

REPUBLIC OF KENYA



Enhancing Accountability

REPORT NATIONAL ASSEMBLY

DATE: 01 AUG 2023

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OF

Hon Naomi Wago, MP
Deputy Majority Whip
Inzogu mwale

CLERK AT
THE TABLE:

THE AUDITOR-GENERAL

ON

**NUU TECHNICAL AND VOCATIONAL
COLLEGE**

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





NUU TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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I. Key Entity Information and Management

(a) Background information

The institution was incorporated/ established under the TVET Act No 29 of 2013 on 2014. The institute is under the Ministry of Education. The government advertised the first 60 Technical and Vocational Colleges in 2014. Nuus Technical and Vocational College was Tender No. MOEST/TVET/16/2014-2015. The BOM of Nuus Secondary School donated 1.03 hectares of land for the construction of the college. The Principal was posted in January 2018, however, the first student joined the college in January 2019.

(b) Principal Activities

Mandate

Provide Technical, Vocational Education and Entrepreneurship Training geared towards Self-Reliance to meet the Labour Market needs.

Vision Statement

A Centre of Excellence in the provision of innovative Technical, Vocational Education and Training (TVET) programs.

Mission Statement

To provide TVET skills and competencies, nature innovation, research and technology for self-reliance and national development.

Core values

- Professionalism and integrity
- Team work and commitment to duty
- Quality service delivery
- Transparency and Accountability
- Innovativeness and creativity
- Social responsibility

Institute Motto

Fostering Talents and Technical Skills

Objectives

1. To enhance access and equity in Technical Vocational Education and Training (TVET)
2. To promote institutional corporate governance
3. To enhance skills and expertise in Technical Vocational Education and Training (TVET) courses
4. To Create collaborations and linkages with labour markets and partners
5. To promote optimistic attitude towards science, technical and research.

(c) Key Management

The entity's day-to-day management is under the following key organs:

- (1) The Principal/Accounting Officer
- (2) The Deputy Principal
- (3) Head of Departments
- (4) Finance Officer

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mr Michael Maina
3	Deputy principal Academics	Mr Daniel Manthi
4	Registrar	Mr Oristar Wambua
5	Dean of students	Ms Lucy Wambua
6	Head of Finance	Mr Shadrack Maleve

(Include all positions regarded as top management in your organisation).

(e) Fiduciary Oversight Arrangements

Finance committee of the BOG

The Committee shall exercise all the powers of Board of Governors in financial matters except in relation to the items which are reserved to Board of Governors in these Standing Orders, on which the Committee shall advise Board of Governors.

Terms of Reference

The role of the Committee shall be to monitor the financial status of the Institute on behalf of Board of Governors. In addition to advising Board of Governors on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the Institute's strategy with regard to financial matters.
- b) To receive reports from the Principal and the accounts Officer.
- c) To monitor implementation of the strategy for the Institute estate.
- d) To receive reports of the extent and condition of the Institute estate including the efficiency of space utilisation, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for Institute services and facilities.
- g) To supervise the financial administration of the Institute and make recommendations to Board of Governors where appropriate.
- h) To supervise the arrangements for safeguarding the Institute's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the Institute's intellectual property.
- l) To make recommendations to Board of Governors on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Institute.
- n) To supervise the Institute's purchasing procedures and practices.
- o) To submit an annual statement on its activities to Board of Governors.
- p) To keep under review the activities of the Institute's various department

Academic committee activities

The academic committee of the Board is entrusted with the following roles and functions:

- a. To satisfy itself regarding the content and academic standard of any course of study in respect of any diploma, certificate or other award and to report its findings thereon to the Board.
- b. To propose regulation for consideration by the Board regarding the eligibility of persons for admission to a course of study,
- c. To propose regulations for consideration by the Board regarding the standard of proficiency to be gained in each examination for a Diploma, certificate or other award.
- d. To approve programmes of study, regulate admission of persons to NUU TVC and determine their continuance or discontinuation in such programmes.
- e. To determine the Academic policy of NUU TVC and to advise the Board on the provision of facilities to carry out that policy,
- f. To direct and regulate the teaching and instruction within the Institute subject to the powers of the Board.

Management Committee Activities

The main purpose of the Senior Management Team is to:

- 1) Ensure that NUU TVC's Board of Governors is able to take strategic decisions relating to NUU TVC's activities
- 2) Provide leadership in communicating NUU TVC's mission, values, plans and achievements effectively and consistently to Board of Governors Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- 3) Be accountable for the development and implementation of NUU TVC's strategic, corporate and business plans in line with the mission and values;
- 4) Take a strategic overview of performance in all areas of NUU TVC's activities.

Specifically the Senior Management Team:

- 1) Makes recommendations to the Council on the implementation and achievement of the Board of Governors' Strategic Framework;
- 2) Agrees NUU TVC's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- 3) In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- 4) Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of NUU TVC, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- 5) Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organisation and regularly reviewing the corporate risk register;
- 6) Oversees and monitors NUU TVC's joint work with the other stakeholders
- 7) Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the Board of Governors and/or its relevant Committees.
- 8) Leads all senior managers in motivating and developing NUU TVC staff to deliver the highest standards of performance and customer service.

Audit Committee

The activities of the Audit Committee include:

- a. **Governance initiatives:**
Review and provide oversight on governance initiatives established by the BOG and maintained by the organization.
- b. **Risk management:**
Review and provide oversight on the establishment, implementation, maintenance, and effectiveness of risk assessment, risk management, and risk reporting practices.
- c. **Internal control framework:**
Review and provide oversight on the organization's internal control framework. Keep informed on all significant matters arising from work performed by any governance, risk, and control assurance providers.
- d. **Audit activity:**
Approve and periodically review the organizational audit policy. Review and approve an internal audit plan. The audit plan should be risk-based and supported by appropriate risk assessments.
- e. **Follow up on management action plans:**
The audit committee shall review regular reports on implementation status of approved management action plans resulting from prior internal audit recommendations.
- f. **Financial statements and public accountability reporting:**
The audit committee shall review and provide advice to the BOG on the key financial management and performance reports and disclosures issued to the public.

Government oversight activities

The Government of Kenya's oversight role include provision of Grants for both Operations and Development as well as provision of the regulatory framework.

The audit of the Instructional activities is undertaken by the Office of the Auditor General.

Key Entity Information and Management (Continued)

(f) Entity Headquarters

P.O. Box 376-90400
Nuu Technical and Vocational College Building
Off Mwingi-Garisa Highway, two km from Nuu town KENYA

(g) Entity Contacts

Telephone: (254) 758001730/724114703
E-mail: nuutvckitui@gmail.com
Website: www.nuutechnicalandvocationalcollege.go.ke

(h) Entity Bankers

1. Kenya Commercial Bank(KCB)
Mwingi Branch
A/C No.1254590196



(i) Independent Auditors




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




(j) Principal Legal Adviser

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




II. The Board of Governors

No.	Member/ Director	Details
1.	 <p data-bbox="300 770 692 860">Mr. Michael Nduli Chairman Board of Governors</p>	<p data-bbox="847 562 1358 707">Chairman Board of Governors Bachelors of arts (Building Economics) Bachelor of law</p>
2.	 <p data-bbox="300 1458 528 1547">Ibrahim M. Roble BOG member</p>	<p data-bbox="847 1196 1238 1267">Masters of Arts (Planning and Management)</p>

<p>3.</p>	 <p>John M. Ndirangu BOG member</p>	<p>Bachelors of Business Management</p>
<p>4.</p>	 <p>Kennedy Mwendwa BOG member</p>	<p>Bachelor of Science(Civil and Industrial Construction)</p>
<p>5.</p>	 <p>Brenda A. Ndede BOG member</p>	<p>Bachelor of Commerce (banking)</p>

<p>6.</p>	 <p>Mary K. Marete BOG member</p>	<p>Bachelor of Commerce (Marketing)</p>
<p>7.</p>	 <p>Matilda F. Mulwa BOG member</p>	<p>Bachelor of Commerce (Accounting and Marketing)</p>
<p>8.</p>	 <p>Mr. Michael Maina Principal/Secretary BOG</p>	<p>Principal/ Secretary BOG Bachelors of Education</p>

III. Management Team

No.	Member/ Director	Details
1.	 Michael Maina Principal	Overall in Charge of Institute Affairs
2.	 Mr Daniel Manthi Deputy Principal	Planning, Administration & Finance
3.	 Mr Shadrack Maleve Finance officer	Financial management of the college

IV. Chairman's Statement

Preamble

NUU Technical and Vocational College was established with the aim of providing knowledge and skills to the people of the larger Kitui and beyond. The mandate of the Institute is to train, impart skills, knowledge and institutionalize effective research and development geared towards production of competent graduates who will contribute to high and sustainable socio-economic development.

Key Activities

During the FY-21/22, the Institute undertook the following activities:

1. Partnership with Nuu Sub-County Hospital, National and International bodies.
2. Undertook regional Athletics Championships

Successes

The Institute has been successful in the following areas:

- i. The attained trainee's enrolment of 204.
- ii. Bought 30 metallic chairs for trainees.
- iii. Bought 10 whiteboard
- iv.

Challenges

During the FY -21/22 the Institute faced the following challenges:

- i. Inadequate water supply
- ii. Inadequate physical Infrastructure- lecture rooms, workshops, hostels, and staff houses.
- iii. In adequate Land for expansion
- iv. In adequate staff , both trainers and support
- v. Inadequate furniture
- vi. Delayed GOK funding

Way forward/ Future Outlook

In order to address the above challenges, the Institute has planned to carry out the following activities during the FY 21/22

1. Construct Perimeter fence
2. Purchase furniture for ICT lab
3. Strengthen the Institute financial base through increasing trainee's admissions.

The Institute also plans to increase industrial linkages and partnerships so as to enhance training.

Finally it is the ambition of the Institute to increase the enrolment as the time goes by.

Signature



Michael Nduli
Board Chairman

V. Report of the Principal

Preamble

NUU Technical and Vocational College was established with the aim of providing knowledge and skills to the people of the larger Kitui County and beyond. The mandate of the Institute is to train, impart skills, knowledge and institutionalize effective research and development agenda geared towards production of competent graduates who will contribute to high and sustainable socio-economic development.

Key Activities

During the FY-21/22, the Institute undertook the following activities:

- I. Undertook exhibitions in TVET Fair and robotics, athletics and ball games

Successes.

- i. Increased gross trainee's enrolment from 107 to 204 trainees.
- ii. Planted 500 Seedlings donated by Equity Bank.
- iii. Cleared and levelled the football playground.
- iv. Added 30 more trainees' chairs.

Challenges

During the FY 21/22 the Institute faced the following challenges:

- i. **Inadequate water supply**
The Institute is located in a semi-arid area and hence we face major water challenge due to the inadequate and unreliable water supply.
- ii. **Infrastructure**
We are facing a major challenge in physical infrastructure due to the growing numbers. There is need for more classrooms, workshops, offices, hostels and staff houses.
- iii. **Inadequate land for expansion**
The Institute has limited land for expansion which is only 1.03 hectares.
- iv. **Inadequate staff**
The institute has inadequate teaching staff with some departments such as hair dressing & beauty therapy as well as food & beverage have no single trainer employed by the Public Service Commission. The college usually employ BOG trainers to train in such departments.
- v. **Inadequate furniture.**
Furniture for both teaching staff and trainees is inadequate due to the growing college population.
- vi. **Delayed GOK recurrent funds.**
The delayed disbursement of recurrent funds by the government affects the way the college implements its budget.
Our trainees come from poor background hence they are not able to meet all financial obligations.

Way forward/ Future Outlook

In order to address the above challenges, the Institute has planned to carry out the following activities during the FY 21/22

1. Drill a borehole in order to ensure the water supply is adequate and reliable
2. Construct a perimeter fence and gate to address the problem of uncontrolled entry points and boost security.
3. Construct hostels. This will help to increase enrolment of trainees.
4. To equip Electrical , Automotive, Building and Plumbing workshops
5. Fence the land. The remaining land that will not be covered by the perimeter wall will be fenced with a chain link.
6. Purchase furniture. More lecture chairs, desks and tables for staff and trainees will be purchased.
7. Strengthen the Institute financial base through increasing income generating activities. We shall seek collaborations and partnerships with National and County governments by writing proposals for donor funding

Financial Performance of the Institute

In the FY 21/22 the college targeted to raise A.I.A (Appropriation in Aid) of Kshs. **6,427,480**. By the end of the financial period the college had collected A.I.A amounting to Kshs **5,452,933**.

The college also plans to increase industrial linkages and partnerships so as to enhance training.

Signature.



Mr Michael Maina
Principal/ Secretary, BOG

XIII. Statement of Financial Performance for the year ended 30 June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	7,760,000	5,510,000
Grants from donors and development partners	7	0	0
Transfers from other levels of government	8	0	0
Public contributions and donations	9	0	0
		7,760,000	5,510,000
Revenue from Exchange transactions			
Rendering of services- fees from students	10	6,427,480	3,088,800
Sale of goods	11	0	0
Rental revenue from facilities and equipment	12	0	0
Finance income	13	0	0
Other income	14	0	0
Revenue from Exchange transactions			
Total Revenue		14,187,480	8,598,800
Expenses			
Use of goods and services	15	9,496,092	4,229,220
Employee costs	16	2,515,708	1,282,583
Board /Council Expenses	17	192,000	320,670
Depreciation and amortization expense	18	0	0
Repairs and maintenance	19	366,379	166,630
Contracted services	20	0	0
Grants and subsidies	21	0	0
Finance costs	22	0	0
Total Expenses		12,570,179	5,999,103
Other Gains/(Losses)			
Gain on sale of assets	23	0	0
Unrealized gain on fair value of investments	24	0	0
Impairment loss	25	(0)	(0)
Total Other Gains/(Losses)		0	0
Net surplus for the year		1,617,301	2,599,697
Attributable to:			
Surplus/(deficit) attributable to minority interest		(0)	(0)
Surplus attributable to owners of the controlling entity		0	0
		0	0

(The notes set out on pages 23 to 31 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 2 were signed by:



.....
Chairman of Council/Board


Date 03/05/2023



.....
Finance Officer

ICPAK No ASSOC/3580

Date 03/05/2023



.....
Principal

Date 3rd May 2023




XIV. Statement of Financial Position as at 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	1,612,274	4,557,020
Current portion of receivables from exchange transactions	27(a)	2,144,307	434,210
Receivables from non-exchange transactions	28	3,587,500	667,500
Inventories	29	0	0
Investments	30	0	0
		7,344,081	5,658,730
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	0	0
Investments	30	0	0
Property, plant, and equipment	31	0	0
Intangible assets	32	0	0
Investment property	33	0	0
Total Assets		7,344,081	5,658,730
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	34	265,851	742,331
Refundable deposits from customers	35	108,800	46,900
Current provisions	36	1,308,375	825,745
Finance lease obligation	37	0	0
Current portion of borrowings	41	0	0
Deferred income	38	0	0
Employee benefit obligation	39	0	0
Payments received in advance		0	0
		1,683,026	1,614,976
Non-Current Liabilities			
Finance lease obligation	37	0	0
Deferred income	38	0	0
Non-Current Employee Benefit Obligation	39	0	0
Non-Current Provisions	40	0	0

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Borrowings	41	0	0
Service Concession Liability	42	0	0
Deferred Tax Liabilities	49	0	0
		0	0
Total Liabilities		1,683,026	1,614,976
Net Assets		5,661,055	4,043,754
Reserves		1,617,301	2,599,697
Accumulated Surplus		4,043,754	1,444,057
Capital Fund		0	0
Total Net Assets and Liabilities		5,661,055	4,043,754

1

The Financial Statements set out on pages 31 to 54 were signed by:

		
.....
Chairman of Council/Board	Finance Officer	Principal
	ICPAK No ASSOC/3580	
Date 03/05/2023	Date 03/05/2023	Date 31 st May, 2023

XV. Statement of Changes in Net Asset for the year ended 30 June 2022

Description	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2020	0	0	1,444,057	0	1,444,057
Revaluation gain	0	0	0	0	0
Fair value adjustment on quoted investments	0	0	0	0	0
Total comprehensive income	0	0	2,599,697	0	2,599,697
Capital/development grants received during the year	0	0	0	0	0
Transfer of depreciation/amortisation from capital fund to Retained earnings	0	0	0	0	0
At June 30, 2021	0	0	4,043,754	0	4,043,754
At July 1, 2021	0	0	4,043,754	0	4,043,754
Revaluation gain	0	0	0	0	0
Fair value adjustment on quoted investments	0	0	0	0	0
Total comprehensive income	0	0	1,617,301	0	1,617,301
Capital/development grants received during the year	0	0	0	0	0
Transfer of depreciation/amortisation from capital fund to Retained earnings	0	0	0	0	0
At June 30, 2022	0	0	5,661,055	0	5,661,055

(Note:

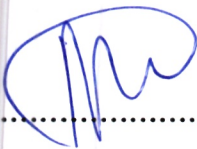


1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing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

XVI. Statement of Cash Flows for the year ended 30 June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants	6	4,172,500	5,975,000
Public contributions and donations	7	0	0
Rendering of services- fees from students	10	5,452,933	2,686,630
Sale of goods	11	0	0
Rental revenue from facilities and equipment	12	0	0
Finance income	13	0	0
Other income	14	0	0
Total Receipts		9,625,433	8,661,630
Payments			
Compensation of employees	16	2,515,708	1,282,583
Use of goods and services	15	9,496,092	4,229,220
Remuneration to BOG member	17	192,000	320,670
Repairs and maintenance	18	366,379	166,630
Taxation paid		0	0
Other payments		0	0
Grants and subsidies paid		0	0
Total Payments		12,570,179	5,999,103
Net Cash Flows from operating activities	43	(2,944,746)	2,662,527
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	31	0	0
Proceeds from sale of property, plant and equipment	32	0	0
Net cash flows used in investing activities		(0)	(0)
Cash flows from financing activities			
Proceeds From Borrowing		0	0
Repayment Of Borrowings		(0)	(0)
Deposits receipts		0	0
Net cash flows used in financing activities		(0)	(0)
Net Increase/(Decrease) in Cash and Cash equivalents		0	(0)
Prior year adjustment			(196,185)
Cash and Cash equivalents at 1 JULY	26	4,557,020	2,090,678
Cash and Cash equivalents at 30 JUNE	26	1,612,274	4,557,020

((IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation).

The Financial Statements set out on pages 23 to 31 were signed by:

		
.....
Chairman of Council/Board	Finance Officer	Principal
	ICPAK No ASSOC 2580	
Date 03/05/2023	Date 03/05/2023	Date 3 rd May, 2023

Nuu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2022

XVII. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other govt entities and govt grants	7,400,000		7,400,000	4,172,500	3,227,500	43.61%
Public contributions and donations	0		0	0	0	0%
Rendering of services- fees from students	4,785,600		4,785,600	5,452,933	(667,333)	13.94%
Sale of goods	0		0	0	0	0%
Finance income	0		0	0	0	0%
Other income	0		0	0	0	0%
Gains on disposal, rental income and agency fees	0		0	0	0	0%
Total Income	12,185,600		12,185,600	9,625,433	2,560,167	21.01%
Expenses						
Compensation of employees	2,748,000		2,748,000	2,515,708	232,292	8.45%
Use of goods and services	10,924,860		10,924,860	9,496,092	1,428,768	13.08%
Repairs and maintenance	500,000		500,000	366,379	133,621	26.72
Rent paid	0		0	0	0	0%
Remuneration of directors	940,000		940,000	192,000	748,000	79.57
Grants and subsidies paid	0		0	0	0	0%
Total Expenditure	15,112,860		15,112,860	12,570,179	2,542,681	16.82
Surplus For the Period	(2,927,260)		(2,927,260)	(2,944,746)	17,486	0.59%

(Budget notes)

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

XVIII. Notes to the Financial Statements

1. General Information

Nuu Technical and Vocational College is established by and derives its authority and accountability from TVET Act No.29 of 2013. Nuu Technical and Vocational College is under the Ministry of Education, State department of Technical and Vocational Training. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The college's principal activity is to train competent Human Resource for social economic development at TVET level.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the institute's accounting policies.

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

The financial statements have been prepared in accordance with the PFM Act No.18 of 24th July 2012, the State Corporations Act, the TVET Act 2013 and International Public Sector Accounting Standards (IPSAS). The Institution adopted IPSAS in the year 2019 following elevation into a SAGA. The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

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

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
<p>IPSAS 42:</p>	<p>Applicable: 1st January 2023</p>

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Standard	Effective date and impact:
Social Benefits	<p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p> <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer</p>

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Standard	Effective date and impact:
	<p>defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <p><i>State the impact of the standard to the Entity if relevant</i></p>
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the impact of the standard to the Entity if relevant</i></p>

iii. Early adoption of standards

(The entity) did not early-adopt any new or amended standards in year 2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by the Council or Board on *12/06/2021*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section *XVII* of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule *section sub-section a and b* of the *income tax* Act.

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

d) Investment property

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

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

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

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

e) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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

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

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

k) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity 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.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. NUU TVC does not maintain any reserves during the year under review.

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

The Entity 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.

o) 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.

p) 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.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

q) Related parties

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

r) Service concession arrangements

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

s) 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.

t) Comparative figures

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

u) Subsequent events

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

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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

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

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

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	5,760,000	3,510,000
Operational Grant	2,000,000	2,000,000
Other Grants	0	0
	7,760,000	5,510,000
Conditional Grants		
Library Grant	0	0
Hostels Grant	0	0
Administration Block Grant	0	0
Laboratory Grant	0	0
Learning Facilities Grant	0	0
Other Organizational Grants	0	0
Total Government Grants and Subsidies	7,760,000	5,510,000

(a) Transfers from other Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2020-2021
			Kshs	Kshs	Kshs
	State Department for vocational and Technical training	7,760,000	0	0	4,172,500
Total	7,760,000	0	0	4,172,500	5,975,000

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry. The details of the reconciliation have been included under appendix xxx)

Notes to the Financial Statements (Continued)

7. Grants from Donors and Development Partners

Description	2021-2022	2020-2021
	Kshs	Kshs
JICA- Research Grant	0	0
World Bank Grants	0	0
In-Kind Donations	0	0
Other Grants	0	0
Total Grants from Development Partners	0	0

Reconciliations of grants from donors and development partners

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance unspent at beginning of year	0	0
Current year receipts	0	0
Conditions Met - Transferred to Revenue	0	0
Conditions Yet To Be Met - Remain Liabilities	0	0

(Provide brief explanation for this revenue)

8. Transfers from Other Levels of Government

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfer from County XX	0	0
Transfer from XX University	0	0
Transfer from XX Institute	0	0
Total Transfers	0	0

9. Public Contributions and Donations

Description	2021-2022	2020-2021
	Kshs	Kshs
Public Donations	0	0
Donations from Local Leadership	0	0
Donations from Religious Institutions	0	0
Donations from Alumni	0	0
Other Donations	0	0
Total Donations and Contributions	0	0

(Provide brief explanation for this revenue)

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Notes to the Financial Statements (Continued)

10. Rendering of Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Fees	1,593,600	971,100
Activity Fees	576,000	175,500
Industrial Attachment Fees	40,000	0
Examination Fees	1,314,840	0
Local travel and transport	464,640	280,800
Medical and Insurance	134,400	81,900
Electricity, water and conservancy	864,000	526,500
Personal emolument	1,152,000	702,000
Repairs Maintenance and Improvement	288,000	351,000
Total Revenue from The Rendering Of Services	6,427,480	3,088,800

(Provide brief explanation for this revenue)

11. Sale of Goods

Description	2021-2022	2020-2021
	Kshs	Kshs
Sale of Books	0	0
Sale of Publications	0	0
Sale of Farm Produce	0	0
Cafeteria sales	0	0
Other	0	0
Total Revenue from Sale of Goods	0	0

(Provide brief explanation for this revenue)

12. Rental revenue from facilities and equipment

Description	2021-2022	2020-2021
	Kshs	Kshs
Hire of Facilities and Equipment	0	0
Contingent Rental	0	0
Operating Lease Revenue	0	0
Total	0	0

(Provide brief explanation for this revenue)

Notes to the Financial Statements (Continued)

13. Finance Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Cash investments and fixed deposits	0	0
Interest income from treasury bills	0	0
Interest income from treasury bonds	0	0
Interest from outstanding debtors	0	0
Total finance income	0	0

(Provide brief explanation for this revenue)

14. Other Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Insurance recoveries	0	0
Consultancy fees	0	0
Income from sale of tender	0	0
Services concession income	0	0
Reimbursements and refunds	0	0
Graduation fees	0	0
Miscellaneous (<i>specify</i>)	0	0
Total other income	0	0

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

Notes To The Financial Statements (Continued)

15. Use Of Goods And Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Teaching and learning materials	2,267,081	1,430,522
Industrial attachment costs	61,900	65,400
Bank charges	13,667	6,178
Water and internet	278,298	21,000
Performance Contracting	426,095	271,010
HELB refund	27,400	0
Activity	1,017,055	327,225
Administration expenses	2,448,026	515,155
Examination fees	1,259,920	467,120
KATTI	329,920	147,000
Travelling and accommodation	1,320,380	812,110
Advertising	40,000	158,700
Insurance	6,350	7,800
Legal expenses	0	0
Licenses and permits	0	0
Postage	0	0
Hire charges	0	0
Rent expenses	0	0
Skills development levies	0	0
Other (<i>specify</i>)	0	0
Total good and services	9,496,092	4,229,220

Notes to the Financial Statements (Continued)

16. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries	1,971,458	1,200,307
NHIF	79,450	69,250
NSSF	50,400	0
PAYE	2,500	13,026
Wages	411,900	0
Performance and other bonuses	0	0
Social contributions	0	0
Employee Costs	2,515,708	1,282,583

17. Board/Council Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Chairman's Honoraria	0	0
Directors Emoluments	0	0
Travelling Allowances	192,000	320,670
Other Board/Council Expenses	0	0
Total	192,000	320,670

18. Depreciation and Amortization expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	0	0
Intangible assets	0	0
Investment property carried at cost	0	0
Total depreciation and amortization	0	0

19. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs	Kshs
Property	366,379	166,630
Investment property – earning rentals	0	0
Equipment and machinery	0	0
Vehicles	0	0
Furniture and fittings	0	0
Computers and accessories	0	0
Total Repairs and Maintenance	366,379	166,630

Notes to the Financial Statements (Continued)

20. Contracted Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Actuarial valuations	0	0
Investment valuations	0	0
Property valuations	0	0
Total contracted services	0	0

21. Grants and Subsidies

Description	2021-2022	2020-2021
	Kshs	Kshs
Community Development	0	0
Education Initiatives and Programs	0	0
Social Development	0	0
Community Trust	0	0
Sporting Bodies	0	0
Total Grants and Subsidies	0	0

22. Finance Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Borrowings (Amortized Cost)*	0	0
Finance Leases (Amortized Cost)	0	0
Unwinding of Discount	0	0
Interest on Bank Overdrafts	0	0
Interest on Loans from Commercial Banks	0	0
Total Finance Costs	0	0

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

23. Gain On Sale of Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant and Equipment	0	0
Intangible Assets	0	0
Other Assets not capitalised	0	0
Total Gain On Sale of Assets	0	0

Notes to the Financial Statements (Continued)

24. Unrealized Gain on Fair Value Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
Investments at Fair Value	0	0
Total Gain	0	0

25. Impairment Loss

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant and Equipment	0	0
Intangible Assets	0	0
Total Impairment Loss	0	0

26. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Account	1,610,494	4,557,020
Cash in hand	1,780	0
Fixed Deposits Account	0	0
Staff Car Loan/ Mortgage	0	0
Others (Specify)	0	0
Total Cash and Cash Equivalents	1,612,274	4,557,020

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

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Notes To The Financial Statements (Continued)

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

Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank		1,610,494	4,557,020
Equity Bank, etc.		0	0
Sub- Total		1,610,494	4,557,020
b) On - Call Deposits			
Kenya Commercial Bank		0	0
Equity Bank – etc.		0	0
Sub- Total		0	0
c) Fixed Deposits Account			
Kenya Commercial Bank		0	0
Bank B		0	0
Sub- Total		0	0
d) Staff Car Loan/ Mortgage		0	0
Kenya Commercial Bank		0	0
Bank B		0	0
Sub- Total		0	0
e) Others(Specify)			
Cash in Transit		0	0
Cash in Hand		1,780	0
Mobile Money account		0	0
Sub- Total		1,780	0
Grand Total		1,612,274	4,557,020

27. Receivables from Exchange transactions

27(a) Current Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Student Debtors/HELB	2,144,307	434,210
Rent Debtors	0	0
Consultancy Debtors	0	0
Other Exchange Debtors	0	0
Less: Impairment Allowance	(0)	(0)
Total Current Receivables	2,144,307	434,210

27(b) Long- term Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	0	0
Advance Payments	0	0
Public Organizations	0	0
Less: Impairment Allowance	0	0
Total	0	0
Current Portion Transferred To Current Receivables	0	0
Total Non-Current Receivables	0	0
Total Receivables	0	0

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

Description	2021-2022	2020-2021
	Kshs	Kshs
At the beginning of the year	0	0
Provisions during the year	0	0
Recovered during the year	0	0
Write offs during the year	0	0
At the end of the year	0	0

Notes to the Financial Statements (Continued)

28. Receivables from Non-Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Capitation Grants*	2,587,500	667,500
Transfers from Other Govt. entities-Recurrent grant	1,000,000	0
Undisbursed Donor Funds	0	0
Other Debtors (Non-Exchange Transactions)	0	0
Less: Impairment Allowance	(0)	(0)
Total Current Receivables	3,587,500	667,500

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

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

Description	2021-2022	2020-2021
	Kshs	Kshs
At the beginning of the year	0	0
Additional provisions during the year	0	0
Recovered during the year	0	0
Written off during the year	0	0
At the end of the year	0	0

29. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable stores	0	0
Maintenance stores	0	0
Health Unit stores	0	0
Electrical stores	0	0
Cleaning Materials stores	0	0
Catering stores	0	0
Total Inventories at lower of Cost and Net Realizable Value	0	0

30. Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	0	0
CBK	0	0
Sub- Total	0	0
b) Investment with Financial Institutions/ Banks		
Bank X	0	0
Bank Y	0	0
Sub- Total	0	0
c) Equity Investments (Specify)		
Equity/ Shares in Company Xxx	0	0
Sub- Total	0	0
Grand Total	0	0

d) Shareholding in other entities

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

Name of Entity where Investment is Held	No of Shares			Nominal Value of Shares	Fair Value of Shares	
	Direct Shareholding	Indirect Shareholding	Effective Shareholding		Current Year	Prior Year
	%	%	%	Kshs	Kshs	Kshs
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
	0	0	0	0	0	0

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Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Specify)	Plant and equipment	Capital Work in progress	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2021	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-
At 30th June 2022	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
At 30th June 2022	-	-	-	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-	-	-	-
At 1 July 2021	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
At 30 June 2022	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-

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	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Specify)	Plant and equipment	Capital Work in progress	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Transfer/Adjustment	-	-	-	-	-	-	-	-
At 30th June 2022	-	-	-	-	-	-	-	-
Net Book Values	-	-	-	-	-	-	-	-
At 30th June 2022	-	-	-	-	-	-	-	-
At 30th June 2022	-	-	-	-	-	-	-	-

[Include Brief Description Of WIP As A Footer]

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). These amounts were adopted in the financial statements on xxx.

31 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	0	0	0
Buildings	0	0	0
Plant And Machinery	0	0	0
Motor Vehicles including Motorcycles	0	0	0
Computers and Related Equipment	0	0	0
Office Equipment, Furniture, And Fittings	0	0	0
Total	0	0	0

32. Intangible Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Cost		
At beginning of the year	0	0
Additions	0	0
At end of the year	0	0
Additions—internal development	0	0
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization	0	0
At end of the year	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0	0

Notes to the Financial Statements (Continued)

33. Investment Property

Description	2021-2022	2020-2021
	Kshs	Kshs
At beginning of the year	0	0
Additions	0	0
Disposal during the year	0	0
Depreciation	0	0
Impairment	0	0
At end of the year	0	0

(This note applies to investment property held at cost. For investment property held at fair value, changes in fair value should go through the statement of financial performance).

34. Trade and Other Payables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	0	0
Fees paid in advance	265,851	197,801
Salary deductions	0	0
Third-Party Payments-KNEC examinations	0	544,530
Other Payables	0	0
Total Trade and Other Payables	265,851	742,331

35. Refundable Deposits from Customers/Students

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumer deposits	0	0
Caution money	108,800	46,900
Other refundable deposits	0	0
Total Deposits	108,800	46,900

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Notes to the Financial Statements (Continued)

36. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning Of The Year	0	0	0	825,745	825,745
Additional Provisions	0	0	0	482,630	482,630
Provision Utilised	0	0	0	0	0
Change Due To Discount And Time Value For Money	0	0	0	0	0
Transfers From Non -Current Provisions	0	0	0	0	0
Total Provisions	0	0	0	1,308,375	1,308,375

37. Finance Lease Obligation

Description	2021-2022	2020-2021
	Kshs	Kshs
At the start of the year	0	0
Discount interest on Lease Liability	0	0
Paid during the year	0	0
At end of the year	0	0

Maturity Analysis

Period	Amount
	Kshs
Year 1	0
Year 2	0
Year 3	0
Year 4	0
Year 5 and Onwards	0
Less: Unearned Interest	0
	0

Notes to the Financial Statements (Continued)

Analysed as:

Description	Amount
	Kshs
Current	0
Non- Current	0
Total	0

38. Deferred Income

Description	2021-2022	2020-2021
	Kshs	Kshs
National Government	0	0
International Funding Bodies	0	0
Public Contributions and Donations	0	0
Total Deferred Income	0	0

The deferred income movement is as follows:

Description	National government	International funders/ donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	0	0	0	0
Additions during the year	0	0	0	0
Transfers to capital fund	0	0	0	0
Transfers to income statement	0	0	0	0
Other transfers	0	0	0	0
Balance carried forward	0	0	0	0

Analysed as:

Description	Amount
	Kshs
Current	0
Non- Current	0
Total	0

Notes to the Financial Statements (Continued)

39. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2021-2022	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0	0	0	0	0
Non-Current Benefit Obligation	0	0	0	0	0
Total Employee Benefits Obligation	0	0	0	0	0

Retirement benefit Asset/ Liability

The entity did not operate any defined benefit scheme for all full-time employees from July 1, 2021.

Description	2021-2022	2020-2021
	Kshs	Kshs
Discount Rates	0	0
Future Salary Increases	0	0
Future Pension Increases	0	0
Mortality (Pre- Retirement)	0	0
Mortality (Post- Retirement)	0	0
Withdrawals	0	0
Ill Health	0	0
Retirement	0	0

Notes to the Financial Statements (Continued)

Recognition of Retirement Benefit Asset/ Liability

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

Description	2021-2022 Kshs	2020-2021 Kshs
The return on defined plan assets	0	0
Actuarial gains/ losses arising from changes in demographic assumptions	0	0
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	0	0
Actuarial gains and losses arising from experience adjustments	0	0
Others (<i>specify</i>)	0	0
Adjustments for restrictions on the defined benefit asset	0	0
Remeasurement of the net defined benefit liability (asset)	0	0

b) Amounts recognised in the Statement of Financial Position

Description	2021-2022 Kshs	2020-2021 Kshs
Present value of defined benefit obligations(a)	0	0
Fair value of plan assets(b)	0	0
Funded status(=a-b)	0	0
Restrictions on asset recognised	0	0
Others	0	0
Net asset or liability arising from defined benefit obligation	0	0

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 400 per employee per month.

Notes To The Financial Statements (Continued)

40. Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	0	0	0	0	0
Additional Provisions	0	0	0	0	0
Provision utilised	0	0	0	0	0
Change due to discount and time value for money	0	0	0	0	0
Less: Current portion	0	0	0	0	0
Total deferred income	0	0	0	0	0

(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 34)

41. Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance at beginning of the year	0	0
External borrowings during the year	0	0
Domestic borrowings during the year	0	0
Repayments of external borrowings during the year	0	0
Repayments of domestic borrowings during the year	0	0
Balance at end of the year	0	0

41 a) Analysis of External and Domestic Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'	0	0
Sterling pound denominated loan from 'yyy organization'	0	0
Euro denominated loan from 'zzz organization'	0	0
Domestic borrowings	0	0
Kenya shilling loan	0	0
Total balance at end of the year	0	0

Notes to the Financial Statements (Continued)

41 b) Breakdown of Long and Short-Term Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
Short Term Borrowings(Current Portion)	0	0
Long Term Borrowings	0	0
Total	0	0

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

42. Service Concession Arrangements

Description	2021-2022	2020-2021
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	0	0
Net carrying amount	0	0
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	0	0
Service concession liability at end of the year	0	0

Notes to the Financial Statements (Continued)

43. Cash generated from operations

	2021-2022	2020-2021
Surplus for the year before tax	Kshs	Kshs
Adjusted for:	1,617,301	2,599,697
Depreciation	0	0
Non-Cash grants received	(0)	(0)
Contributed assets	(0)	(0)
Impairment	0	0
Gains and Losses on Disposal of Assets	(0)	(0)
Contribution to provisions	482,630	825,745
Contribution to impairment allowance	0	0
Finance Income	(0)	(0)
Finance Cost	0	0
Working Capital Adjustments		
Increase in inventory	(0)	(0)
Increase in Receivables	(4,630,097)	(1,101,710)
Increase in Deferred Income	0	0
Decrease in Payables	(476,480)	292,395
Increase in Payments received in advance	61,900	46,400
Net Cash Flow from Operating Activities	(2,944,746)	2,662,527

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

44. Financial Risk Management

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

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

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in

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the statement of financial position are net of allowances for doubtful receivables, estimated by

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Notes to the Financial Statements (Continued)

The company's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions	434,210	434,210	0	0
Receivables from non-exchange transactions	667,500	667,500	0	0
Bank balances	4,557,020	4,557,020	0	0
Total	5,658,730	5,658,730	0	0
At 30 June 2022				
Receivables from exchange transactions	2,194,307	2,194,307	0	0
Receivables from non-exchange transactions	3,587,500	3,587,500	0	0
Bank balances	1,612,274	1,612,274	0	0
Total	7,394,081	7,394,081	0	0

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

44. Financial Risk Management (Continued)

(i) Credit risk (continued)

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

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

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

(ii) Liquidity risk management

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

Notes to the Financial Statements (Continued)

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade Payables	0	742,331	0	742,331
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	825,745	825,745
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	742,331	825,745	1,568,076
At 30 June 2022				
Trade Payables	0	265,851	0	265,851
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	1,308,375	1,308,375
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	265,851	1,308,375	1,574,226

44. Financial Risk Management (Continued)

(iii) Market risk

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

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

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

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

Notes to the Financial Statements (Continued)

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2022			
Financial Assets (Investments, Cash, Debtors)	7,394,081	0	7,394,081
Liabilities			
Trade and Other Payables	265,851	0	265,851
Borrowings	0	0	0
Net Foreign Currency Asset/(Liability)	7,128,230	0	7,128,230

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

44. Financial Risk Management (Continued)

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30th June 2022			
Financial Assets (Investments, Cash, Debtors)	7,394,081	0	7,394,081
Liabilities			
Trade and Other Payables	265,851	0	265,851
Borrowings	0	0	0
Net Foreign Currency Asset/(Liability)	7,128,230	0	7,128,230

a) Foreign currency sensitivity analysis

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

Notes to the Financial Statements (Continued)

	Change in currency rate	Effect on Profit before tax	Effect on Equity
	Kshs	Kshs	Kshs
2021			
Euro	10%	0%	0%
Usd	10%	0%	0%
2022			
Euro	10%	0%	0%
Usd	10%	0%	0%

b) Interest rate risk

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

Management of interest rate risk

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

44 Financial Risk Management (Continued)

(iii) **Market risk (Continued)**

b) Interest rate risk(continued)

Sensitivity analysis

The sensitivity analysis does not apply to the entity.

Notes To The Financial Statements (Continued)

iv)Capital Risk Management

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	1,617,301	2,599,697
Capital Reserve	0	0
Total Funds	1,617,301	2,599,697
Total Borrowings	0	0
Less: Cash and Bank Balances	(1,612,274)	(4,557,020)
Net Debt/(Excess Cash and Cash Equivalents)	5,027	(1,957,323)
Gearing	0.003%	1.89%

45. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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Notes to the Financial Statements (Continued)

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	0	0
Rent income from govt. agencies	0	0
Water sales to govt. agencies	0	0
Others (<i>specify</i>)	0	0
Total	0	0
B) Purchases from related parties		
Purchases of electricity from kplc	0	0
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. agencies	0	0
Others (<i>specify</i>)	0	0
Total	0	0
b) Grants /Transfers from the Government		
Grants from National Govt	4,172,500	5,551,000
Grants from County Government	0	0
Donations in Kind	0	0
Total	4,172,500	5,551,000
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for XX Employees	0	0
Payments for Goods and Services for XX	0	0
Total		
d) Key Management Compensation		
Directors' emoluments	192,000	320,670
Compensation to Key Management	0	0
Total	192,000	320,670

46. Segment Information

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

Notes to the Financial Statements (Continued)

47. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	0	0
Assets arising from determination of Court Cases	0	0
Reimbursable Indemnities and Guarantees	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

Contingent Liabilities

Description	2021-2022	2020-2021
	Kshs	Kshs
Contingent Liabilities	0	0
Court Case Xxx against (<i>The Entity</i>)	0	0
Bank guarantees in favour of subsidiary	0	0
Contingent liabilities arising from Contracts including PPPs	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

(Give details)

48. Capital Commitments

Capital Commitments	2021-2022	2020-2021
	Kshs	Kshs
Authorised for	0	0
Authorised and Contracted for	0	0
Total	0	0

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

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Notes to the Financial Statements (Continued)

49. Deferred Tax Liability

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

Description	2021-2022	2020-2021
	Kshs	Kshs
Accelerated Capital Allowances	0	0
Unrealised Exchange Gains/(Losses)	0	0
Revaluation Surplus	0	0
Tax Losses carried forward	0	0
Provisions for Liabilities and Charges	0	0
Net Deferred Tax Liability/(Asset)	0	0
The movement on the deferred tax account is as follows:		
Balance at beginning of the year	0	0
Credit to revaluation reserve	0	0
Under provision in prior year	0	0
Income statement charge/(credit)	0	0
Balance at end of the year	0	0

[In ordinary circumstances public sector entities under IPSAS are not expected to pay taxes. However, in specific cases where this is applicable an organisation is supposed to seek guidance on accounting for income taxes from IAS 12]

50. Events After The Reporting Period

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

51. Ultimate And Holding Entity

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

52. Currency

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

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XIX. 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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Presentation and accuracy of the Financial Statements	The management has corrected the errors in the financial statements	Resolved	
	Non- Compliance with the procurement Act in Use of goods and services	The management has started adhering to the Procurement Act during procurement.	Resolved	
	Inappropriate Recruitment process for trainers	The management is the process of preparing staff establishment policy.	Not resolved	30/12/2022

Guidance Notes:

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

Name: Michael Maina
Accounting Officer



Nuu Technical and Vocational College
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(Nuu Technical and Vocational college
Date

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Appendix II: Projects Implemented by Nu Technical and Vocational College.

Projects

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

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

Status of Projects completion

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

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



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Appendix III- Inter-Entity Confirmation Letter



NUU TECHNICAL AND VOCATIONAL COLLEGE

P.O. Box 376 - 90400, Mwingi. Tel: 0758 001 730

Email: nuutvckitui@gmail.com

Website: www.nuutechnicalandvocationalcollege.ac.ke



*Nuu Technical and Vocational College
P.o Box 376-90400
Mwingi.*

The *department of technical education* wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by NuU Technical and Vocational college as at 30 th June 2022							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022			Total (D)=(A+B+C)	Amount Received by [beneficiary Entity] (KShs) as at 30 th June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)			
	18/11/2021	1,042,500	0	0	1,042,500	1,042,500	0
	23/11/2021	500,000	0	0	500,000	500,000	0
	23/11/2021	500,000	0	0	500,000	500,000	0

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DTE/CAP 9/33/(120)	02/03/2022	1,042,500	0	0	1,042,500	1,042,500	0
DTE/ CAP 9/33 (124)	03/06/2022	1,087,500	0	0	1,087,500	1,087,500	0
Total		<u>4,172,500</u>			<u>4,172,500</u>	4,172,500	

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

Head of Accountants department of beneficiary Entity:

Name Sign Date

Appendix IV: Reporting of Climate Relevant Expenditures

Name of the Organization: Nuu Technical and Vocational College
 Telephone Number: 0758001730
 Email Address: nuutvckitui@gmail.com
 Name of principal: Michael Maina

Name and contact details of contact person
 Michael Maina
 0715308670

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

Appendix V: Disaster Expenditure Reporting Template

Date: N/A						
Entity: N/A						
Period to which this report refers (FY)	Year N/A			Quarter N/A		
Name of Reporting Officer	N/A					
Contact details of the reporting officer:	Email N/A			Telephone N/A		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments