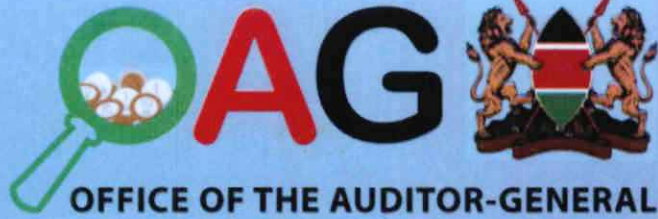



REPUBLIC OF KENYA



*Enhancing Accountability*

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
<b>REPORT</b>	
DATE: <b>11 JUN 2025</b> DAY: <b>Wednesday</b>	
TABLED BY:	Hon. Owen Bayart, MP Deputy Leader of Majority
CLERK-AT THE-TABLE:	Constance

PARLIAMENT  
OF KENYA  
LIBRARY

OF

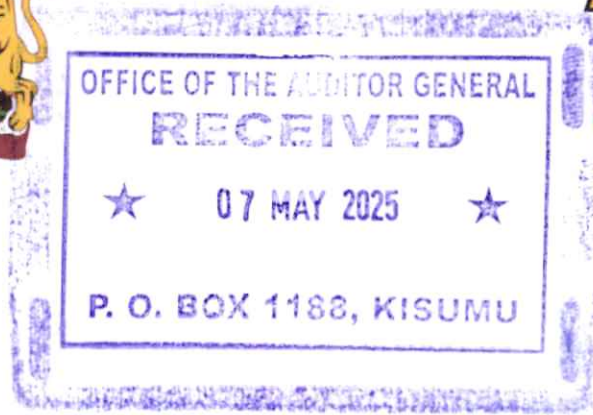
**THE AUDITOR-GENERAL**

**ON**

**FRIENDS COLLEGE KAIMOSI (KAIMOSI  
COLLEGE OF RESEARCH & TECHNOLOGY)**

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

**STATE DEPARTMENT FOR TECHNICAL AND  
VOCATIONAL EDUCATION AND TRAINING**



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**FRIENDS COLLEGE KAIMOSI**  
**(Kaimosi College of Research & Technology)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30<sup>TH</sup> JUNE 2024**

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

**Friends College Kaimosi ( Kaimosi College of Research and Technology)  
Annual Report and Financial Statements for the year ended 30 June 2024**

**Friends College Kaimosi ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30 June 2024**

**Table of Contents**

1. Acronyms and Definition of terms.....	iii
2. Key Friends College Kaimosi information and Management.....	iv
3. The Board of Governors.....	viii
4. Key Management Team.....	xviii
5. Chairman’s statement.....	xxvii
6. Report of the Chief Principal.....	xxviii
7. Statement of performance against predetermined objectives.....	xxx
8. Corporate Governance statement.....	xxxii
9. Management Discussion and Analysis.....	xxxviii
10. Environmental and sustainability Reporting Statement.....	xlii
11. Report of the Board of Governors.....	xliv
12. Statement of Board of Governor’s Responsibilities.....	xlvi
13. Report of the independent Auditor on the Financial statements of Friends College Kaimosi.....	xlviii
14. Statement of Financial Performance for the year ended 30 June 2024.....	1
15. Statement of Financial Position as at 30 <sup>th</sup> June 2024.....	2
16. Statement of changes in Net Assets for the year ended 30June 2024.....	3
17. Statement of cash flows for the year ended 30 June 2024.....	4
18. Statement of Comparison of Budget & Actual amounts for year ended 30 June 2024.....	5
19. Notes to the Financial Statements.....	6
20. Appendices.....	34

## **1. Acronyms and Definition of Key terms**

### **A.Acronyms**

AFIRM	Administration, Finance, Infrastructure and Resource Mobilization
ARM	Audit and Risk Management
BOG	Board of Governors
ETRIS	Education, Training, Research, Innovation and Strategy
FCK	Friends College Kaimosi
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
PPE	Property Plant and Equipment
TVC	Technical Vocational College
NITA	National Industrial Training Authority
TVETA	Technical and Vocational Education and Training Authority
OAG	Office of the Auditor General

### **B.Definition of Key terms**

***Fiduciary Management*** - Key management personnel who have financial responsibility in the entity

***Comparative Year***- Means the prior period.

## **2. Key Friends College Kaimosi Information and Management**

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

Friends College Kaimosi is located in Hamisi Sub County, Vihiga County of Western part of Kenya. The college is located within the Kaimosi Complex Off Chavakali – Kapsabet road, on a sixty six (66) acre piece of land. It was founded in 1971 by the East African Yearly Meeting of Friends Church (Quakers) in collaboration with the local community and friends in USA and UK who appreciated the value of vocational oriented education with specific emphasis on Practical Agriculture, Rural Leadership, Small Business Management and Entrepreneurship Training.

The institution is now focusing its training programmes towards meeting the challenges arising from rapid technological advancement, education policy and labour market changes. As a training institute of technology under the Ministry of Education, (MOE) FCK, has prioritized Access and Equity, Quality and Relevance, ICT Integration into Education, Training, Research and Innovation, Science, Technology and Innovation Development Capacities, Financial and Human Resources, Governance and Management, Cross Cutting Issues/Emerging Issues Competency Based Training and Environmental Sustainability in line with MOE goals and other Government policies.

The College's primary objective is to equip trainees with competencies and occupational skills that would not only make them self-reliant but also enable them compete in the challenging job market. Great emphasis is laid on the acquisition of practical skills, work attitudes, self-discipline and entrepreneurial skills. Practical skills are enhanced through industrial attachment, field work, academic trips and practical lessons.

The college is ISO 2001:2015 and accredited with the following academic departments; Mechanical and Automotive Engineering, Electrical and Electronics, Building and Civil Engineering, Liberal Studies, Business and Hospitality. Other departments include Finance, Procurement, Performance Contracting, sports, Guiding and counseling, Research and development.

### **(a) PRINCIPAL ACTIVITIES**

#### ***Vision***

To be a leading Institution of Skills Training in Science and Technology

#### ***Mission***

To provide quality Technical Training and Research in Science and Technology to meet changing International Needs

#### **CORE VALUES**

Social Responsibility      *Promote community services to enhance good working relationship and collaboration.*

Creativity *Promote innovation and creativity in its training programs, service delivery governance.*

**Friends College Kaimosi ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30 June 2024**

**Religious Liberty :** Respect the principles and philosophies of the Quaker faith and other religions

**Integrity:** Conduct its business with employees, parents, sponsors, customers and other stakeholders in an honest, fair and caring manner with an endeavour to uphold national values

**Professionalism:** consistently offer quality training and related services that are market driven

**Team Work:** Encourage positive cohesion and synergy amongst all stakeholders towards a positive contribution from its motivated and innovative workforce

**MOTTO**

Ujuzi Na Ubunifu

**(b) OBJECTIVES:**

1. To develop and implement competency based curricular
2. To provide increased training opportunities for trainees that will enable them to be self-reliant
3. To provide technical knowledge, vocational skills and attitudes necessary for national development
4. To provide continuous upgrading of skills and knowledge for the labour market
5. To conduct research in appropriate emerging technologies
6. To integrate ICT training and management systems and provide extension service to the community

**( c ) Key Management**

The Friends College Kaimosi management is under the following key organs:

- Board of Governors
- Management Board
- Academic Board

**(d ) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

	<b>Designation</b>	<b>Name</b>
1.	Principal	Mr. Okumu JW Odhiambo
2.	Deputy Principal- Administration	Mrs Lydia Songole
3.	Deputy Principal -Academics	Mr. Francis Miheso
4.	Finance Officer	CPA. Hesborn Ehaji
5.	Supply Chain Management Officer	Ms. Emily Mikhago
6.	Registrar Academics	Mrs. Lilian Cherotich
7.	Dean Trainee Affairs	Mrs. Mercy Muraran
8	Human Resource Officer	Mr. Trensa Marwa
9	Registrar Administration	Ms Leah Makete

**Friends College Kaimosi ( Kaimosi College of Research and Technology)  
Annual Report and Financial Statements for the year ended 30 June 2024**

**(e) Fiduciary Oversight Arrangements**

1. Administration Finance, Infrastructure and Resource Mobilization BoG Committee
2. Education, Training, Research, Innovation & Strategy ( ETRIS) BoG Committee
3. Audit and Risk Management BoG Committee
4. Technical and Vocational Education and Training Authority (TVETA)
5. Kenya Revenue Authority(KRA)
6. Office of the Auditor General(OAG)
7. National Social Security Fund (NSSF)
8. The National Assembly

**(f) Friends College Kaimosi Headquarters**

Kaimosi Complex Mission  
Along Kisumu- Chavakali-Kapsabet Road  
Po Box 150-50309  
Tiriki, Kenya

**(g) Friends College Kaimosi Contacts**

Telephone **0704686363**

Email: friendscollegkaimosi@gmail.com, friendscollege@yahoo.com, info@fck.ac.ke

Website: www.fck.ac.ke

**(h) Friends College Kaimosi Bankers**

KCB Bank Kenya Ltd

Kakamega Branch

P.O BOX 152-50100

Kakamega, Kenya

**(i) Independent Auditors**

The Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
PO BOX 30084 GPO 00100  
Nairobi, Kenya

**Friends College Kaimosi ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30 June 2024**

**(j) Principal Legal Adviser**

The Attorney General  
State Law Office  
Harambee Avenue  
PO BOX 40112 City Square 00200  
Nairobi, Kenya

**3. The Board of Governors**



**1.Prof. Mike Iravo  
(Chairman)**

Professor Mike Amuhaya Iravo, born on February 22, 1960, holds a PhD in Human Resource Management. He currently serves as the Principal at Jomo Kenyatta University of Agriculture and Technology's Westlands Campus in Nairobi. Prof. Iravo is an active member of several professional organizations, including FMIHR(K), FMPMAK(K), and MERTD (UK).

He joined the Board of Governors at Friends College Kaimosi in September 2020 and was elected as Chairman. His leadership role was reaffirmed when he was re-appointed as Chairman of the board on November 7, 2023.



**2. Mr. ChrisanthusAgevi**  
**Member**

Mr. Chrisanthus Ajevi, a representative of the Vihiga County Government, brings extensive experience in financial management and banking to his role. An alumnus of Friends College Kaimosi, Mr. Ajevi has a robust background in banking, having served as a financial manager in various commercial banks across Kenya. Retired Banker with over 34 years of experience in the Banking Industry having worked with Kenya Commercial Bank (KCB) and its Subsidiary Savings and Loans Kenya Limited-Mortgage Division. Broad knowledge in Banking and Public Finance. Experience in Credit Management, Financial and Risk Management. Attended courses in Leadership Development, governance and Financial Data Interpretation. Holder of a Masters Degree- MBA (Finance and Banking) and Bachelor of Business Management (Accounting Option) Served in Board of Management in various institutions and participation in community services including church participation.

He joined the Board of Governors at Friends College Kaimosi in 2023 and currently serves on the Audit and Risk Management Committee, contributing his expertise to ensure effective oversight and financial integrity within the institution

Mr Agevi Serves on Audit and Risk Management committee of the Board



**3.Mr. Paul Kokello**

**(Member)**

Mr. Paul Odhiambo Kokello, born on July 1, 1958, is a seasoned educationist with over 30 years of experience in Kenya's education sector. He holds a Master's Degree in Education and has held various significant positions, including serving as a County Education Director.

Mr. Kokello joined the Board of Governors at Friends College Kaimosi in September 2020 and has since been an integral part of the institution

Currently Mr Kokello is serving as the Chairman of the Administration, Finance, Infrastructure, and Resource Mobilization Committee.

His commitment to the college was reaffirmed with his re-appointment to the board on November 7, 2023.



**4. Dr. Mary Agutu**  
**(Member)**

Dr. Mary Teresa Agutu, born on August 20, 1972, is a distinguished medical professional with extensive experience spanning over two decades. She holds a PhD and a Master of Science degree in Medical Virology.

Dr. Agutu is the Chief Executive Officer of the Kenya Veterinary Board (KVB), where she plays a pivotal role in overseeing veterinary practices in Kenya. In addition to her role at the KVB.

Dr. Agutu has been a member of the Board of Governors at Friends College Kaimosi since September 2020. Her contributions extend to serving on the Education, Training, Research, Innovation and Strategy Committee of the Board as the Chairperson.

Her commitment to the institution was reaffirmed when she was re-appointed to the board on November 7, 2023



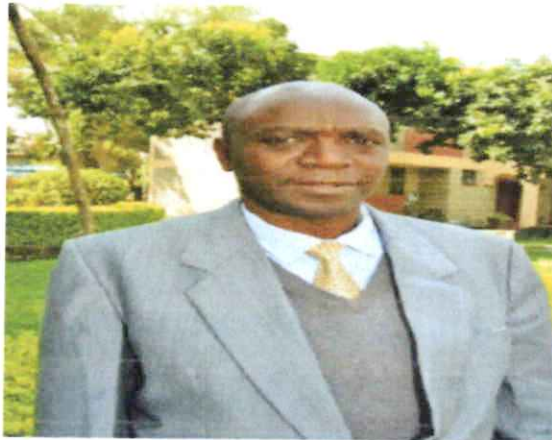
**5.Eng. Carolyne Kosgey  
Member**

Eng. Carolyne Kosgey is a distinguished professional in the engineering field with over 15 years of experience. She is a member of the Engineers Board of Kenya (EBK), the Institution of Engineers Kenya, and the Association of Consulting Engineers of Kenya (ACEK-FL).

Carolyne holds a Bachelor of Engineering in Electrical & Telecommunications Engineering from Moi University and a Master of Business Administration with a focus on Operations Management. She currently serves as an Assistant Engineer at Kenya Power and Lighting Company (KPLC) in Busia. Her previous roles include County Commercial Sales Engineer in Busia, Electrical Engineer at KPLC Kisumu, and Technical Sales Engineer at Teledata Technologies Ltd in Nairobi.

Eng. Kosgey was appointed to the Friends College Kaimosi Board of Governors on November 7, 2023.

Eng. Carolyne Serves on the Education, Training, Research, Innovation and Strategy Committee of the Board as a member



**6.Mr. Andrew Masese**

**Member**

Mr. Andrew Masese holds a Master's in Labour Welfare and a Bachelor of Commerce in Marketing.

He is currently employed with the Federation of Kenya Employers and is a practicing member of the Institute of Human Resource Management.

With over 15 years of experience in Human Resources, Andrew has worked in various notable positions, including roles at Butali Sugar Company, DLO in Busia and Naivasha, New KCC, Akamba Public Road Services, and ADRIA Somalia, among others.

He joined the Board of Governors at Friends College Kaimosi on November 7, 2023.

Mr. Masese serves on Education, Training, Research, Innovation and Strategy Committee of the Board



**7. Phyllis Namachanja  
Member**

Phyllis is a highly accomplished Advocate of the High Court of Kenya with extensive expertise in law, governance, and financial development. She earned her Bachelor of Laws (LL.B) from Moi University and completed her Post Graduate Diploma at the Kenya School of Law. Additionally, she has received further training in Organizational Development from United States International University and in Project Management from the Kenya Institute of Management, along with various local and international certifications in Governance and Trade.

She serves as a Trustee at the Kenya National Chamber of Commerce and Industry and is involved with numerous other private and government boards. Her skills include legal drafting and alternative dispute resolution, including arbitration, conciliation, and mediation. Phyllis is a member of several professional organizations, such as the Chartered Institute of Arbitrators (London & Kenya), the East African Law Society, Women in ADR, Women on Boards Network, the Law Society of Kenya, FIDA, and KEPISA/KAWBO. She has also served as a gazetted Conciliator under the Ministry of Labour. In addition to her legal and governance roles, Phyllis is a seasoned financial development expert with a strong background in Investment, Risk, and Credit Management, having worked with Standard Chartered Bank, National Bank of Kenya, and the Kenya Bankers Association. She is a dedicated philanthropist, focusing on community-based poverty alleviation projects and empowering self-help groups through training in entrepreneurship and financial literacy. Phyllis is also a coach, mentor, and passionate about peace, education, agriculture, empowerment, sports, and eco-tourism. Phyllis serves as the Chairperson of the Audit and Risk Management Committee on the Board of Governors at Friends College Kaimosi. She joined the board on November 7, 2023. With her extensive background in law, governance, and financial management, Phyllis brings valuable expertise to her role, focusing on ensuring effective oversight and risk management within the institution.



**8.Ruth Mounde**  
**Member**

Mrs. Ruth M. Mounde was appointed to the Friends College Kaimosi Board as an alternate member representing the Principal Secretary of the State Department for Vocational and Technical Training. She holds a Master's Degree in Education, a Bachelor's Degree in Education, and additional certifications in Strategic Leadership Development and Senior Management.

Mrs. Mounde is an active member of several professional organizations, including the Kenya Counseling and Psychological Association, the Kenya Association for Public Administration and Management (KAPAM), and is a life member of the Kenya Red Cross Society.

Her career includes roles as a Deputy Head Teacher, Principal, and Assistant Director of Administration and Accounting Officer for the County Government of Nyamira's Department of Education and ICT. Currently, she serves as a Deputy Director of Technical Education at the Ministry of Education, State Department for Vocational and Technical Training.

Mrs. Mounde serves on AFIRM, ETRIS and Audit and Risk Management Committee of the Board



**9.CPA Emmanuel Masese**  
( Member)

**CPA Emmanuel Masese** joined the Friends College Kaimosi Board of Governors in July 2022. He holds a Bachelor of Business Administration in Finance from Maseno University, a Master of Business Administration in Finance from JKUAT, and is currently pursuing an MSc in Supply Chain Management at the University of Nairobi. CPA Masese is a member of ICPAK in good standing and also belongs to the Institute of Risk Management (Kenya), the Centre for Corporate Governance, the Kenya Institute of Management, and is a Certified Credit Professional.

His training includes Public Sector Finance Management, Senior Management, and Strategic Leadership Development. CPA Masese brings extensive experience in Accounting, Financial Management, Financial Reporting, and Corporate Governance. He is currently serving as a Chief Officer in the Kisii County Government.

CPA Masese is a member of the Administration, Finance, Infrastructure, and Projects Committee on the board.



**10. Mr. Okumu JW Odhiambo**  
**Principal/Secretary BoG**

Mr. Okumu serves as the Principal of Friends College Kaimosi and brings over 33 years of experience in technical education. He has taught subjects such as Engineering Drawing, Metal/Mechanical Technology, and Information Communication Technology. Throughout his career, Mr. Okumu has held various administrative roles in public TVET institutions.

He holds a Certificate IV in Training and Assessment from the University of Technology, Sydney, Australia, and has pursued additional training in Executive Management and Corporate Governance. His qualifications include a Certificate in Strategic Leadership Development from the Kenya School of Government and a Certificate in Governance from the Advantage Training's African Corporate Governance Centre in South Africa.

Mr. Okumu has also made significant contributions to the TVET sector, representing National Polytechnics on the TVET Curriculum Development, Assessment, and Certification Council (TCDACC) where he chaired the Technical Committee for two consecutive three-year terms. He is a full member of the Institution of Engineering Technologists and Technicians of Kenya (MIET).

#### **4. Key Management Team**



##### **1. Okumu JW Odhiambo** ***The Chief Principal***

Mr. Okumu is the Principal. He has over 33- year experience as a Trainer where he has taught Technical Education in Engineering Drawing, Metal/ Mechanical Technology and Information Communication Technology. He has served in various Administrative Positions in several Public TVET Institutions. He holds a Certificate IV in Training and Assessment from the University of Technology, Sydney, Australia and Certificate in Governance from the Advantage Training's African Corporate Governance Centre in South Africa. He represented National Polytechnics in the TVET Curriculum Development, Assessment and Certification Council (TCDACC) in the Inaugural Council and chaired the Technical Committee for two three-year consecutive terms. He is a full member of the Institution of Engineering Technologists and Technicians of

Kenya (MIET) His roles include

*Leadership and Vision:* Setting the strategic direction and vision for the college, ensuring alignment with educational goals and industry needs.

*Academic Oversight:* Overseeing curriculum development and academic standards to ensure high-quality education.

*Administration:* Managing the day-to-day operations of the college, including administrative staff and facilities.

*Financial Management:* Overseeing budget preparation, financial planning, and resource allocation.

*Staff Management:* Leading and supporting staff, including recruitment, performance evaluations, and professional development.

*Trainee Affairs:* Addressing student needs, academic performance, and ensuring a supportive learning environment.

*Compliance and Accreditation:* Ensuring adherence to regulatory requirements and maintaining accreditation standards.

*External Relations:* Representing the college to external stakeholders, including industry partners, government bodies, and the community.

*Strategic Planning:* Developing and implementing long-term plans to advance the college's mission and objectives.



**2. Mrs. Lydia Songole**  
***Deputy Principal- Administration***

Mrs. Lydia Songole's extensive experience and qualifications reflect a distinguished career in education and administration. With a Master's Degree in Development Studies, a Bachelor of Education, a Diploma in Education Management, and a Senior Management Course certificate, she has built a solid foundation for her work. Her 35 years of experience as a trainer have seen her in numerous key roles, including Head of Department, Dean of Trainee Affairs, and Registrar. Currently, she serves as the Deputy Principal in Charge of Administration at Friends College Kaimosi.

In addition to her educational and administrative roles, Mrs. Songole is actively involved in community service as a Rotarian. As the Charter President and first President of the Rotary Club of Kaimosi, she has demonstrated leadership and commitment to community development. Her roles are as follows

***Managing Daily Operations:*** Overseeing administrative functions and office staff.

***Implementing Policies:*** Enforcing college policies and ensuring regulatory compliance.

***Financial Oversight:*** Assisting with budgeting and financial management.

***Facilities Management:*** Overseeing maintenance and use of college facilities.

***Human Resources:*** Handling staff recruitment, training, and management.

***Compliance and Accreditation:*** Ensuring adherence to accreditation standards and regulations.

***Communication and Coordination:*** Facilitating internal communication and coordination.

***Strategic Planning:*** Contributing to the college's strategic goals and initiatives.

***Crisis Management:*** Handling emergencies and developing contingency plans.

***Reporting:*** Preparing reports and analyzing performance data



**3.Mr.Francis Miheso**  
***Deputy Principal- Academics***

Francis, born in 1968, is a seasoned professional in Building and Civil Engineering with over 30 years of experience in the field. He is currently pursuing a PhD at the University of Nairobi (UoN), where he also completed both his Master's and Bachelor's degrees. Additionally, he holds a Technical Education diploma from KTTC and an HND in Human Resource Management from the same institution. Throughout his career, Francis has taught at various institutions and has held significant administrative roles. Since January 2021, he has served as Deputy Principal, and he has been the Registrar of Administration and Human Resources for 14 years. His roles include

***Academic Leadership:*** Overseeing curriculum development and ensuring it meets educational standards.

***Faculty Management:*** Supporting and supervising teaching staff, including evaluations and professional development.

***Student Academic Affairs:*** Managing student assessments, academic progress, and addressing academic issues.

***Program Development:*** Initiating and reviewing academic programs to ensure they are relevant and effective.

***Quality Assurance:*** Ensuring academic programs comply with accreditation and quality standards.

***Strategic Planning:*** Contributing to the development of academic goals and strategies for the institution.

***Coordination and Communication:*** Facilitating communication between academic departments and ensuring alignment with institutional goals.



**4.CPA Hesborn Ehaji**  
*Finance Officer*

CPA Ehaji, born on April 11, 1976, has a robust background in accounting and financial management. He joined Friends College Kaimosi in 2004 as a Bursar and was promoted to Finance Officer in 2011.

Ehaji is a registered accountant with the Institute of Certified Public Accountants of Kenya (ICPAK). His academic credentials include an MBA with a focus on Accounting from Maseno University, a Bachelor of Commerce in Accounting from the Catholic University of Eastern Africa (CUEA), an HND in Human Resource Management, and a Diploma in Personnel Management from Friends College Kaimosi. He is currently pursuing a PhD at Kaimosi Friends University. CPA Ehaji has also attained Certificate in Senior Management Course from Kenya School of Government-Baringo Campus. With over 20 years of experience in accounting and financial management, CPA Ehaji has established himself as a skilled professional in his field. His roles are as follows;

***Budget Management:*** Developing and monitoring the college's budget, ensuring funds are allocated effectively.

***Financial Reporting:*** Preparing and analyzing financial statements and reports for internal and external stakeholders.

***Expense Tracking:*** Overseeing and recording expenditures, ensuring they align with the budget.

***Financial Planning:*** Assisting in long-term financial planning and forecasting.

***Accounting:*** Managing accounts payable and receivable, and ensuring accurate financial record-keeping.

***Compliance:*** Ensuring financial practices comply with regulations and institutional policies.

***Audit Preparation:*** Preparing for and assisting with internal and external audits



**5. Lillian Cherotich**  
***Registrar Academics***

Lilian Cherotich Cheptot, was born on Thursday 9th October 1972. Her Professional training begun in January 1994 at Kenya Science Teachers College upto November 1996 when she graduated with Diploma in Education Science. Her teaching career started on 1st January 1997 at Kapsokwony high School for fifteen years. Lilian is a graduate of BEd in Science and Masters degree in Plant Genetics –Moi University. Lilian has a span of over 26, years teaching experience in both Secondary school and TVET Institution. While at Friends College Kaimosi , she became a Deputy Head of department in Applied sciences . On 22 June 2023 she was appointed e Registrar the position she is currently holding.

Lilian is responsible for overseeing key academic and administrative functions at Friends College Kaimosi. Her primary duties include:

***Academic Affairs:*** Managing and ensuring the quality and relevance of academic programs.

***Curriculum Implementation:*** Supervising the effective delivery and execution of curricula, and supporting faculty.

***Admissions:*** Overseeing the admissions process, including recruitment, application review, and student orientation.

***Examinations:*** Managing all aspects of examinations, from scheduling to results processing, and maintaining exam integrity.

***Marketing College Programmes:*** Developing and implementing strategies to promote the College's programs and attract prospective students.



**6. M r s. Mercy Muraran**

***Dean of Trainee Affairs***

Mercy Makhulo Muraran currently holds the esteemed position of Dean of Trainee Affairs at Friends College Kaimosi, where she plays a pivotal role in overseeing and enhancing the educational experience of students. In addition to her administrative responsibilities, she serves as a dedicated trainer in Human Anatomy and Physiology within the Applied Science Department, demonstrating a profound expertise and enthusiasm for Haematology. Mercy's academic credentials are equally impressive, with a degree in Biomedical Science and Technology, specializing in Medical Biotechnology, and a Post Graduate Diploma in Education, both earned from Maseno University. Her Roles include

***Trainee Affairs:*** Overseeing health-related services and ensuring the well-being of trainees in relation to health and welfare issues

***Orientation:*** Organizing and managing orientation programs to help new trainees integrate smoothly into the College environment.

***Accommodation:*** Managing trainee accommodation, ensuring it meets standards and addressing any housing issues.

***Meals and Hospitality:*** Overseeing the provision of meals and hospitality services, ensuring quality and satisfaction.



**7. Emily Mikhago**  
***Procurement Officer***

Emily boasts an impressive array of qualifications and credentials in the fields of commerce and supply chain management. She holds a Bachelor of Commerce with a specialization in Purchasing and Supply Chain Management from Masinde Muliro University of Science & Technology, reflecting a solid academic foundation in the field. Her educational journey includes a Higher National Diploma in Human Resource Management, a Diploma in Supply Chain Management from Friends College Kaimosi, and a Craft Certificate in Supply Chain Management from Rift Valley Institute of Science and Technology, showcasing her comprehensive expertise and commitment to the discipline. Additionally, Emily has achieved CPA Level 1, further augmenting her financial and accounting acumen. She is an active member of the Kenya Institute of Supply Chain Management, indicating her engagement with industry standards and professional development. Currently, Emily is in the final year of her Master's degree in Supply Chain Management

***Supply Chain Management:*** Managing the flow of goods and services, ensuring efficient and effective supply chain operations.

***Procurement:*** Handling the acquisition of goods and services, ensuring compliance with procurement policies and regulations.

***Contract Management:*** Overseeing the negotiation, execution, and monitoring of contracts with suppliers and service providers.

***Inventory Management:*** Managing the College's inventory, including tracking, ordering, and replenishing supplies.

***Assets Management:*** Overseeing the management of College assets, ensuring their proper use, maintenance, and record-keeping.



**8. Leah Nafula Makete**  
***Registrar Administration***

Leah Nafula Makete is a holder of a Bachelor of Science degree in Computer Information Systems- Kenya Methodist University, along with Diplomas in Computer Studies – Friends College Kaimosi and Technical Education - KTTC. With over a decade of experience as a trainer, I have developed a deep passion for education and a dedication to excellence in teaching.

While in Friends College Kaimosi, I was appointed as the Timetable, Examination Officer and Registrar Administration, a position I am currently holding. I am a member of Association of Computing Practitioners of Kenya (ACPK).

Her Roles are as follows;

***Administrative Support:*** Implementing policies, coordinating administrative functions, and preparing reports.

***Compliance and Accreditation:*** Ensuring regulatory compliance and handling accreditation documentation.

***Staff and departmental Support:*** Assisting departments and staff with administrative tasks and organizing professional development.

***Record Keeping:*** Maintaining and archiving institutional records and documentation.

***Communication and Coordination:*** Facilitating communication between students, faculty, and administration.

***Infrastructure Management:*** Overseeing the use and maintenance of administrative and academic facilities.

***Quality Management Systems:*** Overseeing the implementation and Compliance of the Quality Management Systems ( QMS)

***Performance Contracting:*** Coordination and leading focal person for fast tracking Performance Contracting targets



**9.Mr. Trensa Mutiti**

**Human Resource Officer**

Friends College Kaimosi as a premier institution of research and technology emerges as one of the leading hubs of skills ,Training in science and technology and As an ISO certified institution, FCK is committed to providing affordable, accessible, sustainable, and quality training by ensuring our services are effective and efficient and meet the client's expectations with human resources as considered to be the most complex assets of any institution , Human resource department ensures that the institution objectives are achieved through provision the essential human capital needs and support not limited to

Implementation of HR polices. His roles include;

- Training and development of staff capacity
- Implementation and administration of all HR systems
- Recruitment and selection of new staff
- Coordination of workers' welfare issues
- Managing employee relation matters.

**5. Chairman's Statement**



It is with great pleasure that I present the Annual and Financial Statements for Friends College Kaimosi for the year ended 30th June 2024. Over the past year, the College has made significant strides in expanding its range of programs to enhance access to technical education. Our vision remains steadfast to become a leading institute of skills training in Science and Technology, producing graduates who meet world-class standards of competence and professionalism. To support this vision, the College has established various governance structures, including an Academic Board and a Management Board. These structures are crucial in ensuring effective and efficient oversight of the College's operations and strategic direction. Furthermore, we are actively seeking partnerships with both the private and public sectors to enrich the quality of training, particularly through valuable industrial attachments and collaborations.

We extend our heartfelt gratitude to the Government and its various financing programs, including the Higher Education Loans Board, the National Government Constituency Development Fund, County Governments, and Non-Governmental Organizations such as CICA and GIZ. Their continued financial support has been instrumental in enabling our students to complete their studies despite the increasing challenges of training costs. We earnestly appeal to our private sector partners, non-governmental organizations, and well-wishers to continue their support as we work towards achieving our vision.

The Board of Governors also requests that the Government consider enhancing our recurrent and capital development grants. This support is crucial for meeting our financial obligations and for developing the necessary infrastructure to accommodate the growing number of trainees across various programs. The College faces significant challenges in establishing and expanding critical infrastructure, including learning and accommodation facilities. Limited resources have led to delays in completing essential projects. Nevertheless, we are grateful for the Government's support in transitioning us from our current status to that of a National Polytechnic. We eagerly await the Gazette notice to formalize this transition. In closing, I would like to express my sincere appreciation to all our trainees, staff, parents, sponsors, the community, and other stakeholders. Your commitment to investing in our institution is deeply valued. Together, let us strive for excellence and achieve even higher levels of performance in the coming years.

Thank you.

Signature.....

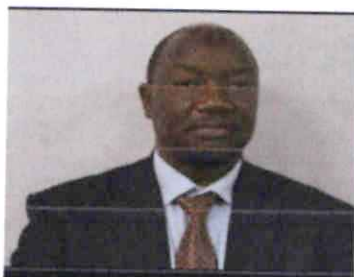


Date.....

29/4/2025

**Prof. Mike Iravo ( PhD)**  
**Chairman, Board of Governors**

## 6. Report of the Chief Principal



During the fiscal year 2023/2024, Friends College Kaimosi continued to diligently advance its mandate as articulated in its strategic plan. Central to this plan is our commitment to fostering a productive and professional academic environment characterized by excellence, accountability, transparency, equity, and innovation. These principles are integral to enhancing our competitiveness and ensuring the highest standards of education. The strategic plan also emphasizes the importance of regular curriculum reviews and the cultivation of partnerships with both public and private sector entities.

This year marked a significant milestone as the College held its fifth graduation ceremony, celebrating the achievements of over 800 trainees who earned Artisan, Craft, Diploma, and Higher Diploma certificates across various fields. We also achieved a notable milestone by completing the certification Quality Management System (QMS) based on ISO 9001:2015, subsequently receiving certification from the Kenya Bureau of Standards (KEBS). This accomplishment underscores our commitment to maintaining high standards in our operations.

In addition, the College has forged valuable partnerships with the German Society for International Cooperation (GIZ) and Colleges and Institutes Canada (CICan). These collaborations have enabled us to sponsor students for short-term courses in Agriculture and Food Science Technology, contributing to an increase in enrollment. This year, three staff members from Agriculture and Food Technology were invited to Canada by CICan for professional development. We also received equipment from CICan for the Food Technology department, which is pending commissioning.

The College in endeavor to provide excellent training environment, has embarked on aggressive modernization of existing aging infrastructure. The scope includes alterations and renovations to provide additional training rooms and laboratories, workshops and working space for both teaching and non- teaching staff. Consequently, a number of buildings have been painted and cement screed floors have been replaced with ceramic tiles. The ICT infrastructure capacity has also been improved and additional 30 MBps have been purchased above the previous 100 MBps. All these have been made possible through deliberate stewardship of resources and the adoption of the Philosophy behind Renewable, Recycling and Re-useable (RRR) resources.

Despite these achievements, the College still faces several challenges. These include insufficient training classrooms and workshops, as well as a shortage of trainers from the Public Service Commission, which has necessitated contracting additional trainers under the Board of Governors.

### **Financial Performance Highlights**

The College recorded a significant improvement in revenue for the fiscal year, driven by the expansion of admission programs for the September 2023, January 2024, and May 2025 intakes. This expansion, along with the introduction of a new Government funding model in September 2023, contributed to an increase in student numbers. However, the disbursement of the 4th Quarter capitation by the

**Friends College Kaimosi ( Kaimosi College of Research and Technology)  
Annual Report and Financial Statements for the year ended 30 June 2024**

Government of Kenya was withheld due to budgetary constraints, impacting our operations towards the end of the fiscal year.

The expansion of programs has led to higher operational costs, and the challenge remains to balance cost reduction measures with the maintenance of quality assurance systems. During the year, we continued various infrastructure projects, including laying cabros from the hospitality complex to the Science Complex, developing pathways from the main gate to the administration, converting hostels into workshops, and constructing a new alternative gate.

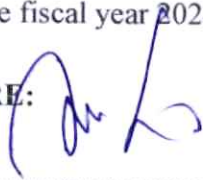
The College's total revenue for the year amounted to Ksh.306,688,422, comprising Ksh 114,029,890 from non-exchange transactions and Ksh.192,658,532.00 from exchange transactions. Grants constituted 37% of the total receipts, while 63% was generated through internal sources. Despite these positive financial indicators, the College continues to face challenges due to insufficient teaching space, workshops, library resources, laboratories, and administrative offices, largely attributable to low government funding.

The College also struggles with inadequate transport facilities, currently relying on a 62-seater bus, which is insufficient for the growing student population.

I extend my sincere gratitude to the Government of Kenya and other stakeholders for their continued financial support throughout the year. Friends College Kaimosi has also been instrumental in mentoring Ebukanga Technical and Vocational College, which now has a Principal, a constituted Board of Governors, trainers, and trainees. The student enrollment at Friends College Kaimosi increased from 4,600 in 2023 to 5,717 by the end of June 2024, placing considerable pressure on our infrastructure. To address this, we plan to develop additional workshops to alleviate the strain.

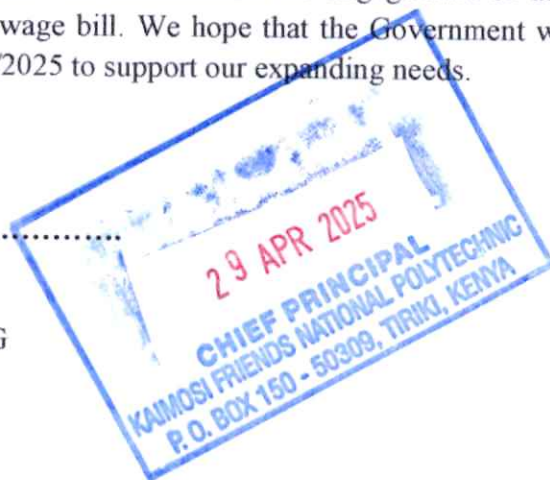
The introduction of new courses has necessitated the engagement of additional trainers on contract terms, thereby increasing our wage bill. We hope that the Government will consider employing more trainers in the fiscal year 2024/2025 to support our expanding needs.

SIGNATURE:



DATE:.....

Mr. Okumu JW Odhiambo  
Chief Principal/ Secretary BOG



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

Friends College Kaimosi has Nine Strategic pillars and objectives in its Strategic Plan 2023-2027. These strategic pillars are as follows;

**Pillar1.** To Respond Adequately to the Needs of Staff, Trainees and the Global Community

**Pillar2.** To enhance collaboration and linkages in research and innovation by positioning the College to contribute through knowledge to the prosperity, sustainability and nation building, by connecting with and committing ourselves to the global communities we serve

**Pillar3.** To Respond Adequately to the Needs of Staff, Trainees and the Global Community

**Pillar4.** To enhance equitable access to education

**Pillar5** To establish and maintain an efficient governance and organizational structure, effective management systems and processes that provide a caring and responsive service to meet internal and external needs in a

pragmatic and flexible manner

**Pillar6.** To Respond Adequately to the Needs of Staff, Trainees and the Global Community

**Pillar7.** To modernize and develop infrastructural facilities that support services designed around the current and future needs of trainees in all their diversity while maintaining appropriate stewardship of resources and continual growth and expansion of the College

Friends College Kaimosi develops its work plans based on the above seven pillars. Assessment of the Boards performance against its annual work plan is done on quarterly basis. Friends College Kaimosi achieved its performance targets set for FY 2023/2024 period for its seven strategic Pillars, as indicated in the diagram below:

<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Performance</b>
<b>Pillar1:</b> Training and Learning	To integrate ICT in teaching, learning and research	- online training - Virtual campus	- Adopt online training tools -Establish a virtual campus	ICT department has been equipped with enough computers
<b>Pillar2:</b> Institutional Competitiveness	To carry out marketing planning	Marketing Plan	- Develop a marketing plan	Branded corporate shirts
<b>Pillar 3:</b> Strengthening resources & Processes	To reduce operational costs by 50% by end of 2027	Surplus on the financial statements	Outsource Pay as you eat unit	Pay as you eat services, stakeholders meeting held

**Friends College Kaimosi ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30 June 2024**

<b>Pillar4:</b> Institutional Infrastructure	To enhance the efficiency of operational infrastructure	Maintained infrastructure	Carry out repairs on existing infrastructure	Started constructing Engineering workshops
<b>Pillar5:</b> Trainee welfare	To improve trainee guidance and counseling services	Established guidance and counseling office	Operational guidance and counseling committee	- Carried out HIV/Aids testing and Cunselling.
<b>Pillar6:</b> Governance and management	To enhance good governance at the college	Efficient corporate governance	Comply with Quality Management systems	- Certification in process
<b>Pillar7:</b> Cross cutting issues	To contribute to environmental sustainability	Trees planted within the college	Nursery seedling beds established	- Distributed seedlings and planted

## 8. Corporate Governance Statement

The members of the Board are dedicated to serving Friends College Kaimosi and are committed to upholding the principles of good corporate governance. They strive to be innovative, transparent, and accountable, while maintaining integrity and social responsibility. Additionally, they aim to promote excellence and ensure fairness in all their dealings.

### The Board

The Board consists of ten members inclusive of the Principal as the Secretary. The Board members consist of the following;

N	Name	Title
0		
1	Prof. Mike Iravo	Chairman
2	Mrs. Ruth Mounde	Member- PS representative
3	Eng. Caroline Kosgey	Member
4	Mr. Paul K'Okello	Member
5	Ms Phyllis Namachanja	Member
6	Mr. Andrew Masese	Member
7	Dr. Mary Agutu	Member
8	CPA. Emmanuel Momanyi	Member
9	Mr. Chrisanthus Achevi	Member
10	Mr. Okumu JW Odhiambo	Principal/Secretary

The biographies of the Board Members are published on page viii. The Board Members bring a diverse range of skills, qualifications, and experiences essential for effectively overseeing the affairs of the College.

### Board Responsibilities

The College Board undertakes the following responsibilities:

1. The Board is the governing body of the College through which the College acts and undertakes the following;
  - a) **Administers the Property and Funds:** The Board is responsible for managing the property and financial resources of the College in a manner that supports and enhances the institution's interests. This

**Friends College Kaimosi ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30 June 2024**

involves careful oversight to ensure that all expenditures and investments align with the College's strategic goals. However, the Board is restricted from charging or disposing of any immovable property belonging to the College except in strict accordance with the procedures established by the Government of Kenya. This ensures that all actions taken are transparent and in compliance with national regulations.

b) ***Receives and Manages Donations:*** On behalf of the College, the Board is entrusted with receiving donations, endowments, gifts, grants, and other forms of financial support. The Board is responsible for making appropriate disbursements from these funds to support the College's activities and initiatives. This may involve allocating resources for specific projects, operational needs, or other beneficial purposes, ensuring that all contributions are utilized effectively to advance the College's mission and objectives.

c) ***Provides for Staff and Student Welfare:*** The Board is committed to ensuring the well-being of both staff and students by implementing policies and programs that support their needs. This includes providing access to necessary resources, creating a supportive environment, and addressing concerns related to health, safety, and professional development. By prioritizing welfare, the Board aims to foster a positive and productive atmosphere conducive to learning and growth.

d) ***Forms Associations with Other Institutions:*** The Board has the authority to form partnerships and associations with other colleges, training institutions, or educational bodies, both within Kenya and internationally. Such collaborations are intended to enhance the College's educational offerings, facilitate knowledge exchange, and expand opportunities for students and staff. The Board will evaluate these partnerships to ensure they are beneficial and align with the College's goals and standards.

e) ***Regulates Student Conduct and Discipline:*** The Board is responsible for establishing and enforcing regulations that govern the conduct and discipline of the College's students. These regulations are designed to maintain a respectful and orderly learning environment, addressing issues of behavior and ensuring that students adhere to the College's standards and policies. The Board will review and update these regulations as needed to reflect best practices and evolving needs within the academic community.

2. ***Document Signing and Decision-Making:*** All documents, with the exception of those required by law to be executed under seal, which are made on behalf of the Board, as well as all decisions made by the Board, may be signed by the Chairman, the Principal, or any other member of the Board who has been generally or specifically authorized by the Board for this purpose. This provision ensures that there is clarity and authorization in the execution of official documents and decisions, reflecting the Board's oversight and accountability.

3. ***Management Structure Oversight:*** The Board is tasked with ensuring that a robust management structure is established and maintained within the College. This includes overseeing that the structure effectively supports corporate integrity, upholds the College's reputation, and ensures responsible management practices. By setting up and monitoring a sound management framework, the Board helps guarantee that the College operates efficiently and ethically.

**Friends College Kaimosi ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30 June 2024**

**4. Strategy and Policy Evaluation:** The Board is responsible for monitoring and evaluating the implementation of the College's strategies, policies, management criteria, and plans. This involves regularly reviewing how well these elements are being executed and assessing their effectiveness in achieving the College's goals. The Board's role is crucial in ensuring that the College remains aligned with its strategic objectives and continuously improves its operational practices.

**5. Financial Viability and Sustainability Review:** The Board is required to conduct an annual review of the College's financial viability and sustainability. This review involves assessing the College's financial health, including revenue, expenditures, and long-term financial planning. The objective is to ensure that the College remains financially stable and capable of sustaining its operations and programs over time.

**6. Compliance with Laws and Standards:** The Board must ensure that the College adheres to all relevant laws, regulations, governance practices, accounting principles, and auditing standards. This includes overseeing compliance with national and international legal requirements, maintaining high standards of governance, and ensuring accurate and transparent financial reporting. By upholding these standards, the Board helps maintain the College's credibility and operational integrity.

**Board Committees**

The Board Committees facilitate decision-making to assist the Board in the execution of its duties, powers and authority; however delegation of authority to the Committees does not in any way mitigate the discharge by the Board of its duties and responsibilities. Board Committees have been established with formal written terms of reference and observe the same rules of conduct and procedures as the Board.

**1. Administration, Finance, Infrastructure, and Resource Mobilization (AFIRM) Committee**

**Membership:**

<b>Name</b>	<b>Title</b>
Mr. Paul K'Okello	Chairperson
CPA. Emmanuel Momanyi	Member
Mrs. Ruth Mounde	Member
Mr. Okumu JW Odhiambo	Principal/ Secretary BOG

## Mandate

### **Role of the Administration, Finance, Infrastructure, and Resource Mobilization Committee:**

The Administration, Finance, Infrastructure, and Resource Mobilization Committee is integral to the effective management and strategic development of the College. Its primary responsibilities include:

1. **Advising on Financial Practices:** The Committee provides guidance to the Board on enhancing financial practices within the College. This includes recommending improvements in budgeting, financial reporting, and fiscal management to promote transparency, efficiency, and accountability.
2. **Funding and Resource Mobilization:** The Committee is tasked with identifying and recommending strategies for securing additional funding and resources. This involves exploring various funding sources, including grants, donations, and partnerships, and developing plans to mobilize resources that support the College's goals and initiatives.
3. **Cost Reduction:** The Committee identifies opportunities for cost reduction and efficiency improvements. It reviews expenditure patterns, analyzes cost-saving measures, and recommends actions to optimize financial resources while maintaining or improving operational effectiveness.
4. **Monitoring Production Units:** The Committee monitors the performance of production units and operational segments within the College. It ensures that these units operate efficiently, meet performance targets, and align with the College's strategic and financial objectives.
5. **Drafting and Submitting Budget:** The Committee prepares a comprehensive draft budget that reflects the College's financial needs and strategic priorities. This draft budget is submitted to the full Board for review, discussion, and final approval, ensuring that all financial planning supports the College's long-term goals and operational requirements.
6. **Administration and Operational Oversight:** The Committee provides oversight on administrative processes and operational management within the College. This includes reviewing and advising on policies related to administrative functions, human resources, and organizational structure to ensure smooth and efficient operations.

### **Education, Training, Research, Innovation and Strategy ( ETRIS) Committee Membership:**

Name	Title
Dr. Mary Agutu	Chairperson
Mrs. Ruth Mounde	Member
Eng. Caroline Kosgey	Member
Mr. Masese Andrew	Member
Okumu JW Odhiambo	Principal/ Secretary BOG



**Mandate of the Education, Training, Research, Innovation, and Strategy (ETRIS) Committee:**

The Education, Training, Research, Innovation, and Strategy (ETRIS) Committee is entrusted with guiding the College’s strategic initiatives related to education and research. Its core responsibilities include:

1. **Advising on Personnel Matters:** The Committee provides recommendations to the Board on policies and practices related to faculty and staff. This includes advising on recruitment, professional development, performance management, and overall personnel management to ensure that the College attracts and retains high-quality educators and researchers.
2. **Training and Professional Development:** The Committee oversees and advises on training programs and professional development opportunities for both faculty and staff. It ensures that training initiatives align with the College’s strategic goals and support continuous learning and skill enhancement.
3. **Teaching Quality and Curriculum Development:** The Committee reviews and advises on matters related to teaching standards, curriculum design, and instructional methodologies. It ensures that educational programs are relevant, of high quality, and meet the needs of students and industry standards.
4. **Research Oversight:** The Committee provides guidance on research priorities, policies, and funding opportunities. It supports the development of research strategies and ensures that research activities align with the College’s mission and contribute to advancements in the field.
5. **Innovation and Strategic Planning:** The Committee advises the Board on innovation strategies and their integration into the College’s educational and research framework. It supports the development and implementation of strategic initiatives that foster innovation and enhance the College’s competitive edge in education and research.
6. **Strategic Alignment:** The Committee ensures that educational and research strategies are aligned with the College’s overall strategic goals. It monitors progress and evaluates the impact of these strategies on the College’s mission and objectives.

**3. Audit and Risk Management Committee**

**Membership:**

<b>Name</b>	<b>Title</b>
Ms. Phyllis Wangwe Namachanja	Chairperson
Mr. Chrisanthus Ajevi	Member
Mrs. Ruth Mounde	Member
Mrs. Anita Bii	Member-Internal Auditor/Secretary

**Friends College Kaimosi ( Kaimosi College of Research and Technology)  
Annual Report and Financial Statements for the year ended 30 June 2024**

**Mandate**

**Core Mandate of the Audit and Risk Management Committee:**

The primary mandate of the Audit and Risk Management Committee is to oversee and ensure the integrity and effectiveness of the College's financial and risk management systems. This includes:

1. **Audit Oversight:** The Committee is responsible for supervising the internal and external audit processes. This involves reviewing and approving audit plans, monitoring the performance of auditors, and ensuring that audits are conducted in accordance with relevant standards and regulations.
2. **Risk Management:** The Committee assesses and manages the College's risk profile. It is tasked with identifying potential risks to the College's operations, finances, and reputation, and developing strategies to mitigate these risks. This includes reviewing risk management policies and ensuring that appropriate controls are in place to address identified risks.
3. **Internal Control Management:** The Committee evaluates the effectiveness of the College's internal control systems. This includes reviewing internal control procedures, ensuring they are adequate for preventing and detecting errors or fraud, and recommending improvements as necessary to strengthen the control environment.
4. **Review of Audit Findings:** The Committee reviews and addresses audit findings raised by external auditors. This involves examining the results of audits, understanding any issues identified, and ensuring that appropriate corrective actions are taken to address any deficiencies or concerns raised by the auditors.

By fulfilling these responsibilities, the Audit and Risk Management Committee helps ensure that the College operates with financial integrity, robust risk management practices, and effective internal controls.

**Full Board of Governors Attendance during the FY 2023/2024**

No.	Name	1 <sup>st</sup> Q	2 <sup>nd</sup> Q	3 <sup>rd</sup> Q	4 <sup>th</sup> Q
1	Prof. Mike Iravo	√	√	√	√
2	Eng. Carolyn Kosgey	√	√	√	√
3	Mr. Paul Odhiambo Kokello	√	√	√	√
4	Dr. Mary Agutu	√	√	√	√
5	Mr. Chrisanthus Ajevi	√	√	√	√
6	Mr. Andrew Masese	√	√	√	√
7	Mrs. Ruth Mounde	√	√	√	√
8	CPA Emmanuel Momanyi	√	√	√	√
9	Ms. Phylis Wangwe	√	√	√	√

## **9. Management Discussion and Analysis**

### **College Performance Summary for the Financial Year Ending June 30, 2024**

**Mandate Execution and Financial Performance:** During the financial year 2023/2024, the College effectively continued its mandate of providing skills training in Science and Technology. The College achieved significant financial performance, collecting a total of Ksh 306,688,422 from two primary sources: Revenue from non-exchange transactions and Revenue from exchange transactions.

**Ongoing Projects:** The College is actively engaged in several infrastructure and development projects, which include:

**Construction of a Two-Storey Hostel:** A project aimed at expanding accommodation facilities for students.

**Engineering Workshops:** Development of specialized facilities to enhance practical training in engineering.

**Driveways and Walkways** Installation of walkways and cabros to improve campus accessibility and infrastructure.

**New Gate:** Construction of a new entry gate to enhance campus security and access.

**Conversion of Hostels into Workshops:** Repurposing existing hostel facilities to accommodate additional workshop space.

**National Polytechnic Status:** The College is in the process of attaining National Polytechnic status, which will further enhance its standing and capabilities in technical and vocational education.

**Operational Policies:** The College has developed a range of operational policies to strengthen governance and operational effectiveness. These include: Academic Policy, Finance Policy, Human Resource Policy, Trainee Fees Policy, Alcohol and Drug Abuse Policy, HIV/AIDS Policy

These policies are designed to provide a robust framework for governance and operational management.

**Infrastructure Development:** The College successfully completed the construction of the Building and Civil Engineering workshop, which aims to improve accessibility and quality of training. However, the Hostel Project experienced delays due to variations in the scope of work. The Ministry of Public Works and Housing is currently addressing these issues to facilitate the project's progress.

**Statutory Compliance:** During the financial year, the College adhered to various statutory requirements, including:

**Friends College Kaimosi ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30 June 2024**

TVET Act 2013

PFM Act 2012

Public Audit Act 2015

Labour Relations Act 2007

PSC Act 2017

KNQA

KICD

KNEC

The College ensured timely submission of National Social Security Funds (NSSF), Pay As You Earn (PAYE), NITA, and National Hospital Insurance Fund (NHIF) contributions for Board of Governors (BOG) employees, with no outstanding arrears.

**Trade Union Relations and Collective Bargaining:** The Board has complied with trade union regulations by permitting BOG workers to join KUDHEIHA. Additionally, the College initiated the process of reviewing and implementing the BOG Collective Bargaining Agreement during the financial year 2023/2024.

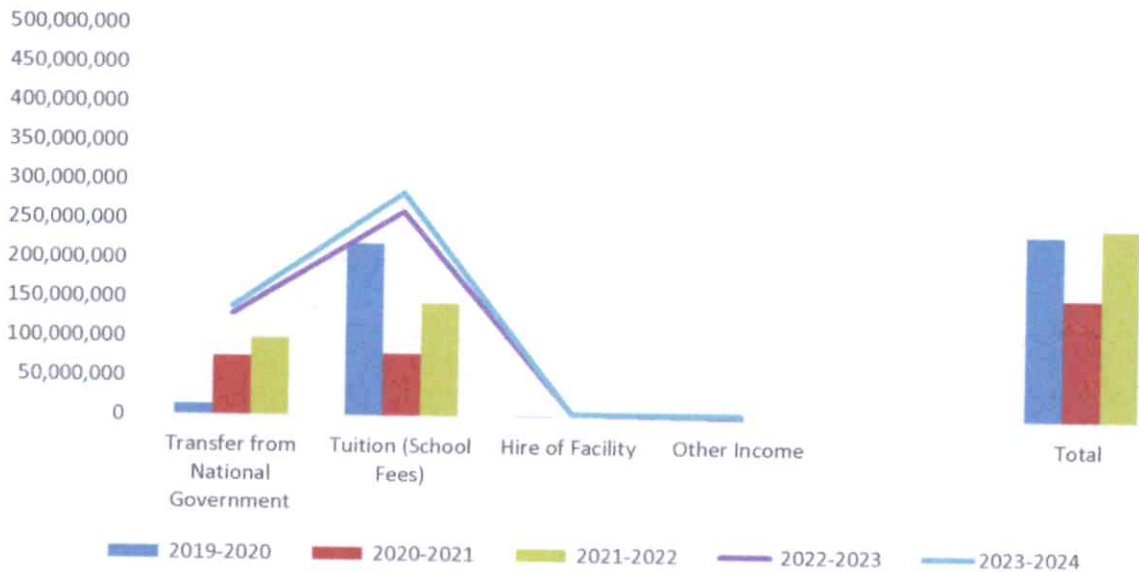
**Financial Highlights**

During the financial year ended 30th June 2024, the college achieved a total income of Ksh. 306,688,422 from various sources, including transfers from the National Government, tuition fees, hire of facilities, and other incomes. The college's operating expenses amounted to Ksh. 256,802,102 which were distributed across several categories such as the use of goods and services, employee costs, board expenses, depreciation of property, plant, and equipment (PPE), repair and maintenance, finance costs, and provisions for bad and doubtful debts. This resulted in a net surplus of Ksh. 49,886,320 reflecting the college's strong financial performance for the year.

**Revenue Analysis**

Description	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
	Kshs	Kshs	Kshs	Kshs	Ksh
Transfer from National Government	13,895,000	75,250,000	98,616,720	130,290,540	112,108,390
Tuition (School Fees)	220,132,076	79,249,328	144,364,869	261,202,845	185,481,830
Hire of Facility	2,149,922	460,300	2,029,579	5,260,305	5,173,900
Other Income	348,000	220,700	167,615	1,962,654	3,924,302.00
<b>Total</b>	<b>236,524,998</b>	<b>155,180,328</b>	<b>245,178,783</b>	<b>398,716,344</b>	<b>306,688,422</b>

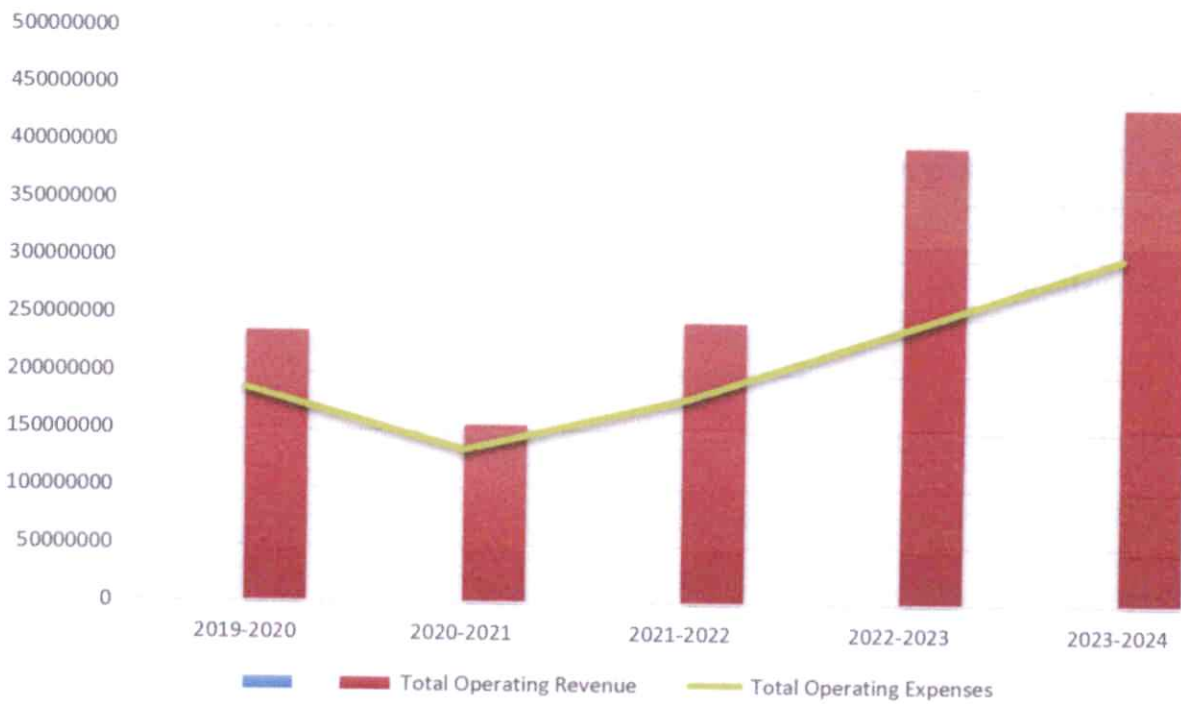
**Friends College Kaimosi ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30 June 2024**



**Overall Revenue and Operating Expenditure Analysis**

Description	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
	Kshs	Kshs	Kshs	Kshs	
Total Operating Revenue	236,524,998	155,180,328	245,178,783	398,716,344	306,688,422
Total Operating Expenses	186,789,701	133,533,156	177,459,166	239,913,537	256,802,102
Total Surplus/ (Deficit)	49,735,297	21,627,172	67,719,617	158,802,807	49,886,320

**Friends College Kaimosi ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30 June 2024**



## **10. Environmental and Sustainability Reporting for Friends College Kaimosi**

### ***Purpose and Strategic Pillars:***

Friends College Kaimosi is dedicated to transforming lives through quality education and research in science and technology. Our strategy is built on five key pillars:

#### **Putting the customer/Citizen first**

*Delivering relevant goods and services*

*Improving operational excellence*

*Adoption of new energy saving mechanisms LED*

*Alternative Energy Saving*

Below are highlights of our achievements and challenges related to each pillar.

### **1. Sustainability Strategy and Profile**

#### **Achievements:**

***Modern Training Equipment:*** The College has invested in modern and adequate training equipment and tools to enhance the quality of education and research.

***Government Support:*** Government capitation helps subsidize fees for trainees from low-income backgrounds.

***Financial Assistance:*** The Higher Education Loans Board provides loans and bursaries to students unable to afford their fees.

#### **Challenges:**

***Attitudes to TVET Training:*** There is a prevailing poor attitude towards Technical and Vocational Education and Training (TVET).

***Drug Abuse and Peer Pressure:*** Trainees face challenges related to drug abuse and peer pressure.

***Inadequate Training Materials:*** There is a shortage of sufficient training materials to support the curriculum effectively.

## **2. Environmental Performance**

### **Achievements:**

**Environmental Policy:** The College has established an Environmental Policy focusing on conservation and community involvement.

**Tree Planting:** Participated in tree planting activities and distributed free tree seedlings to the local community.

### **Challenges:**

**Seed Availability:** Difficulty in sourcing seeds for nursery management, particularly indigenous trees.

**Planting Space:** Limited space for planting seedlings.

**Weather Conditions:** Unfavorable weather conditions affecting planting and growth.

## **3. Employee Welfare**

### **Achievements:**

**OSHA Compliance:** Adherence to the Occupational Safety and Health Act (OSHA) 2007.

**Staff Appraisals:** Conducted staff appraisals leading to improved skills and career management.

**Protective Gear:** Provided protective gear and uniforms to staff.

**Fire Safety:** Serviced fire extinguishers and fire-fighting equipment.

**Health Checks:** Conducted medical tests for food handlers by the Public Health Officers of Vihiga County.

## **4. Marketplace Practices**

### **Responsible Competition:**

**Collaboration with Other Colleges:** Respects and collaborates with other colleges offering similar courses to enhance the quality of training services.

**Governance and Integrity: Political Involvement:** Local political representatives are involved in the management of the College, including Board membership and nominations.

**Anti-Corruption Measures:** A dedicated committee monitors and reports on integrity issues to the Board.

**Friends College Kaimosi ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30 June 2024**

*Internal Audits:* An internal auditor ensures compliance with internal control systems.

**Procurement Practices:**

*Qualified Officers:* The Supply Chain office is staffed by qualified personnel ensuring adherence to procurement regulations.

*Open Bidding:* Goods and services are procured through an open bidding/tendering system with timely payments to suppliers (within 90 days).

**Communication and Transparency:**

*Advertising:* Goods and services are advertised through trusted channels, including the College website, local dailies, magazines, and local radio stations.

*Accurate Information:* Ensures reliable information is communicated to help users make informed decisions.

**Product Stewardship:**

*Qualified Trainers:* Trainees receive instruction from qualified trainers and have the right to change courses, advance, transfer, or take examinations as needed.

*Concerns Addressed:* The College management addresses trainees' concerns through their representatives.

**5. Community Engagements**

**Activities:**

*Affordable Services:* Provides affordable rates for hiring playgrounds, halls, hostels, and buses.

*Tree Nurseries:* Plants tree nurseries and distributes seedlings to local community members to support environmental conservation.

*Tailor-Made Courses:* Offers specialized courses, such as agriculture, tailored to meet the needs of the local community.

## **11. Report of the Board of Governors**

The Board of Governors of Friends College Kaimosi is pleased to submit this report, accompanied by financial statements for the year ended June 30, 2024. This report provides a comprehensive overview of the College's affairs during the financial year.

### **Principal Activities**

The principal activity of Friends College Kaimosi remains focused on delivering high-quality technical and vocational training. This core mission supports the College's commitment to equipping students with the skills and knowledge necessary for their professional and personal development.

### **Results**

The financial results for Friends College Kaimosi for the year ended June 30, 2024, are detailed in the accompanying audited financial statements, which span pages 1 to 38. These statements reflect the financial position, performance, and cash flows of the College, offering insights into its operational and financial status.

### **Board of Governors**

The members of the Board of Governors who served during the financial year are listed on pages viii to xi. Their dedication and oversight have been instrumental in guiding the College through its strategic and operational endeavors.

### **Auditors**

The statutory audit of Friends College Kaimosi is conducted by the Auditor General, in compliance with Article 229 of the Constitution of Kenya, the Public Audit Act, 2015, and the TVET Act, 2013. In accordance with Section 23 of the Public Audit Act, 2015, the Auditor General may nominate Certified Public Accountants to perform the audit on their behalf. This ensures that the audit process is conducted with the highest standards of accuracy and integrity.

By Order of the Board

**Okumu JW Odhiambo**

**Secretary Board of Governors**

Date: .....



**Friends College Kaimosi ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30 June 2024**

**12. Statement of Board of Governors Responsibilities**

In accordance with Section 81 of the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013, the Board of Governors of Friends College Kaimosi is responsible for preparing financial statements that provide a true and fair view of the College's state of affairs at the end of the financial year 2023/2024 and its operating results for that period.

The Board members are committed to ensuring that Friends College Kaimosi maintains proper accounting records, which disclose with reasonable accuracy of the financial position of the College. The responsibilities of the Board include:

**1. Preparation and Presentation of Financial Statements:**

Ensuring that the financial statements are prepared in conformity with International Public Sector Accounting Standards (IPSAS), and in accordance with the requirements of the Public Finance Management Act, 2012, and the Technical and Vocational Education and Training Act, 2013.

Ensuring that the financial statements reflect a true and fair view of the state of affairs and transactions of Friends College Kaimosi for the year ended June 30, 2024.

**2. Financial Management Arrangements:**

Maintaining adequate financial management arrangements and ensuring their continued effectiveness throughout the reporting period.

**3. Accounting Records:**

Maintaining proper accounting records that disclose with reasonable accuracy the financial position of Friends College Kaimosi at any time.

**4. Internal Controls:**

Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements. These controls ensure that the financial statements are free from material misstatements, whether due to error or fraud.

**Friends College Kaimosi ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30 June 2024**

**5. Safeguarding Assets:**

Safeguarding the assets of Friends College Kaimosi to prevent loss or misuse.

**6. Accounting Policies and Estimates:**

Selecting and applying appropriate accounting policies.

Making reasonable and prudent accounting estimates in the circumstances.

The Board members affirm that the financial statements have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates. The financial statements conform to International Public Sector Accounting Standards (IPSAS) and comply with the requirements of the PFM Act, 2012 and TVET Act, 2013.

The Board members are of the opinion that the financial statements provide a true and fair view of Friends College Kaimosi's financial position as at June 30, 2024, and of its transactions for the financial year then ended. The Board also confirms the completeness of the accounting records maintained and the adequacy of the internal financial control systems.

As of the date of this statement, nothing has come to the attention of the Board members to indicate that Friends College Kaimosi will not remain a going concern for at least the next twelve months.


**Approval of the financial statements.**

Friends College Kaimosi financial statements were approved by the Board on and signed on its behalf by:



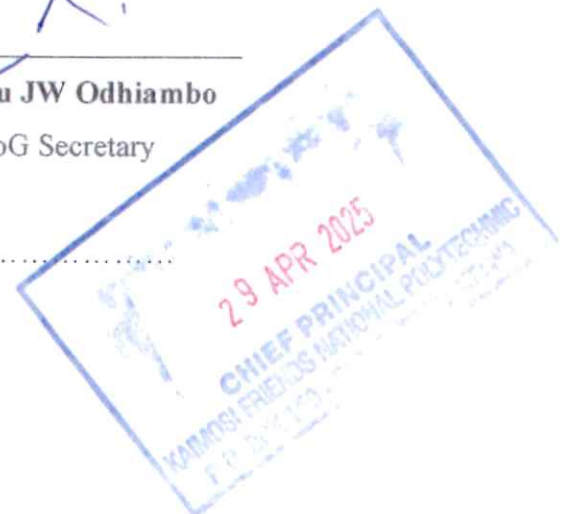
**Prof. Mike Iravo (PhD)**  
BoG Chairman

Date: 29/4/2025



**Mr. Okumu JW Odhiambo**  
Principal/BoG Secretary

Date: .....



# REPUBLIC OF KENYA



*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON FRIENDS COLLEGE KAIMOSI (KAIMOSI COLLEGE OF RESEARCH & TECHNOLOGY) FOR THE YEAR ENDED 30 JUNE, 2024 – STATE DEPARTMENT FOR TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING**

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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 Friends College, Kaimosi (Kaimosi College of Research & Technology) set out on pages 1 to 34, which comprise

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*Report of the Auditor-General on Friends College, Kaimosi (Kaimosi College of Research & Technology) for the year ended 30 June, 2024 – State Department for technical and Vocational Education and Training*

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

In my opinion, except for the effects 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 Friends College Kaimosi, (Kaimosi College of Research & Technology) as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Statement of Changes in Net Assets**

The statement of changes in net assets reflects a balance of Kshs.465,340,395 in respect of accumulated fund. However, the balance includes unsupported prior year adjustments of Kshs.193,551,318 . Further, review of the statement of comparison of budget and actual amount show that the College received capital grants amounting to Kshs.38,470,194 during the year under review which have not been included in the statement of changes in net asset under capital grants fund.

In the circumstances, the accuracy and completeness of accumulated fund and capital grants/fund amounting to Kshs.465,340,395 and Kshs.392,376,808 respectively reflected in the statement of changes in net assets could not be confirmed

#### **2. Ownership of Assets**

The statement of financial position reflects a balance of Kshs.893,835,995 in respect of property, plant and equipment and as disclosed in Note 22 to the financial statements. The balance includes the cost of land owned by the College with a net book value of Kshs.199,908,688. However, land ownership documents were not provided for audit verification.

In the circumstances, the ownership of land balance of Kshs.199,908,688 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Friends College, Kaimosi (Kaimosi College of Research & Technology) Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial

statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.302,749,421 and Kshs.287,130,693 respectively, resulting to under-collection of Kshs.15,618,728. Similarly, the College spent Kshs.249,110,956 against an approved budget of Kshs.302,749,421, resulting to under expenditure of Kshs.53,638,465 or 17.7% of the budgeted amount.

The under expenditure may have curtailed realization of planned activities and service delivery.

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 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 audit report of the previous year, issues were raised under Report on Financial Statements and Lawfulness and Effectiveness in Use of Public Resources. Although Management has indicated that some of the issues have been resolved under progress on follow-up of the auditor's recommendation section of the financial statements, no evidence of how the issues were resolved was provided for audit review.

#### **Other Information**

Management is responsible for the other information set out on page iv to xvii which comprises Key Entity Information, Board of Governors, Chairperson's Statement, Report of the Chief Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environment and Sustainability Reporting, Report of 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 and I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that other information is not materially inconsistent with the financial statements.

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Non-Compliance with Law on Ethnic Composition**

During the year under review, the total number of employees on the entity's payroll were 189 out of which 156 or 82.5 % of the total number were members of the dominant ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that 'all public establishment shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community'.

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 matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **Lack of Asset Tagging**

Review of the assets register and verification of the College's assets revealed that the assets did not have a unique asset tag label to each asset for easier of the asset movement and tracking. This was contrary to Section 139(1)(b) of the Public Finance Management (National Government) Regulations, 2015 which stipulates that the Accounting Officer of a National Government entity shall take full responsibility and ensure that proper control systems exist for assets and that movement and conditions of assets can be tracked.

In the circumstances, proper control and ease identification of the assets could not be achieved without the tagging.

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

## **Responsibilities of the Management and Board of Governors**

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

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

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

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**08 May, 2025**

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)  
Annual Report and Financial Statements for the year ended 30th June 2024**

**14. Statement of Financial Performance for the year ended 30 June 2024**

	Notes	2023-2024 Kshs	2022-2023 Kshs
<b>Revenue from Non-Exchange transactions:</b>			
Transfers from National Government	6	112,108,390	128,272,500
Grants from donors and development partners	7	1,921,500	2,378,040
		<b>114,029,890</b>	<b>130,650,540</b>
<b>Revenue from Exchange transactions:</b>			
Rendering of services- fees from Trainees	8	185,481,830	261,202,845
Sale of goods	9	1,110,772	1,391,797
Rental revenue from facilities and equipment	10	5,173,900	3,868,508
Miscellaneous Income/Other income	11	892,030	1,962,654
<b>Revenue from Exchange transactions</b>		<b>192,658,532</b>	<b>268,425,804</b>
<b>Total Revenue</b>		<b>306,688,422</b>	<b>399,076,344</b>
<b>Expenses:</b>			
Use of goods and services	12	192,894,036	109,123,112
Employee costs	13	47,094,453	48,029,151
Board Expenses	14	10,718,070	3,696,688
Depreciation and amortization expense	15	399,611	35,979,723
Repairs and maintenance	16	4,607,433	6,028,270
Finance costs	17	147,839	80,812
Decrease in Provision for Bad and doubtful debts	19	940,660	(492,002)
<b>Total Expenses</b>		<b>256,802,102</b>	<b>202,445,754</b>
<b>Net surplus/(deficit) for the year</b>		<b>49,886,320</b>	<b>196,630,590</b>

(The notes set out on pages 6 to 37 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 5 were signed by:

Prof. Mike Iravo (PhD)

*MA Iravo*  
Chairman of Board

Date 29/4/2025

CPA Heshorn Ehaji

*Heshorn Ehaji*  
Finance Officer

ICPAK No 11369

Date 29.4.25

Mr. Okumu JW Odhiambo

*Okumu JW*  
Principal

Date.....




**FRIENDS COLLEGE KAIMOSI( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

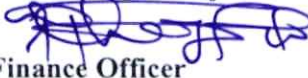
**15. Statement of Financial Position as at 30 June 2024**

Description	Note	2023-2024 Kshs	2022-2023 Kshs
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	18	16,215,333	21,352,875
Current portion of receivables from exchange transactions	19	57,044,359	39,171,829
Receivables from non-exchange transactions	20	11,822,425	72,343,500
Inventories	21	3,867,852	3,074,239
<b>Total Current Assets</b>		<b>88,949,969</b>	<b>135,942,443</b>
<b>Non-Current Assets:</b>			
Property, plant, and Equipment	22	893,835,995	571,478,446
Intangible assets	23	5,396,630	7,315,321
Biological Assets	24	14,669,000	13,864,700
<b>Total Non-Current Assets</b>		<b>913,901,625</b>	<b>592,658,467</b>
<b>Total Assets</b>		<b>1,002,851,594</b>	<b>728,600,910</b>
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Trade and other payables from exchange transactions	25	19,816,899	28,721,345
Refundable deposits from students	27	17,341,046	
<b>Total Current Liabilities</b>		<b>37,157,945</b>	<b>28,721,345</b>
<b>Net Assets</b>		<b>965,693,649</b>	<b>699,879,565</b>
Reserves and Accumulated Surplus		573,316,841	307,942,582
Capital Fund		392,376,808	391,936,983
<b>Total Net Assets and Liabilities</b>		<b>965,693,649</b>	<b>699,879,565</b>

The Financial Statements set out on pages 1 to 5 were signed by:

Prof. Mike Iravo (PhD)  
  
 Chairman BoG

Date: 29/4/2025

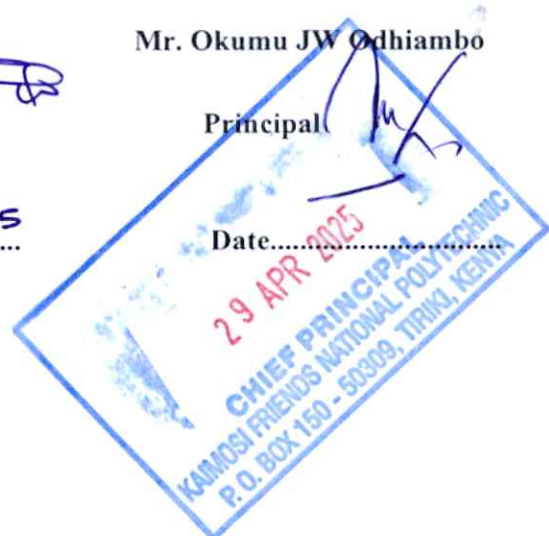
CPA. Hesborn Ehaji  
  
 Finance Officer

ICPAK No. 11369

Date: 29.4.25

Mr. Okumu JW Odhiambo  
  
 Principal

Date: 29 APR 2025



**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**16. Statement of Changes in Net Assets for the year ended 30 June 2024**

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
<b>At July 1, 2022</b>	<b>85,000,000</b>	<b>169,651,813</b>	<b>419,612,906</b>	<b>674,264,719</b>
Revaluation gain	0	0	0	0
Surplus/(deficit) for the year	0	196,630,590	0	196,630,590
Capital grants received during the year ( Jitume computers)	0	0	8,303,800	8,303,800
Retained earnings	0	-179,919,544	0	-179,919,544
Transfer of depreciation		35,939,509	-35,939,509	0
Retained earnings		0	0	0
Revaluation of Biological assets	600,000.00	0	0	600,000
<b>At June 30, 2023</b>	<b>85,600,000</b>	<b>222,302,368</b>	<b>391,977,197</b>	<b>699,879,565</b>
				0
At July 1, 2023	85,600,000	222,302,368	391,977,197	699,879,565
Revaluation gain/(loss)	22,376,446	0	0	22,376,446
Surplus/(deficit) for the year	0	49,886,320	0	49,886,320
Transfer of depreciation/amortization from accumulated fund		-	399,611	399,611
Transfer of depreciation/amortization to capital fund from accumulated fund	0	-399,611.00	0	-399,611
Prior year adjustments	0	193,551,318	0	193,551,318
<b>At June 30, 2024</b>	<b>107,976,446</b>	<b>465,340,395</b>	<b>392,376,808</b>	<b>965,693,649</b>

Revaluation of the College Property plant and equipment was done in June 2024

The prior year adjustments totaling Ksh. 193,915,418.00 represent the recognition of accumulated funds and capital investments that had not been previously captured under the college's former cash-based accounting system. These adjustments were necessary to accurately reflect the financial position of the institution during the transition to accrual-based accounting, in line with modern public sector accounting standards and the adoption of International Public Sector Accounting Standards (IPSA\$).

This figure encompasses historical capital contributions, including infrastructure development, acquisition of fixed assets, endowments, and other long-term investments made since the college's inception over 50 years ago. Under the previous cash-based system, these investments were only recorded when cash transactions occurred, failing to account for the accumulated value of non-cash assets and deferred liabilities.

The transition to accrual accounting required a comprehensive review and restatement of the opening balances to ensure that all assets, liabilities, and equity were accurately captured. As such, the Ksh. 193,915,418.00 serves as a consolidated valuation of the college's foundational capital, representing years of growth, development, and financial support from government grants, donors, and internally generated funds.

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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

<b>Description</b>	<b>Note</b>	<b>2023-2024 Kshs</b>	<b>2022-2023 Kshs</b>
Cash flows from operating activities:			
Receipts:			
Transfers from National Government	6	112,108,390	55,569,000
Donor funds	7	1,921,500	2,378,040
Rendering Service-Students fee	19(b)	165,924,101	229,253,975
Sale of goods	9	1,110,772	-
Hire of facilities	10	5,173,900	-
Miscellaneous income	11	892,030	-
Net transfers between savings accounts		-	-132,259,058
<b>Total Receipts</b>		<b>287,130,693</b>	<b>154,941,957</b>
Payments:			
Use of goods and services	12	192,894,036	80,401,767
Employee costs	13	47,094,453	48,029,151
Board expenses	14	10,718,070	3,696,688
Repairs and Maintenance	16	4,607,433	3,709,073
Finance costs	17	147,839	-
<b>Total Payments</b>		<b>255,461,831</b>	<b>135,836,679</b>
<b>Net Cash Flows from operating activities</b>		<b>31,668,862</b>	<b>19,105,278</b>
Cash flows from investing activities:			
Purchase of property, plant & equipment	22	-37,829,199	-26,628,073
Disposal of PPE	11	17,830	119,555
Additions to Intangible assets	23	-676,895	-2,198,710
<b>Net cash flows used in investing Act</b>		<b>-38,488,264</b>	<b>-28,707,228</b>
Cash flows from financing activities			
Changes in working capital:			
Increase in receivables	20	-941,725	-
Decrease in payables	25	-8,904,455	-
Increase in refundable deposits from trainees		12,321,653	-
Increase in inventories	21	-793,613	-
Finance costs		-	-80,812
<b>Net cash flows used in financing activities</b>		<b>1,681,860</b>	<b>-80,812</b>
Net Increase/(Decrease) in Cash and Cash equivalents		-5,137,542	-9,682,762
Cash and cash equivalents 1.7.2023	18	21,352,875	31,035,637
<b>Cash and cash equivalents 30.6.2024</b>	<b>18</b>	<b>16,215,333</b>	<b>21,352,875</b>

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**18. Statement of Comparison of Budget Actual amounts for year ended 30 June 2024**

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	A	B	C=A+B	D	E=C-D	F=E/C %
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue	138,000,000	0	138,000,000	112,108,390	25,891,610	18.76%
Transfers from other National Government						
Grants from donors and development	-	0	0	1,921,500	-1,921,500	
Rendering of services- fees from students	143,212,000	14,321,200	157,533,200	165,924,101	-8,390,901	-5.33%
Sale of goods	6,107,768	-610,777	5,496,991	1,110,772	4,386,219	79.79%
Rental revenue from facilities and equipment	752,000	75,200	827,200	5,173,900	-4,346,700	-525.47%
Miscellaneous Income	32,061,800	-31,169,770	892,030	892,030	0	0.00%
<b>Total Income</b>	<b>320,133,568</b>	<b>-17,384,147</b>	<b>302,749,421</b>	<b>287,130,693</b>	<b>15,618,728</b>	<b>-9.68%</b>
Expenses:						
Employee costs	78,858,522	-7,885,853	70,972,669	47,094,453	23,878,216	33.64%
Board of Governors Expenses	12,424,526	-1,242,453	11,182,073	10,718,070	464,003	4.15%
Repairs and maintenance	3,334,530	333,453	3,667,983	4,607,433	-939,450	-25.61%
Use of goods and services	147,292,925	14,729,292	162,022,217	186,543,161	-24,520,944	-15.13%
Finance costs	234,000	-23,400	210,600	147,839	62,761	29.80%
<b>Total Expenditure</b>	<b>242,144,503</b>	<b>5,911,039</b>	<b>248,055,542</b>	<b>249,110,956</b>	<b>-1,055,414</b>	<b>4.56%</b>
<b>Surplus For the Period</b>	<b>77,989,065</b>	<b>-23,295,186</b>	<b>54,693,879</b>	<b>38,019,737</b>	<b>16,674,142</b>	<b>-50.18%</b>
<b>Capital Budget 2023/2024</b>	<b>77,989,065</b>	<b>7,798,907</b>	<b>70,190,158</b>	<b>38,470,194</b>	<b>31,719,964</b>	<b>45.22%</b>

**Explanation of variances +10% or -10%**

- There was delayed procurement processes due to adjustments in funding disbursements for variances - 10%
- Improved linkage between budget execution and financial performance, enabling stakeholders to assess how economic resources have been allocated and utilized in accordance with the institution's strategic objectives; for variances + 10% eg **Rendering of services and capital budget**.
- Specifically, the institution has undertaken deliberate efforts to curb potential wastage and enhance cost-efficiency in key expenditure areas, including but not limited to **Employee Costs and Board of Governors expenses**.

**1. Notes to the Financial Statements**

**1. General Information**

Friends College Kaimosi is established by and derives its authority and accountability from TVET Act 2013. Friends College Kaimosi is wholly owned by the Government of Kenya and is domiciled in Kenya. Friends College Kaimosi's principal activity is Provision of Technical and Vocational training.

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying Friends College Kaimosi's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Friends College Kaimosi. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act 2012, the TVET Act 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. Adoption of New and Revised Standards**

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

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<i>Applicable 1<sup>st</sup> January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)  
Annual Report and Financial Statements for the year ended 30th June 2024**

	<i>The standard is not relevant for Friends College Kaimosi</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1<sup>st</sup> January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <b><i>Friends College Kaimosi does not hold Non-current assets for sale and discontinued operations</i></b>
IPSAS 45: Property Plant and Equipment	<i>Applicable 1<sup>st</sup> January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. <b><i>Friends College Kaimosi shall start applying the standard in January 2025</i></b>
IPSAS 46: Measurement	<i>Applicable 1<sup>st</sup> January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. <b><i>The standard is not applicable for Friends College Kaimosi as at now or then. However, it may be applicable as were go into the future.</i></b>
IPSAS 47: Revenue	<i>Applicable 1<sup>st</sup> January 2026</i> 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

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)  
Annual Report and Financial Statements for the year ended 30th June 2024**

	revenue transactions. <i>Friends College Kaimosi shall start applying the standard 1<sup>st</sup> January 2026</i>
IPSAS 48: Transfer Expenses	<i>Applicable 1<sup>st</sup> January 2026</i> 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. <i>The standard is not applicable to Friends College Kaimosi at the moment.</i>
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1<sup>st</sup> January 2026</i> 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. <i>The standard is not applicable to Friends College Kaimosi .</i>

*iii. Early adoption of standards*

Friends College Kaimosi did not early adopt any new or amended standards in year 2024.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to Friends College Kaimosi 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**

Friends College Kaimosi 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

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

---

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 Friends College Kaimosi.

**Interest income**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2023/2024 was approved by the Board on 8th September 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Friends College Kaimosi upon receiving the respective approvals to conclude the final budget. Friends College Kaimosi'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.

**c) Taxes**

***Current income tax***

Friends College Kaimosi is exempt from paying taxes .

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

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

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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

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

**d) Investment property**

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

**e) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, Friends College Kaimosi 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 Friends College Kaimosi. 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. Friends College Kaimosi 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

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

---

depreciated over the useful life of the asset. However, if there is no reasonable certainty that Friends College Kaimosi 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 Friends College Kaimosi. 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) Research and development costs**

Friends College Kaimosi expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Friends College Kaimosi can demonstrate:

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

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

**i) Financial instruments**

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

Friends College Kaimosi classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both Friends College Kaimosi'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, Friends College Kaimosi 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 Friends College Kaimosi 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**

Friends College Kaimosi 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. Friends College Kaimosi 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**

Friends College Kaimosi classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

**j) Inventories**

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

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

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

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

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

**k) Provisions**

Provisions are recognized when Friends College Kaimosi 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

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

---

estimate can be made of the amount of the obligation. Where Friends College Kaimosi 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***

Friends College Kaimosi 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***

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

**l) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. Friends College Kaimosi 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 Friends College Kaimosi will incur in fulfilling the present obligations represented by the liability.

**m) Nature and purpose of reserves**

Friends College Kaimosi creates and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted*).

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

Friends College Kaimosi recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**o) Employee benefits**

**Retirement benefit plans**

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

**p) Foreign currency transactions**

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

**q) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**r) Related parties**

Friends College Kaimosi 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 Friends College Kaimosi, 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**

Friends College Kaimosi 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, Friends College Kaimosi 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 –

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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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, Friends College Kaimosi also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**t) Cash and cash equivalents**

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

**u) Comparative figures**

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

**v) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

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

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

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Friends College Kaimosi 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 Friends College Kaimosi. 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 Friends College Kaimosi.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

### **Provisions**

Provisions were raised and management determined an estimate based on the information available.

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

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

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**6. Transfers from other National Government entities**

Description	2023-2024 Kshs	2022-2023 Kshs
<b>(a) Unconditional Grants</b>		
<b>Capitation Grants Received :</b>		
Quarter 1 (4687 Trainees @ ksh.3500)	16,404,500	21,345,000
Quarter 2 (5252) Trainees@ Ksh.3500)	18,382,000	17,112,000
Quarter 3 (5252 Trainees @ Ksh. 4000)	21,008,000	17,112,000
Quarter 4 (3940 Trainees @ Ksh.3,000)	11,822,425	0
<b>Total capitation received</b>	<b>67,616,925</b>	<b>55,569,000</b>
<b>Accrued capitation:</b>		
Quarter 1 ( 4269 Trainees @ ksh.2500)	-	10,672,500
Quarter 2 (4278 Trainees @ Ksh. 3500)	-	14,973,000
Quarter 3 ( 4278 Trainees @ ksh.3500)	-	14,973,000
Quarter 4 ( 5252 Trainees @ ksh.7500)	-	32,085,000
<b>Total Accrued capitation</b>	<b>-</b>	<b>72,703,500</b>
<b>Total unconditional Grants</b>	<b>67,616,925</b>	<b>128,272,500</b>
<b>(b) Recurrent Grants</b>		
Quarter 1	-	-
Quarter 2	6,063,800	-
Quarter 3	-	-
Quarter 4	10,000,000	-
<b>Total Recurrent Grants</b>	<b>16,063,800</b>	<b>-</b>
<b>(C) Government Scholarship</b>		
Quarter 1	-	-
Quarter 2	28,427,665	-
Quarter 3	-	-
Quarter 4	-	-
<b>Total Government Scholarship</b>	<b>28,427,665</b>	<b>-</b>
<b>Grand Total Transfers from National Govt.</b>	<b>112,108,390</b>	<b>128,272,500</b>

**7. Grants from Donors and Development Partners**

Description	2023-2024 Kshs	2022-2023 Kshs
GIZ/GFA	1,921,500	2,378,040
Donation in Kind ( CICAN)	-	8,308,800
<b>Total Grants &amp; Donations</b>	<b>1,921,500</b>	<b>10,686,840</b>
Less Capitalized items	-	<u>(8,308,800)</u>
<b>Total Grants from Development partners to</b>	<b><u>1,921,500</u></b>	<b><u>2,378,040</u></b>

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**Statement of financial performance**

**(a) Reconciliations of grants from donors and development partners**

Description	2023-2024	2022-2023
	Kshs	Kshs
Balance unspent at beginning of year	0	0
Current year receipts	-	10,686,840
Conditions Met - Transferred to Revenue	-	10,686,840
<b>Conditions Yet To Be Met - Remain Liabilities</b>	<b>0</b>	<b>0</b>

**8. Rendering of Services**

Description	2023-2024	2022-2023
	Ksh	Ksh.
Tuition fees	147,411,657	160,037,482
Boarding Fees	5,595,601	5,116,500
Business Production Unit	560,084	6,123,500
Examination fees	20,974,635	22,621,519
Library Over –due fees	55,945	34,769
Part time Tuition fees	666,430	665,200
Town Campus fees	1,384,247	4,997,520
Computer Department P.U	153,400	130,900
Application fees	1,755,878	2,390,400
Attachment	1,778,629	2,796,000
CDF and Other sponsorships	-	5,829,670
HELB Bursary	-	50,446,000
GIZ Students fees	29,100	8,000
Caution Money	1,330,390	0
Accommodation production unit	51,450	5,385
Innovation and Research	13,660	-
Liberal studies dept production unit	6,500	-
TVET Authority fee	668,906	-
Students' council fees	1,165,900	-
KUCCPS fees	1,879,418	-
<b>Total Revenue from rendering services</b>	<b>185,481,830</b>	<b>261,202,845</b>

**9. Sale of Goods**

Description	2023-2024	2022-2023
	Kshs	Kshs
Farm sales	849,467.00	556,002.00
Sale of Empty Jerricans	10,250.00	15,330.00
Food and Beverage Dep't practical sales	1,400.00	38,500.00

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

PAYE Catering sales	171,610.00	781,965.00
Agriculture department Prod Unit	78,045.00	-
<b>Total Revenue from Sale of Goods</b>	<b>1,110,772.00</b>	<b>1,391,797.00</b>

**10. Rental revenue from facilities and equipment**

Description	2023-2024	2022-2023
	Kshs	Kshs
Hire of Facilities and Equipment	4,844,100	3,456,508
Rental income from college houses	329,800	412,000
<b>Total Rental revenue from facilities and equipment</b>	<b>5,173,900</b>	<b>3,868,508</b>

**11. Miscellaneous Income/ Other income**

Description	2023-2024	2022-2023
	Kshs	Kshs
Damages Recovery	64,580	116,599
Disposal of fixed assets	17,830	119,555
Graduation income	809,620	1,726,500
Ebukanga TVC refund	222,409	-
<b>Total other income</b>	<b>892,030</b>	<b>1,962,654</b>

**12. Use of Goods and Services**

Description	2023-2024	2022-2023
	Kshs	Kshs
Boarding expenses	4,007,228	2,018,533
Examination fees	23,540,450	21,878,370
PAYE Catering	8,046,401	11,953,801
Farm Expenses	879,451	926,365
Part time Tuition	899,482	171,396
Town Campus	4,809,981	2,983,609
Business Department P.U expenses	1,383,540	951,230
Computer Dept P.U	68,566	70,770
Hire of Facilities	3,212,586	2,310,257
Tender expenses	49,470	0

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

Co-curricular activities	7,261,513	7,461,396
Students Training expenses	35,598,301	9,865,738
Motor vehicle running expenses	3,818,138	3,715,463
Students Council Expenses	3,281,492	2,713,809
Office expenses	630,730	632,932
Airtime expenses	902,700	852,200
Attachment expenses	3,160,300	1,771,150
Research and Development	11,106,810	674,894
Stationery expenses	4,367,935	2,460,982
Performance Contracting	1,058,980	1,820,310
Electricity and Water bills	8,143,908	5,214,550
NYS Upkeep	272,200	1,641,600
ICT expenses	6,570,739	3,902,512
Medical Bills	4,391,477	2,014,202
CAPA Subscriptions	81,000	0
Insurance expenses	122,500	63,435
Marketing expenses	3,033,768	1,309,753
KATTI subscriptions	180,000	90,000
Guiding and Counselling	102,000	202,695
Contingencies	740,246	341,333
QMS	991,010	585,214
Consultancy fees	3,243,800	1,023,000
Engineering Dept PU expenses	1,120	0
Application ( admission expenses)	857,500	415,550
Helb Bursary refunds	143,318	79,200
Corporate Social responsibility	223,400	10,000
Valuation of PPE	4,798,900	28,750
GIZ students expenses	4,460,107	2,258,327
Staff travelling expenses	12,811,322	6,576,776
Staff meals expenses	4,437,345	4,258,411
Staff training expenses	7,091,297	2,690,070
Staff welfare	89,800	0
Staff uniforms	666,131	135,750
CDF refunds	106,000	123,420
Graduation expenses	8,623,595	925,359
Agriculture dept expenses	315,680	-
KUCCPS subscriptions	117,000	-
Recruitment of PSC trainers expense	2,194,819	-
<b>Total use of goods and services</b>	<b>192,894,036</b>	<b>109,123,112</b>

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**13. Employee Costs:**

Description	2023-2024	2022-2023
	Kshs	Kshs
Advance salary	189,950	0
Salaries and Wages	45,674,939	46,658,567
Staff Gratuity	1,229,564	1,163,044
Recruitment expenses	-	207,540
<b>Employee Costs Total</b>	<b>47,094,453</b>	<b>48,029,151</b>

**14. Board Expenses:**

Description	2023-2024	2022-2023
	Kshs	Kshs
BoG Expenses	10,028,070	3,156,688
Chairman's Honoraria	690,000	540,000
<b>Total</b>	<b>10,718,070.00</b>	<b>3,696,688</b>

**15. Depreciation and Amortization expense:**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	0	35,504,158
Intangible assets	399,611	475,565
<b>Total depreciation and amortization</b>	<b>399,611.00</b>	<b>35,979,723</b>

**16. Repairs and Maintenance**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property Plant and Equipment	4,607,433	6,028,270
<b>Total Repairs and Maintenance</b>	<b>4,607,433</b>	<b>6,028,270</b>

**17. Finance Costs**

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Charges	147,839	80,812
<b>Total Finance Costs</b>	<b>147,839</b>	<b>80,812</b>

**18. Cash and Cash Equivalents**

Description	2023-2024	2022-2023
	KCB Current account 1101755652 Main	5,485,138
KCB savings account 1102330329-Devpt	6,078,843	4,326,591

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

KCB Savings account 1106471253- Farm	719,505	455,615
KCB Savings account 1103284290 GIZ	9,158	2,378,040
KCB development current 1274574218 Proj	3,834,065	710,560
Cash at hand	88,621	35,232
<b>Totals</b>	<b>16,215,333</b>	<b>21,352,875</b>

**18 (a). Detailed Analysis of Cash and Cash equivalents**

Financial Institution	Account number	2023-2024 Kshs	2022-2023 Kshs
<b>a) Current account</b>			
Kenya Commercial bank	1101755652	5,485,138	13,446,834
Kenya Commercial Bank	1274574218	3,834,065	710,560
<b>Sub- total</b>		<b>9,319,204</b>	<b>14,157,395</b>
<b>b) Savings Account</b>			
Kenya Commercial bank	1102330329	6,078,843	4,326,591
Kenya Commercial bank	1106471253	719,505	455,615
Kenya Commercial bank	1103284290	9,158	2,378,040
<b>Sub- total</b>		<b>6,807,507</b>	<b>7,160,248</b>
<b>c) Others(specify)</b>			
cash in hand		88,621.00	35,232
<b>Sub- total</b>		<b>88,621.00</b>	<b>35,232</b>
<b>Grand Total</b>		<b>16,215,333.00</b>	<b>21,352,875</b>

**19. Current Portion Receivables from Exchange transactions**

Description	2023-2024 Kshs	2022-2023 Kshs
Students Debtors	59,927,868	40,370,139
Staff debtors- salary advances	60,000	0
Ebukanga TVC	-	863,365
Un-surrendered imprests	58,826	0
<b>Gross Total</b>	<b>60,046,694</b>	<b>41,233,504.00</b>
Less provision for bad and doubtful debts @ 5 %	3,002,335.00	2,061,675
<b>Net Total Current Receivables</b>	<b>57,044,359</b>	<b>39,171,829</b>

*Increase in provision for bad & doubtful debts (3,002,335-2,061,675) =940,660*

**19(b) Actual rendering of services:**

Receivables at 1.7.2023	40,370,139
Add invoiced fee	185,481,830
<b>Total expected</b>	<b>225,851,969</b>
<i>Less Actual received</i>	<i>(165,924,101)</i>
<b>Receivables as at 30.6.24</b>	<b><u>59,927,868</u></b>

19 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	59,927,868	100%	41,233,504	100%
Between 1- 2 years	-		-	
Between 2-3 years	-		-	
Over 3 years	-		-	
<b>Total (a+b)</b>	<b>59,927,868</b>		<b>41,233,504</b>	

20. Receivables from Non-Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*	11,822,425	72,343,500
Transfers from Other Govt. entities	-	0
<b>Total Current Receivables</b>	<b>11,822,425</b>	<b>72,343,500</b>

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

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Current FY	% of the total
Less than 1 year	11,822,425		72,343,500	20%
Between 1- 2 years	154,858,500		29,257,500	80%
Between 2-3 years	0		53,257,500	%
Over 3 years	0		0	%
<b>Total</b>	<b>166,680,925</b>		<b>154,858,500</b>	

21. Inventories

Description	2023-2024	2022-2023
	Kshs	Kshs
Consumable stores- Stationery	1,098,107	653,165
Health unit stores	26,080	66,976
Electrical & Plumbing stores	236,640	228,711
Cleaning materials	401,077	482,245
Maintenance stores- building	558,250	965,270
Farm stores	40,800	66,976
Fashion and design stores	100,350	-
Food stuffs	437,083	416,104
Automotive /Mechanical department stores	482,370	134,122
Food science	69,675	0
Cosmetology and Hair Dressing	43,300	60,670
Building and Civil Engineering	374,120	-
<b>Total Inventories</b>	<b><u>3,867,852</u></b>	<b><u>3,074,239</u></b>

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)  
Annual Report and Financial Statements for the year ended 30th June 2024**

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

**22. Property, Plant and Equipment**

Cost	Land Kshs	Buildings Kshs	Furniture & Fittings Kshs	Motor vehicles Kshs	Computers Kshs	Plant & Equipment Kshs	WIP Ebukanga Kshs	WIP FCK Kshs	Text books Ksh	Infrastructur e assets Ksh	TOTAL
At 1st July 2022	150,000,000	324,647,123	12,196,623	14,854,205	13,813,078	177,831,287	63,274,721	50,990,749	4,480,151	0	812,087,937
Additions	0	12,571,137	592,337	0	9,866,622	1,410,270	686,000	1,501,707	0	0	26,628,073
Transfers		26,567,618						-26,567,618			0
Adjustment								-4,966,105			-4,966,105
Disposals	0	0	0	0	0	-119,555	0	0	0	0	-119,555
<b>At 30th June 2023</b>	<b>150,000,000</b>	<b>363,785,878</b>	<b>12,788,960</b>	<b>14,854,205</b>	<b>23,679,700</b>	<b>178,899,857</b>	<b>63,960,721</b>	<b>20,958,733</b>	<b>4,480,151</b>	<b>0</b>	<b>833,630,350</b>
Additions	0	25,736,618	3,800,305	0	6,344,500	413,890,000	315,330	1,195,556	23,000	0	37,829,199
Disposals	0	0	0	0	0	0	0	-	0	0	-
Revaluation	49,908,688	70,269,955	-	-8,354,205	-	-105,258,992	-	-	-	15,811,000	22,376,446
Transfer	0	0	0	0	0	0	0	0	0	0	0
<b>Cost at 30.6.2024</b>	<b>199,908,688</b>	<b>459,792,451</b>	<b>16,589,265</b>	<b>6,500,000</b>	<b>30,024,200</b>	<b>74,054,755</b>	<b>64,276,051</b>	<b>22,154,289</b>	<b>4,503,151</b>	<b>15,811,000</b>	<b>893,835,995</b>
Depreciation rates	0%	2%	10%	10%	30%	10%			10%	2%	
At 01.07.2022	0	36,926,468	7,936,827	11,336,682	12,674,604	155,822,251	0	0	1,950,914	0	226,647,746
Depreciation	0	7,275,717	1,278,896	1,485,420	7,103,910	17,912,200			448,015		35,504,158
As at 30.6. 23	0	44,202,185	9,215,723	12,822,102	19,778,514	173,734,451			2,398,929		262,151,904
Depreciation	-	0	0	0	0	0	0	0	0	0	0
At 30th Jun 2024	-	0	0	0	0	0	0	0	0	0	0
NBV 30.6.23	150,000,000	319,583,693	3,573,237	2,032,103	3,901,186	5,387,551	63,960,721	20,958,733	2,081,222	0	571,478,446
NBV 30.6.24	199,908,688	459,792,451	16,589,265	6,500,000	30,024,200	74,054,755	64,276,051	22,154,289	4,503,151	15,811,000	893,835,995

The Ministry of lands, public works, housing and urban development carried out a valuation of land, infrastructure assets, motor vehicles and equipment . This resulted into the increase of Net Book Value of the PPE. No depreciation was applied during the year because of the valuation process

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Public Works and Housing department.

**22 (b) Property, Plant and Equipment at Cost**

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	65,000,000	0	65,000,000
Buildings	299,916,000	43,708,576	256,207,424
Plant ,Equipment & Machinery	170,233,900	173,734,451	-3,500,551
Motor Vehicles	9,120,000	12,822,102	-3,702,102
Computers and Related Equipment	4,935,600	19,913,682	-14,978,082
Furniture, And Fittings	5,695,250	9,215,723	-3,520,473
Textbooks	3,200,000	2,398,929	801,071
<b>Total</b>	<b>558,100,750</b>	<b>261,793,462</b>	<b>296,307,288</b>

**23. Intangible Assets**

Description	2023-2024 Kshs	2022-2023 Kshs
<b>Cost:</b>		
At beginning of the year	7,315,321	7,312,586
Additions	676,895	2,198,710
<b>At end of the year 30.06.2023</b>	<b>7,992,216</b>	<b>9,511,296</b>
<b>Amortization and impairment:</b>		
At beginning of the year	2,195,975	1,720,410
Amortization @5% x7,992,216)	399,611	475,565
<b>At end of the year</b>	<b>2,595,586</b>	<b>2,195,975</b>
<b>NBV</b>	<b>5,396,630</b>	<b>7,315,321</b>

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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

**24. Biological Assets**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Farm Trees	6,650,000	7,100,000
Tea Plantation	6,000,000	4,900,000
Banana and other crops	1,175,000	1,142,500
Cows	844,000	722,200
<b>Total</b>	<b>14,669,000</b>	<b>13,864,700</b>

**25. Trade and Other Payables**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Trade payables (Sundry Creditors)	19,816,899	28,721,345
Fees paid in advance		0
<b>Total Trade and Other Payables</b>	<b>19,816,899</b>	<b>28,721,345</b>
<b>Ageing analysis:</b>		<b>Current FY</b>
Under one year	19,816,899	28,721,345
1-2 years		0
2-3 years		0
Over 3 years		0
<b>Total (to tie to totals above)</b>	<b>19,816,899</b>	<b>28,721,345</b>

**26. Retirement benefit Asset/ Liability**

Friends College Kaimosi does not operate a defined benefit scheme for all full-time employees. Friends College Kaimosi also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. Friends College Kaimosi's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.2,160.00 per employee per month. In the financial year 2024-2025 Friends College will on board its BoG permanent employees on a defined Pension scheme.

**27. Refundable deposits from students**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Fees received in advance	16,010,656	5,019,393
Caution Money	1,330,390	
<b>Total</b>	<b>17,341,046</b>	<b>5,019,393</b>
<b>Ageing analysis:</b>	<b>Current</b>	<b>% of Comparative FY</b>
	<b>% of</b>	<b>% of</b>

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

	<b>FY</b>	<b>the</b>		<b>the</b>
		<b>Total</b>		<b>Total</b>
Under one year	16,010,656	%	5,019,393	100%
1-2 years	0	%	0	
2-3 years	0	%	0	
Over 3 years	0	%	0	
<b>Total</b>	<b>16,010,656</b>	<b>%</b>	<b>5,019,393</b>	<b>%</b>

**29. Financial Risk Management**

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

Friends College Kaimosi's financial risk management objectives and policies are detailed below:

**(i) Credit risk**

Friends College Kaimosi has exposure to credit risk, which is the risk that a counter party 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 Friends College Kaimosi'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 Friends College Kaimosi's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

<b>Description</b>	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impair ed Kshs</b>
<b>At 30 June 2023</b>				
Receivables from exchange transactions	267,034,007	267,034,007	-	-
Receivables from non-exchange transactions	130,290,540	130,290,540	-	-
Bank balances	20,636,216	20,636,216	-	-
<b>Total</b>	<b>417,960,763</b>	<b>417,960,763</b>	<b>-</b>	<b>-</b>

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impair ed Kshs
<b>At 30 June 2024</b>			-	-
Receivables from exchange transactions	57,044,359	57,044,359	-	-
Receivables from non-exchange transactions	11,822,425	11,822,425	-	-
Bank balances	16,215,333	16,215,333	-	-
<b>Total</b>	<b>85,082,117</b>	<b>85,082,117</b>	-	-

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 Friends College Kaimosi has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

The table below represents cash flows payable by the Friends College Kaimosi 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 Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
<b>At 30 June 2023</b>				
Trade Payables	4,368,095	13,205,819	11,890,468	29,464,382
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
<b>Total</b>	<b>4,368,095</b>	<b>13,205,819</b>	<b>11,890,468</b>	<b>29,464,382</b>
<b>At 30 June 2024</b>				

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

Trade Payables	4,154,231	15,169,198	493,470	19,816,899
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
<b>Total</b>	<b>4,154,231</b>	<b>15,169,198</b>	<b>493,470</b>	<b>19,816,899</b>

**(iii) Market risk**

Friends College Kaimosi has put in place an internal audit function to assist it in assessing the risk faced by Friends College Kaimosi 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 Friends College Kaimosi'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 optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

Friends College Kaimosi Accounting Officer 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 Friends College Kaimosi's exposure to market risks or the manner in which it manages and measures the risk.

**a) Foreign currency risk**

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

Friends College Kaimosi manages foreign exchange risk from future commercial transactions and recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**b) Interest rate risk**

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

***Management of interest rate risk***

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

***Sensitivity analysis***

Friends College Kaimosi analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

**iv) Capital Risk Management**

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

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Revaluation Reserve		
Retained Earnings	573,280,941.00	307,942,582.00
Capital Reserve	392,376,808.00	391,936,983.00
<b>Total Funds</b>	<b>965,657,749.00</b>	<b>699,879,565.00</b>
Total Borrowings	19,816,899.00	28,721,345.00
Less: Cash and Bank Balances	16,215,333.00	21,352,875.00
<i>Net Debt/(Excess Cash and Cash Equivalents)</i>	<i>969,259,315.00</i>	<i>707,248,035.00</i>
<b>Gearing</b>	<b>2.04%</b>	<b>4%</b>

**30.Related Party Balances**

**Nature of related party relationships**

Entities and other parties related to Friends College Kaimosi 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 Friends College Kaimosi holding 100% of FCK equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of Friends College Kaimosi, both domestic and external. Other related parties include:

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

**31.Events After The Reporting Period**

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

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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**32. Ultimate and Holding Entity**

Friends College Kaimosi is a TVET under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**33. Currency**

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

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)  
Annual Report and Financial Statements for the year ended 30th June 2024**

**(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>
1.2	Inaccuracies in the statement of changes in net	A journal has been made to effect the adjustment	Resolved	
2.0	Irregularities in receivables	The aging analysis is been adhered to	resolved	
3.0	Unsupported trade and other payables from exchange and refundable deposits	The aging analysis is being followed come 2023/2024	resolved	

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 Name: OKUMU JW ODHIAMBO  
 Accounting Officer

Date : 30.08.2024



**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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**Appendix II: Projects Implemented by Friends College Kaimosi**

**Status of Projects completion**

	<b>Project</b>	<b>Total project Cost</b>	<b>Total expended to date</b>	<b>Completion % to date</b>	<b>Budget</b>	<b>Actual</b>	<b>Sources of funds</b>
1	Building and civil Engineering workshop	2.5 Million	2.5 Million	100%	2.5Million	2.5Million	Internal
2	Three storey Hostel	37,350,000	16,958,793	45%	37,350,000	16,958,793	Internal
3	Library	26,365,000	26,365,000	100%	26,365,000	26,365,000	GoK
4	Ramp on mechanical &electrical Engineering workshop	4,779,778.50	4,000,000.00	83.6%	1,843,915.00	4,000,000	GoK
5	Engineering workshops	25,000,000	1,900,000.00	15%	25,000,000	-	Internal

**FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**Appendix III- Inter-Entity Confirmation Letter**  
**MINISTRY OF EDUCATION**

State Department of Technical and Vocational Education wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

<b>Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30<sup>th</sup> June 2024</b>							
Ref. No	Date Disbursed	Amounts Disbursed by STVET as at 30th June 2024				Amount Received by [Beneficiary Entity] (Kshs) as at 30 <sup>th</sup> June 2024 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (Capitation) (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	02.10.2023	16,404,500			16,404,500	16,404,500	
	05.10.2023	6,063,800			6,063,800	6,063,800	
	18.01.2024	18,382,000			18,382,000	18,382,000	
	05.02.2024	21,008,000			21,008,000	21,008,000	
	06.03.2024	28,427,665			28,427,665	28,427,665	
	12.06.2024	10,000,000			10,000,000	10,000,000	
	24.9.2024	11,822,425			11,822,425	11,822,425	
<b>Total</b>		<b>112,108,390</b>			<b>112,108,390</b>	<b>112,108,390</b>	

FRIENDS COLLEGE KAIMOSI ( Kaimosi College of Research and Technology)  
 Annual Report and Financial Statements for the year ended 30th June 2024

Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Tree	Seedlings project	10% forest cover	Setting up seed beds			100,000		Internal	Ministry of Education

