>						
At 1 June 2023	-1,424,983.00	-40,742.00	-45,000.00	-35,376.00	-16,467,429.00	-18,013,530.00
Depreciation	-1,424,983.72	-76,702.00	-45,000.00	-35,376.00	-16,467,429.00	-18,049,491.00
At 30 June 2023	-2,849,967.00	-117,444.00	-90,000.00	-70,752.00	-32,934,858.00	-36,063,021.00
Depreciation	-1,424,983.00	-216,362.00	-55,788.00	-35,376.00	-16,469,929.00	-18,202,438.00
At 30 <sup>th</sup> June 2024	-4,274,950.00	-333,806.00	-145,788.00	106,128.00	-49,404,787.00	-54,265,459.00
Depreciation	-1,424,983.00	-216,362.00	-81,540.00	-79,016.00	-16,469,929.00	-18,271,830.00
As at 30th June 2025	-5,699,933.00	-550,168.00	-227,328.00	185,143.88.	-65,874,716.00	72,537,289.24
<b>Net Book Values</b>						
At 30 <sup>th</sup> June 2024	66,974,218.00	1,397,088.00	40,172.00	176,879.00	82,354,647.00	150,943,004.00
At 30th June 2025	65,549,235.00	1,180,726.00	44,472.00	446,984.00	65,884,718.00	133,106,136.00

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Buildings	2%	Straight line
Computers	30%	Straight line
Furniture and fittings	12.5%	Straight line
Library books	12.5%	Straight line
Equipment	12.5%	Straight line

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**Notes to the Financial Statements (Continued)**

**19. (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
Buildings	71,249,168.00	(5,699,933.00)	65,549,235.00
Plant And Equipment	131,759,434.00	(65,874,716.00)	65,884,718.00
Computers and Related Equipment	271,800.00	(227,328.00)	44,472.00
Library books	632,128.00	(185,143.00)	446,984.00
Office Equipment, Furniture, And Fittings	1,730,894.00	(550,168.00)	1,180,726.00
<b>Total</b>	<b>205,643,424.00</b>	<b>(72,537,289.24)</b>	<b>133,106,136.00</b>

**20. Trade and Other Payables**

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
Trade payables	3,175,976.00		2,116,758.00	
Insurance Payable Income Claim	350,000.00			
<b>Total Trade and Other Payables</b>	<b>3,525,976.00</b>		<b>2,116,758.00</b>	
<b>Ageing analysis:</b>	<b>30<sup>th</sup> June 2025</b>	<b>% of the Total</b>	<b>30<sup>th</sup> June 2024</b>	<b>% of the Total</b>
Under one year	3,274,385.00	93%	936,020.00	44%
1-2 years	-	%	1,180,739.00	56%
Over 3 years	251,591.00	7%	-	-
<b>Total (to tie to totals above)</b>	<b>3,525,976.00</b>	<b>100%</b>	<b>2,116,758.00</b>	<b>100%</b>

**Insurance Payable Income claim;350,000.** This money in our account relates to money we hold for trust in our account for the bereaved family.

**21. Financial Risk Management**

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

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

**(i) Credit risk**

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

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

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

Description	Total amount Kshs	Fully perform ing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2024</b>				
Receivables from exchange transactions	11,974,779.00	-	11,974,779.00	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	<b>11,974,779.00</b>	<b>-</b>	<b>11,974,779.00</b>	<b>-</b>
<b>At 30 June 2025</b>				
Receivables from exchange transactions	13,903,546.00	-	13,903,546.00	-
Receivables from non-exchange transactions	1,500,000.00	-	1,500,000.00	-
Bank balances	-	-	-	-
<b>Total</b>	<b>15,403,546.00</b>	<b>-</b>	<b>13,903,546.00</b>	<b>-</b>

**Financial risk management (continued)**

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

The entity has significant concentration of credit risk on amounts due from 2022.

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

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade Payables	-	-	2,116,758.00	2,116,758.00
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	<b>2,116,758.00</b>	<b>2,116,758.00</b>
<b>At 30 June 2025</b>				
Trade Payables	-	-	3,525,976.00	3,175,976.00
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	202,057.00
<b>Total</b>	-	-	<b>3,525,976.00</b>	<b>3,378,033.00</b>

**(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.

**22. 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 Likoni TVC, holding 100% of the institutions equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

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

**23. Events After The Reporting Period**

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

**24. Ultimate And Holding Entity**

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

**25. Currency**

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

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**20. Appendices**

**Appendix 1: Implementation Status of Auditor-General Recommendations**

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

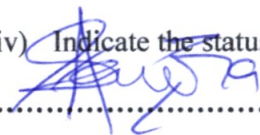
<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
4.5.	Incorrect Cash Book Balance	We effected your recommendation and our amended financial statements state the accurate cash book balance as at 30 June 2024.	Resolved	
4.6	Unconfirmed Grants Balance	Traditionally, LTVC was receiving the operational grant of sh.500,000 from the Government (Ministry of Education) every quarter adding up to Kshs.2,000,000 in a year. We started receiving capitatio9n which is also a grant and we have stated the correct balance of Government grants in our amended financial statements.	Resolved.	
4.13	Unsupported trade payables	We have provided a list of creditors and their respective balances and fully supported the trade payables account balance.	Resolved.	
4.20	Failure to employ an Internal Auditor	This was deliberated in our full board meeting and the cost of hiring an internal auditor for LTVC is the thorny issue. Going forward LTVC will outsource the services of an	Not Resolved.	

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
		internal auditor from our mentor, the Kenya Coast National Polytechnic, Taita Taveta National Polytechnic as we await one to be deployed by the MOE to sit in the Regional Director's office and serve all the 20 TVET institutions in the region.		

**Guidance Notes:**

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

  
 .....

**Name: Samira Abdallah**  
**Accounting Officer/  
 Principal**  
**Date**

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

**Appendix II- Inter-Entity Confirmation Letter**

Name of transferring entity: Ministry of Education GOK.

Name of beneficiary entity: Likoni Technical & Vocational College.

**Confirmation of amounts received by Likoni TVC as at 30<sup>th</sup> June 2025**

Reference Number	Date Disbursed	Recurrent Grant(A)	Capitation (B)	Scholarship (C)	Total (D)=(A+B+C)	Remarks
FT2426442X3Q	20/9/2024		-	282,021.00	282,021.00	Consolidated
FT24264QIRT3	20/09/2024		-	423,118.00	423,118.00	Consolidated
FT24264N1JX1	20/9/2024		-	530,621.00	530,621.00	Consolidated
FT24268R3VGG	20/9/2024		-	228,270.00	228,270.00	Consolidated
FT24267XKBRY	24/9/2024		-	1,363,362.00	1,363,362.00	Consolidated
FT25045GIC	14/2/2025		4,302,425.00	-	4,302,425.00	Consolidated
FT24197RRDGZ	25/07/2024	500,000.00	-	-	500,000.00	Consolidated
FT24276HK	2/10/2024	500,000.00	-	-	500,000.00	Consolidated
<b>Total</b>		<b>1,000,000.00</b>	<b>4,302,425.00</b>	<b>2,827,392.00</b>	<b>8,129,817.00</b>	

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:**

Name : CPA. NYAMBAZI MUBATELA Sign ..... Date 03/12/2025