

REPUBLIC OF KENYA



Enhancing Accountability

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THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 30 JUL 2023 DAY: Wednesday

TABLED BY: The Deputy Majority leader
(Hon. Owen Bayo, CBS, MP)

CLERK AT THE TABLE: Irene Nduku

REPORT

OF

THE AUDITOR-GENERAL

ON

**TOTAL TECHNICAL AND VOCATIONAL
COLLEGE**

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



TOTAL TECHNICAL AND VOCATIONAL COLLEGE.

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
TVET	Technical and vocational education training.
Fiduciary Management	Key management personnel who have financial responsibility in the entity

2. Key Entity Information and Management

(a) Background information

Total Technical and Vocational College established and registered on 2019 under the TVET Act 2013 Act. The entity is domiciled in Kenya situated in Kuresoi North Constituency, Kamara Division. The institution is located in serene environment conducive for learning just off Nakuru Eldoret road near Mau summit interchange.

(b) Principal Activities

The principal activity of the college is to offer technical and vocational education trainings in Diploma, Certificate and Artisan as per TVET ACT 2013.

MISSION

To provide technical and vocational education through training and research that promotes creativity, innovation and incubation for the advancement of society.

VISSION

Committed to be top rated college for technical and vocational education in Kenya.

(c) Key Management

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

- Board of Governors/ Council/ Management etc.
- Accounting officer/ Principal
- Management

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	JOSEPH WAIHARO
2.	Deputy principal Finance	EMMY SERONEY
3	Deputy principal Academics	-
4	Registrar (s)	DOMINIC KIPKOECH
5	Dean of students	PETER MWANGI MBUGUA
6	Head of Finance	BENARD KOSKEI
7	Head of Procument	MERZY CHEBET

Key Entity Information and Management

(e) Fiduciary Oversight Arrangements

The TVET Act requires that the BOG should nominate the committee members which will act as fiduciary oversight.

A max of four committees but normally three committees would work.

Each sub-committee should have a chair and two members.

- Mandatory committee are

1. Audit and Risk management committee
2. Finance and projects committee merged together
3. Education training can merge with HR. Committee or
 - a. Finance and HR
 - b. Education, Training and Infrastructure/Projects.

For a member to be nominated in any committee he/she should be qualified.

The chair of the sub-committee cannot be a chair of any other committee but the committee member can be a chair of another committee.

The principal can't attend the Audit and Risk committee but can attend the sub-committees as an ad

1. Audit and Risk management committee.

The following were members for various committee:

1. Audit and Risk management committee.

- Chair - Judith Atieno
 - Member – Sammy Kangea
 - Member - Dr. Moses Agumba
2. Finance and Project.
 - Chair – Caroline Chesang
 - Member – Judith Atieno
 - Member - Eng. Daniel Sacho

3. Education Training and HR Committee

- Chair - Dr. Moses Agumba
- Member – Caroline Chesang
- Member – Eng. Daniel Sacho

(f) Entity Headquarters

Total technical and vocational college.
P.O. Box 4223 Nakuru.
Along Nakuru Eldoret Road Mau summit Interchange.
KENYA.

(g) Entity Contacts

Telephone: (254) 741769520.
E-mail: totalinstitute@yahoo.com

(h) Entity Bankers

Equity bank.
P.O Box 396,
Litein








(i) Independent Auditors

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






(j) Principal Legal Adviser

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

3. The Council/Board of Governors

No.	Member/ Director		Details
1.	BOG Chairman GEOFFRY TANUI		<ul style="list-style-type: none"> - Holder of degree in Electrical Engineering - 8 years' experience as Electrical Operation Manager. - Chairing of board meeting
2.	BOG Member JUDITH ACHIENG ATIENO		<ul style="list-style-type: none"> - Holder of degree - 4 years. experience as a banker - Nominated to represent industry and chair audit and risk management. - monitor financial spending in the college
3.	BOG Member DR. MOSES AGUMBA		<ul style="list-style-type: none"> - Holder of PHD - 15years experience as a lecturer. - Nominated on leadership and management. - chairs education training and human resource committee which ensure curriculum implementation.
4.	BOG Member CAROLINE CHESANG		<ul style="list-style-type: none"> - Holder of degree - 1 year. experiences as a Manager in Madison investment - Nominated on technology and member of education training committee.
5.	Secretary Board JOSEPH WAIHARO		<ul style="list-style-type: none"> -Holder of Master in business administration (strategic management). - Principal to the college and secretary to the board
6.	BOG Member ENG. DANIEL SACHO		<ul style="list-style-type: none"> - Holder of degree - 10 years' experience as an engineer. -Nominated on engineering and member on finance and projects.
7.	BOG Member SAMMY THUO KANGEA		<ul style="list-style-type: none"> - Holder of Master's degree business administration. -15years as Finance officer - Nominated on finance

4. Key Management Team

<i>SN.</i>	<i>Member/ Director</i>		<i>Details</i>
1.	JOSEPH WAIHARO		<ul style="list-style-type: none"> - Principal/College accounting officer - Recruitment college staff - Overseeing daily operations of the college - Secretary to Board of governors - Implementation of BOG decisions
2.	EMMY SERONEY		<ul style="list-style-type: none"> - Deputises Principal - Supervises learning.
3.	DOMINIC KIPKOECH		<ul style="list-style-type: none"> - Training land survey - Incharge of admissions
4.	PETER MWANGI MBUGUA		<ul style="list-style-type: none"> - Training electrical - Incharge of student welfare.
5.	BENARD KOSKEI		<ul style="list-style-type: none"> - Preparation of books of account - Preparations of payroll - Preparation of supplier's payments


6.	MERZY CHEBET		<ul style="list-style-type: none">- Preparations of LPO and LSO- Issuing of goods at stores
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5. Chairman's Statement

In the financial year 2022-2023, college has experience progress in a number of areas key among them growth in number of students though mobilization by elected members of parliament and county assembly and marketing by staff and also increase in staff. To realize the importance of this growth there need to have team work with both board of management, management and other staff to prioritize and sequence our growth which will involve activities of setting up infrastructure and equipment to enable transfer of skills and knowledge to students.

Thanks to the ministry of education for enabling us to recruit trainers who were seconded by board for employment by public service commission imitative which has brought process in college. Through capitation, it has enabled the college to run its programmes by impacting youth with knowledge, skills and attitudes that are economically productive.

The report details college financial performance during the year which show the financial state of the college. College has dedicated staff who work tirelessly to support management in achieving its objective. We foresee a bright future where youth can come and acquire skills, knowledge for them to pursue their hope and dreams in an environment that is serene.


.....

CHAIRMAN, BOARD OF GOVERNORS.

6. Report of the Principal

Total technical and vocational college has continued to operate amidst challenges it's facing during the year. We have taken the deliberate attempt to increase our enrolment through various marketing strategies which we have seen some improvement in numbers and we are on track to achieve more. We give our best in making our student absolute priority by committing to give our best services to our students. This has been reflected in the results achieved by our students in various series of past exams. The new purpose is set out is by servicing student every day and these have been our guiding actions we are taking and have been instrumental in making total the place it is today. We continuously investing in training equipment and materials to add tuition hours for student in theory and practical endeavours as we prepare for examination. This approach has served us well and as result showed, we believed we will continue to get good results for our student in future.

Our transformation programmes are not only in the lecture halls but also in sport areas which we allow our student to participate in co-curriculum activities. We will continue to increase the capacity of our staff to be able to assist the teaching staff in ensuring they are able to discharge their main mandate of providing technical and vocational skills to students.

Our progress has been led by commitment and passion demonstrated by our staff at all levels. Annual report has given glimpse into how far college has come in pursuit of its mandate.



.....
PRINCIPAL.

7. Statement of Performance against Predetermined Objectives

(Total technical and vocational college strategic pillars and objectives for current and future Plans to thriving on for it to be successfully in its mandate and remain a competitive college within the county. These strategic pillars are as follows:

Pillar 1: Communication and public relations

Pillar 2: Marketing of college

Below are interventions undertaken as indicated in the diagram below

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Communication and public relations	-To develop effective and efficient communication systems at all level to enhance the image and visibility of college	-Improve institution	- To improved image of institution through print media and other channels	- To be done often and develop website
Marketing	-Inculcate appreciative culture in the community for roles of college Services and programmes they can improve community	-Increased in student enrolment	-Sensitizing society and student completing of high school on impotence of TVET courses	-Doing community outreach, school nearby visit to showcase and educate on courses offered.

8. Corporate Governance Statement

The board is appointed by the Government of Kenya through Cabinet Secretary Ministry of education to oversee its interest in long term and overall success in business and its financial strength to discharge its mandate in training. The board serves as the ultimate decision-making body of the institution except matters reserved to or shared with the ministry of education.

Total technical and vocational College Board of governors derive its powers from the Acts of parliament, recognises its accountability to the government and the public at large and therefore its values of honesty, openness and integrity in its undertaking.

Board consists of one executive member and nine non-executive members. Members of the board are drawn from different professional backgrounds hence bringing in different skills and knowledge.

The principal carries out day-to-day activities of the college on behalf of the board, however the board retains its role of accountability to the government to ensure the college is managed professionally.

Board meeting

There are at least three meetings in a year as per TVET Act of 2013. The chairperson presides over every meeting at the time when present, but in case of his absence members present may elect one to preside among themselves. The quorum of the board is seven members which include five appointed members. Subcommittee meetings are held from time to time depending on the need. At its regular meetings, the board's considerations include:

- Progress of academic programmes.
- Institute resources and general management.
- Financial statements

On expiry of the tenure of the board, the process of appointing a new board of management is laid out in the TVET Act 2013 and shall be followed.

Under the TVET Act, the functions of the board as set out under section 28(1) shall include:

- i. Overseeing the conduct of education and training in the institution in accordance with the provisions of the act and any other written laws.
- ii. Promote and maintain standards, quality and relevance in education and training in the institution in accordance with the act and any other written laws.
- iii. Administering and managing the property of the institutions.
- iv. Developing and implementing the institution's strategic plans.
- v. Preparing annual estimates of revenues and expenditures for the institutions and incurring expenditures on behalf of the institution, fees, grants, subscriptions, donations, bequests or any other money disbursement to the institution or other bodies or persons.
- vi. Determining fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under these provisions of the act.
- vii. Developing and reviewing programmes for training and making presentations to the board thereon.
- viii. Regulating the admission and exclusion of the student from the institution subject to the regulatory framework.
- ix. Approving collaborations and associations with other institutions and industries in and outside Kenya.
- x. Recruiting and appointing of trainers from among the qualified professionals and instructors and remunerating staff.
- xi. Making regulations governing organisations, conduct and discipline of staff and students.
- xii. Preparing a comprehensive report in all areas of mandate, including education and training services and submitting the same to the board.
- xiii. Providing for the welfare of students and staff.
- xiv. Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in school.
- xv. Discharging all other functions conferred by the act.

Board accountability.

Total Technical and Vocational College.
Annual Report and Financial Statements for the year ended 30th June 2023

Despite delegating its duties to various committee, the board is fully aware of its accountability to the government of Kenya.

Resignation of appointment, revocation of appointment and vacant of office.

Total technical and vocational college applies the provisions of the second schedule of TVET act when dealing with resignation of appointment and vocation of board of members.

Board succession planning.

The board tenure is three years and the existing members can be renominated for another term except chairman. College has kept Curriculum's vitae for those who have been identified has potential and therefore easy to replace when vacancy arises.

9. Management Discussion and Analysis

In 2022/2023 ksh 3,746,000 (ksh 1,746,000 as capitation and ksh 2,000,000 as recurrent) against projected of ksh 8,000,000, fees collected amounted to ksh 4,970,580 against projected ksh 6,244,000.

In summary:

Year	Budget	Actual	Utilisation
30th June 2023			
Receipts	14,244,000	9,016,580	63%
payments	14,244,000	8,848,380	62%

There are major areas of concern;

- 1) Low student numbers- this can be achieved through several marketing initiative and hopeful it will boost student enrolment.
- 2) We are dependent upon the disbursement of fund from the ministry for our budget execution failure to receive in time our operation will be affected.
- 3) It's not possible to reclaim capitation for past years which was not disburse.
- 4) The majority of our revenues is derived from limited number of sources. During the year ended 30 June 2023,
 - Fees collection is 55.1% of the total revenues collected.
 - Capitation received is 19.35% of the total revenues collected.
 - Recurrent grant received is 22.18% of the total revenues collected.

10.Environmental And Sustainability Reporting Statement

As total technical and vocational college we are committed to the high standard of corporate citizenship. Our culture and values are rooted in service, integrity and taking responsibilities for our actions and reputations. We impart skills to trainees and they are intended to empower trainees with employable skills and connect people with employment opportunities and make a difference in the communities in which they live and work.

Sustainability strategy and profile

As total technical and vocational college we recognise that our operations impact directly and indirectly very many lives and livelihoods. We constantly update our stakeholders on development on our mandate as vocational training and ensure we are well equipped to provide information that is helpful and timely for decision making.

Environmental performance

As total technical and vocational college, we recognise the share responsibility to protect our environment. Although our facilities and operations have small ecological damage. We will reduce the environmental impact of our business through preservation, conservation and waste reduction practises.

Employee welfare

As total technical and vocational college we take seriously our responsibilities to protect, support and prepare for successful careers and advocate on their behalf. Our efforts are focused on providing career opportunities and resources to the workforce through workplace safety, health and wellness, diversity and inclusion, training and development. We believe in the opportunity for all and equal employment for all, equal employment opportunity, protect of human right and continuous development and capacity building of staff.

Market place practices-

We envisage to partner with the organisation in the community where we are located to improve lives and society as a whole by engaging in various activities, reserving procurement opportunities for quotas to various level in the society so as to improve business level near institution.

Corporate Social Responsibility / Community Engagements

We are individually and collectively accountable for upholding our corporate social responsibility commitments. We encourage participation across organisation and we will work with external stakeholders to continuously contribute for impacting and improving skills and abilities and ensure actions are socially and ethically responsible.

11. Report of the Council/Board of Governors

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

Principal activities

The principal activities of the entity are to offer technical and vocational education training to level of diploma.

Results

The results of the entity for the year ended June 30 are set out on page 1-8


Council/Board of Governors

The members of the Board /Council who served during the year are shown on page VI. During the year 2021 two Council/Board of Governors namely Steven Kipkenda Kiplagat and Samwel Wairimu never shown Interest and were replaced by and Sammy Thuo Kangea.

Auditors

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

By Order of the Board


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

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

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)) require the council members to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of the entity at the end of the financial year/period and the operating results of the entity for that year/period. The Council members are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The council members are also responsible for safeguarding the assets of the entity.

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

The Council members accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act) – entities should quote applicable legislation as indicated under). The council members are of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the principal has assessed the college ability to continue as a going concern (disclose as applicable, matters relating to the use of going concern basis of preparation of the financial statements.) OR

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

Approval of the financial statements

The college financial statements were approved by the Board on 11/21/2023 2023 and signed on its behalf by:

Total Technical and Vocational College.

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

Dm

.....
Name *Daniel Mutai*
Chairperson of the Board/Council

R. K. K.

.....
Name *DANIEL KANHORO*
Accounting Officer/Principal

REPUBLIC OF KENYA

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Enhancing Accountability

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Total Technical and Vocational College set out on pages 1 to 52, which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual

amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Total Technical and Vocational College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and Technical and Vocational Education and Training Act and the Public Finance Management Act, 2012

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of changes in net assets reflects amounts of Kshs.71,324,519 and Kshs.62,381,862 in respect of capital fund and total net assets respectively. However, the recomputed balances are Kshs.57,571,239 and Kshs.48,268,082 resulting to unexplained and unreconciled variances of Kshs.13,753,280 respectively.

The statement of cash flows reflects use of goods and services amount of Kshs.5,120,600. However, the corresponding Note 15 to the financial statements reflects a balance of Kshs.5,485,600 resulting to unexplained and unreconciled variance of Kshs.365,000.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Unsupported Expenditure on Airtime

The statement of financial performance reflects use of goods and services of an amount Kshs.5,485,600 which includes a balance of Kshs.165,200 in respect of airtime expenses paid to the administrative staff, as disclosed in Note 15 to the financial statements. However, review of the supporting documents including payment vouchers revealed that the amounts were not supported with Board approvals and finance regulations supporting applicable rates and approved list of beneficiaries. Further, the entity did not have policy guidelines on the expenditure of airtime stipulating airtime entitlement for each job group and its limit.

In the circumstances, the accuracy and completeness of airtime expenses amounting to Kshs.165,200 could not be confirmed.

3. Unsupported Employee Cost

The statement of financial performance reflects employee cost of an amount of Kshs.2,969,620 as disclosed in Note 16 to the financial statements. However, the

Report of the Auditor-General on Total Technical and Vocational College for the year ended 30 June, 2023

expenditure was not supported with documents including the payrolls and the relevant schedules.

In the circumstances, the accuracy and completeness of employee costs amounting to Kshs.2,969,620 could not be confirmed.

4. Unsupported Board Expenses

The statement of financial performance reflects Board expenses amounting to Kshs.182,000 as disclosed in Note 17 to the financial statements. However, the board expenses were not supported with documents including board members attendance register and meeting notices.

In the circumstances, the accuracy and completeness of Board expenses amounting to Kshs.182,000 could not be confirmed.

5. Unsupported Inventories Balance

The statement of financial position reflects inventories balance of Kshs.803,738 as disclosed in Note 29 to the financial statements. However, the balance was not supported with stock taking report at the close of the financial year. This is contrary to Section 162(2) of Public Procurement and Assets Disposal Act, 2015.

In the circumstances, the accuracy and completeness of the inventories balance of Kshs.803,738 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.14,244,000 and Kshs.9,016,580 respectively, resulting to an under-funding of Kshs.5,227,420 or 37% of the budget. Further, the statement reflects that the College spent an amount of Kshs.8,848,380 against actual receipts of Kshs.9,016,580 resulting to an under-absorption of Kshs.168,200 or 2% of the actual receipts.

The under-funding and under-absorption affected the planned activities of the College and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to communicate in my report.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of the Financial Statements

The financial statements of the College for the year ended 30 June, 2023 were submitted to the Auditor-General on 24 February, 2025, which is seventeen (17) months after the statutory requirement to submit not later than 30 September, 2023. This is contrary to Section 47 (1) of the Public Audit act, 2015 which states that the financial statements

Report of the Auditor-General on Total Technical and Vocational College for the year ended 30 June, 2023

required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor - General within three months after the end of the fiscal year to which the accounts relate.

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

2. Non-Compliance with Procurement Law and Regulations

The statement of financial performance reflects use of goods of an amount of Kshs.5,485,600 as disclosed in Note 15 to the financial statements. The expenditure includes an amount of Kshs.397,000 in respect of various supplies of goods and services. However, review of the supporting documents for the latter expenditure including payment vouchers to various suppliers revealed that the procurement of goods and services did not comply with the respective procurement laws and regulations including direct procurement, single sourcing and payments to non-prequalified suppliers. Further, the payments were not supported with the relevant procurement documents.

In the circumstances, the College may not have obtained value for money for the expenditure on use of goods and services of Kshs.397,000.

3. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

Review of the College's financial statements revealed the following presentation and disclosure anomalies;

- i. The numbering of the Notes to the financial statements does not correspond with the respective financial statements.
- ii. The summary of significant accounting policies did not include the name of the College as required. Further, information on policies relating to taxes, investment property and impairments have information indicated as Nil instead of the actual amounts or balances involved.

In the circumstances, Management did not comply with the reporting template as prescribed by the Public Sector Accounting Standards Board (PSASB).

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

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

Basis for Conclusion

1. Weaknesses in Imprest Management

The statement of financial performance reflects use of goods and services amount of Kshs.5,485,600 which includes a balance of Kshs.1,567,670 in respect of travelling and accommodation, as disclosed in Note 15 to the financial statements.

However, review of the supporting documents including payment vouchers revealed that the College did not maintain an imprest register as part of the controls to monitor and manage the issuance of imprest to various staff. Further, there was no formal application of imprest through imprest warrants and the recommended surrender for imprests issued was not done and back to office reports were also not provided for the various trainings/activities attended. In addition, there was no approved transport policy clearly defining the applicable rates of fare for official journeys made by officers of the College.

In the circumstances, the effectiveness of internal controls related to imprest management could not be confirmed.

2. Lack of Approved Policies

During the year under review the College did not have effective internal control measures and approved policies such as risk management policy, disaster recovery plan, IT strategic plan and an approved IT security policy. Further, the College did not have a well-staffed procurement department as required by the law.

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

3. Lack of Human Resource Policy

The statement of financial performance reflects employee costs amounting to Kshs.2,969,620 as disclosed in Note 16 to the financial statements. During the year under review the College did not have in place an approved human resource policies and procedures manual to guide on minimum qualification or experience of staff, training and continuous development of employees and skills retention and monitoring of their competency. In addition, the College did not have an established salary structure that specifies the salary scales for employees at different cadres.

This is contrary to Section B.2 (1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which states that every Ministry/State Department shall prepare Human Resource Plans to support achievement of goals and objectives in their Strategic plans. The plans shall be based on comprehensive job analysis and shall be reviewed every year to address emerging issues and needs.

In the circumstances, Management may not be in a position to determine if the College has the optimal number of and sufficiently motivated staff to ensure effective service delivery to the public.

4. Lack of Board Charter, Work Plan and Board Self Evaluation

During the year the College did not have a Board charter which defines the role, responsibilities and functions of the Board in the governance of College. This is contrary to the Paragraph 1.11 (1) of the Mwongozo Code of Governance which states that the Board should develop and adopt a Board charter.

Further, the College did not have a Board work plan contrary to Paragraph 1.9 of Mwongozo Code of Governance.

In addition, the Board did not undertake an evaluation of the Board to appraise the performance of the individual Board members and the committees of the Board. This is contrary to Section 17 of the Mwongozo Code of Governance.

In the circumstances, the effectiveness of the operations and oversight of the Board of Governors could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of service and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 July, 2025

Report of the Auditor-General on Total Technical and Vocational College for the year ended 30 June, 2023

Total technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

14. Statement of Financial Performance For The Year Ended 30 June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	3,746,000	3,535,000
Grants from donors and development partners	7	0	0
Transfers from other levels of government	8	300,000	1,874,400
Public contributions and donations	9	0	0
		4,046,000	5,409,400
Revenue from Exchange transactions			
Rendering of services- fees from students	10	4,970,580	1,020,931
Sale of goods	11	0	0
Rental revenue from facilities and equipment	12	0	0
Finance income	13	0	0
Miscellaneous income	14	0	0
Revenue from Exchange transactions		4,970,580	1,020,931
Total Revenue		9,016,580	6,430,331
Expenses			
Use of goods and services	15	5,485,600	4,533,160
Employee costs	16	2,969,620	1,770,054
Board /Council Expenses	17	182,000	213,366
Depreciation and amortization expense	18	4,378,938	4,803,250
Repairs and maintenance	19	211,160	164,140
Contracted services	20	0	0
Grants and subsidies	21	0	0
Finance costs	22	0	0
Total Expenses		13,227,318	11,483,970
Other Gains/(Losses)			
Gain on sale of assets	23	0	0
Gain/ Loss on fair value of investments	24	0	0
Impairment loss	25	0	0
Total Other Gains/(Losses)		0	0
Net surplus/(deficit) for the year		(4,210,738)	(5,053,639)

(The notes set out on pages 9 to 51 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 8 were signed by:

Total Technical and Vocational College.
Annual Report and Financial Statements for the year ended 30th June 2023



.....
Chairman of Council/Board

Date 11/12/2023



.....
Finance Officer

ICPAK No

Date 11/12/2023



.....
Principal

Date 11/12/2023

Total Technical and Vocational College.
Annual Report and Financial Statements for the year ended 30th June 2023




15. Statement of Financial Position As At 30th June 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	181,421	13,221
Current portion of receivables from exchange transactions	27(a)	24,453,209	9,791,099
Receivables from non-exchange transactions	28	500,000	1,000,000
Inventories	29	803,738	0
Investments in financial assets	30	0	0
Total Current Assets		25,938,368	10,804,320
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	0	0
Investments	30	0	0
Property, plant, and equipment	31	39,125,812	43,029,750
Intangible assets	32	0	0
Investment property	33	0	0
Biological Assets	34	0	0
Total Non-Current Assets		39,125,812	43,029,750
Total Assets		65,064,180	53,834,070
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	35	2,682,318	994,750
Refundable deposits from customers	36	0	0
Current provisions	37	0	0
Finance lease obligation	38	0	0
Deferred income	39	0	0
Employee benefit obligation	40	0	0
Payments received in advance	41	0	0
Current portion of borrowings	43	0	0
Social Benefits	45	0	0
Total Current Liabilities		2,682,318	994,750
Non-Current Liabilities			
Finance lease obligation	38	0	0

Total Technical and Vocational College.
Annual Report and Financial Statements for the year ended 30th June 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Deferred income	39	0	0
Non-Current Employee Benefit Obligation	40	0	0
Non-Current Provisions	42	0	0
Non- Current Borrowings	43	0	0
Service Concession Liability	44	0	0
Social benefits	45	0	0
Total non- current liabilities		0	0
Total Liabilities		2,682,318	994,750
Net Assets		62,381,862	52,839,320
Revaluation Reserves		0	0
Accumulated Surplus		(8,942,657)	(4,731,919)
Capital Fund		71,324,519	57,571,239
Total Net Assets and Liabilities		62,381,862	52,839,320

The Financial Statements set out on pages 1 to 8 were signed by:

		
.....
..
Chairman of Council/Board	Finance Officer	Principal
	ICPAK No	
Date 11/12/2023	Date 11/12/2023	Date 11/12/2023

16. Statement of Changes in Net Asset For The Year Ended 30 June 2023

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2021	0	321,720	53,000,000	53,321,720
Revaluation gain		-	-	0
Surplus/(deficit) for the year	-	(5,053,639)	-	(5,053,639)
Capital grants received during the year	-	-	0	0
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	0	(0)	-
At June 30, 2022	0	(4,731,919)	57,571,239	52,839,320
At July 1, 2022	-	(4,731,919)	57,571,239	52,839,320
Revaluation gain	-	0	-	0
Surplus/(deficit) for the year	-	(4,210,738)	-	(4,210,738)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	-	(8,942,657)	71,324,519	62,381,862

Total technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023

17. Statement of Cash Flows For The Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	3,746,000	3,535,000
Grants from donors and development partners	7	0	0
Transfers from other levels of government	8	300,000	1,874,400
Public contributions and donations	9	0	0
Rendering of services- fees from students	10	4,970,580	1,020,931
Sale of goods	11	0	0
Rental revenue from facilities and equipment	12	0	0
Finance income	13	0	0
Miscellaneous income	14	0	0
Total Receipts		9,016,580	6,430,331
Payments			
Use of goods and services	15	5,120,600	4,400,160
Employee costs	16	2,969,620	1,770,054
Board /Council Expenses	17	182,000	213,366
Repairs and maintenance	18	211,160	164,140
Contracted services	19	0	0
Grants and subsidies	20	0	0
Total Payments		8,483,380	6,547,720
Net Cash Flows from operating activities	46	533,200	(117,389)
Cash flows from investing activities			
Purchase of property - printer		(90,000)	(0)
Purchase of property- furniture		(275,000)	0
Purchase of property, plant and equipment			(133,000)
Net cash flows used in investing activities		(365,000)	(133,000)
Cash flows from financing activities			
Proceeds From Borrowing		0	0
Repayment Of Borrowings		(0)	(0)
Net cash flows used in financing activities		0	0
Net Increase/(Decrease) in Cash and Cash equivalents		168,200	(250,389)
Cash and Cash equivalents at 1 JULY	26	13,221	263,610
Cash and Cash equivalents at 30 JUNE	26	181,421	13,221

**Total technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023**

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	8,000,000	(0)	8,000,000	4,046,000	3,954,000	50.5%
Grants from donors and development partners	0	(0)	0	0	0	0%
Transfers from other levels of government	0	(0)	0	0	0	0%
Public contributions and donations	0	(0)	0	0	0	0%
Rendering of services- fees from students	6,244,000	(0)	6,244,000	4,970,580	1,273,420	79.6%
Sale of goods	0	-	0	0	0	0%
Rental revenue from facilities and equipment	0	-	0	0	0	0%
Finance income	0	-	0	0	0	0%
Miscellaneous Income	0	0	0	0	0	0%
Total Income	14,244,000	(0)	14,244,000	9,016,580	5,227,420	63.3%
Expenses						
Use of goods and services	9,844,000	(0)	9,844,000	5,485,600	4,358,400	55.7%
Employee costs	3,400,000	-	3,400,000	2,969,620	430,380	87.3%
Board /Council Expenses	500,000	(0)	500,000	182,000	318,000-	36.4%
Repairs and maintenance	500,000	(0)	500,000	211,160	288,840	42.2%
Contracted services	0	(0)	0	0	0	0%
Grants and subsidies	0	(0)	0	0	0	0%
Total Expenditure	14,244,000	(0)	14,244,000	8,848,380	5,395,620	62.2%
Surplus For the Period	0	0	0	168,200	0	
Capital Expenditure	0	(0)	0	0	0	0%

Total Technical and Vocational College.
Annual Report and Financial Statements for the year ended 30th June 2023

1. The variance between the projected revenues and actual revenue collected majorly resulted by failure by government to remits capitation amounting to Ksh 3,729,000 and also high number of school dropout and poor payment of fees, most student rely mainly on bursaries and HELB.
2. Reconciliation of total actual reported in this statement and actual reflected in the statement of financial performance is as below;

REVENUES	AMOUNT KSH
Totals actuals revenues as per statement of comparison of budget and actuals	9,016,580
Totals receivables as per financial performance	9,016,580
EXPENSES	
Total expenses as per statement of comparison of budget and actuals	8,848,380
Add: depreciations	4,378,938
Totals expenses as per financial performance	13,227,318

19. Notes to the Financial Statements

1. General Information

Total technical and vocational college is established by and derives its authority and accountability from TVETA Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is training.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: 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: <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.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 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: <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: <ol style="list-style-type: none"> 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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.

**Total Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2023**

Standard	Effective date and impact:
	d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and 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>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

Total technical and vocational did not early-adopt any new or amended standards in year 2023. the entity adopted standard. The impact of these standards on entity's financial statements

4. Summary of Significant Accounting Policies

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

Transfers from other government entities

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

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 2022/2023 was approved by the Council or Board and Subsequent revisions or no additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded no additional appropriations *on* the FY 2022/2023 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule xxx of the xxx Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (Continued)

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

l) Social Benefits

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

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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.

o) 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.

Foreign currency transactions

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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.

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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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, 2024.

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.

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6. Transfers from other National Government entities

Description	2022-2023	2021-2022
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	1,746,000	2,535,000
Operational Grant recurrent	2,000,000	1,000,000
Unconditional Development grants	0	0
Other Grants	0	0
Total unconditional Grants	3,746,000	3,535,000
Conditional Grants amortised/ recognised in revenue		
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	3,746,000	3,535,000

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of ministry of education	1,000,000	0	0	1,000,000	Recurrent grants
	500,000	0	0	500,000	Recurrent grants
	610,000	0	0	610,000	capitation
	500,000	0	0	500,000	Recurrent grants
	568,000	0	0	568,000	capitation
	568,000	0	0	568,000	capitation
Total	3,746,000	0	0	3,746,000	

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7. Grants from Donors and Development Partners

Description	2022-2023	2021-2022
	Kshs	Kshs
JICA- Research Grant	0	0
World Bank Grants	0	0
In-Kind Donations	0	0
Donations transferred to revenue-conditions met	0	0
Other Grants (specify)	0	0
Total Grants from Development Partners	0	0

(a) Reconciliations of grants from donors and development partners

Description	2022-2023	2021-2022
	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

Transfers from Other Levels of Government

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfer from County	0	0
Transfer from University	0	0
Transfer from Bureti Institute	300,000	1,874,400
Total Transfers	300,000	1,874,400

8. Public Contributions and Donations

Description	2022-2023	2021-2022
	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

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9. Rendering of Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Fees	989,454	1,436,500
Personal emolument	488,474	709,124
Local Travel & Transport	268,072	389,376
Student council	105,680	16,370
Repairs Maintainace and Improvement	741,050	106,330
Activity Fees	417,460	31,600
Industrial Attachment Fees	420,250	102,281
Examination Fees	475,210	260,860
Insurance	212,500	27,200
E.W.C	654,200	98,400
Registration Fees	146,650	14,650
Internet	257,200	33,500
Development	675,130	95,790
Administration cost	718,100	101,900
Medicals	147,150	14,750
Placement	0	69,100
Student ID	0	550
Computer packages	0	48,250
Capitation	(1,746,000)	(2,535,000)
Total Revenue from The Rendering of Services	4,970,580	1,020,931

10. Sale of Goods

Description	2022-2023	2021-2022
	Kshs	Kshs
Sale of Books	0	0
Sale of Publications	0	0
Sale of Farm Produce	0	0
Cafeteria sales	0	0
Other sales (specify)	0	0
Total Revenue from Sale of Goods	0	0

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11. Rental revenue from facilities and equipment

Description	2022-2023	2021-2022
	Kshs	Kshs
Hire of Facilities and Equipment	0	0
Contingent Rentals	0	0
Operating Lease Revenue	0	0
Total	0	0

12. Finance Income

Description	2022-2023	2021-2022
	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

13. Miscellaneous Income

Description	2022-2023	2021-2022
	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
Bad debts recovered	0	0
Income written back	0	0
Miscellaneous income (<i>specify</i>)	0	0
Total other income	0	0

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14. Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Teaching and learning materials	471,725	236,560
Industrial attachment costs	97,450	111,250
Electricity	0	8,500
Water	64,550	32,580
Kitchen cost	275,897	131,245
office tea and snacks	0	150,485
Knec exams practical materials	741,075	1,591,040
KATTI	232,370	380,000
Marketing	74,500	156,120
Examination fees	600,150	304,030
Audit fees	0	0
DSTV	6,700	0
Travelling, accommodation and subsistence	1,567,670	693,500
Stationaries	123,230	153,010
Insurance	9,200	3,200
Postage and printing	81,260	29,100
Airtime	165,200	93,900
Postal	28,350	0
Activity	338,445	48,700
Safaricom	29,768	0
Cleaning	127,490	53,260
Furniture	0	0
Student council	12,300	11,000
Office printers/Assets	0	133,000
Learning equipment	425,000	0
Bank charges	13,270	12,680
Professional and consultancy	0	40,000
Projects	0	160,000
Total good and services	5,485,600	4,533,160

15. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries and wages	2,800,980	1,770,054
Employee related costs - contributions to pensions NSSF	123,840	0
Travel, motor car, accommodation, subsistence and other allowances	0	0
Housing benefits and allowances	0	0
Overtime payments	0	0
Social contributions NHIF	44,800	0
Employee Costs	2,969,620	1,770,054

16. Board/Council Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Chairman's Honoraria	0	0
Directors Emoluments	0	0
Other Allowances	0	0
Other Board/Council Expenses	182,000	213,366
Total	182,000	213,366

17. Depreciation and Amortization expense

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, plant and equipment	4,378,938	4,803,250
Intangible assets	0	0
Investment property carried at cost	0	0
Total depreciation and amortization	4,378,938	4,803,250

18. Repairs and Maintenance

Description	2022-2023	2021-2022
	Kshs	Kshs
Property	211,160	164,140
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	211,160	164,140

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19. Contracted Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Actuarial valuations	0	0
Investment valuations	0	0
Property valuations	0	0
Other (specify)	0	0
Total contracted services	0	0

20. Grants and Subsidies

Description	2022-2023	2021-2022
	Kshs	Kshs
Community Development	0	0
Education Initiatives and Programs	0	0
Social Development	0	0
Social benefits expenses	0	0
Community Trust	0	0
Sporting Bodies	0	0
Total Grants and Subsidies	0	0

21. Finance Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Borrowings (Amortized Cost)*	0	0
Finance Leases (Amortized Cost)	0	0
Unwinding of Discount from lease liabilities	0	0
Interest on Bank Overdrafts	0	0
Interest on Loans from Commercial Banks	0	0
Total Finance Costs	0	0

22. Gain On Sale of Assets

Description	2022-2023	2021-2022
	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

23. Gain/(loss) on Fair Value Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Fair value on equity investments	0	0
Fair value arising from investment property	0	0
Fair value arising from biological assets	0	0
Fair value- other financial assets (specify)	0	0
Total Gain	0	0

24. Impairment Loss

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant and Equipment	0	0
Intangible Assets	0	0
Total Impairment Loss	0	0

25. Cash and Cash Equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Account	181,421	13,221
On - Call Deposits	0	0
Fixed Deposits Account	0	0
Staff Car Loan/ Mortgage	0	0
Others (Specify)	0	0
Total Cash and Cash Equivalents	181,421	13,221

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

Financial Institution	Account number	2022-2023 Kshs	2021-2022 Kshs
a) Current Account			
Kenya Commercial Bank	0	0	0
Equity Bank, etc.	0530279606721	181,421	13,221
Sub- Total		181,421	13,221
b) On - Call Deposits			
Kenya Commercial Bank	0	0	0
Equity Bank – etc.	0	0	0
Sub- Total			
c) Fixed Deposits Account			
Kenya Commercial Bank	0	0	0
Bank B	0	0	0
Sub- Total			
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank	0	0	0
Bank B	0	0	0
Sub- Total			
e) Others(Specify)			
Cash in Transit	0	0	0
Cash in Hand	0	0	0
Mobile Money account	0	0	0
Sub- Total		181,421	13,221
Grand Total		181,421	13,221

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26. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Student Debtors	24,453,209	9,791,099
Rent Debtors	0	0
Consultancy Debtors	0	0
Other Exchange Debtors	0	0
Less: Impairment Allowance	(0)	(0)
Total Current Receivables	24,453,209	9,791,099

27 (b) Long- term Receivables from Exchange transactions

Description	2022-2023	2021-2022
	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) Ageing Analysis of Receivables from Exchange transactions

Description	2022-2023		2021-2022	
	Kshs	% of total	Kshs	% of the total
	2022-2023	% of total	2021-2022	% of the total
Less than 1 year	21,085,370	86%	8,060,039	82%
Between 1- 2 years	2,637,369	10%	1,134,480	11%
Between 2-3 years	730,470	4%	596,580	7%
Over 3 years	0	0	0	0%
Total (a+b)	24,453,209	100%	9,791,099	100%

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

Description	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	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

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

27. Receivables from Non-Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Capitation Grants*	0	0
Transfers from Other Govt. entities recurrent grants	500,000	1,000,000
Undisbursed Donor Funds	0	0
Other Debtors (Non-Exchange Transactions)	0	0
Less: Impairment Allowance	(0)	(0)
Total Current Receivables	500,000	1,000,000

Receivables on recurrent grants are recognised for monies received after year end but relating to the year under review. Received on July 2024 Kshs 500,000

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

Description	2022-2023		2021-2022	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	500,000	100%	1,000,000	100%
Between 1- 2 years	0	0%	0	0%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total	500,000	100%	1,000,000	100%

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

Description	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	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

28. Inventories

Description	2022-2023	2021-2022
	Kshs	Kshs
ICT materials	19,000	0
Hair Dressing materials	234,330	0
Plumbing materials	230,168	0
Electrical stores	209,500	0
Sport materials	34,700	0
Stationaries materials	76,040	0
Total Inventories at lower of Cost and Net Realizable Value	803,738	0

29. Investments in financial assets

Description	2022-2023	2021-2022
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	0	0
Sub- Total		
b) Investment with Financial Institutions/ Banks	0	0
Bank	0	0
Sub- Total	0	0
c) Equity Investments (Specify)	0	0
Equity/ Shares in Company	0	0
Sub- Total	0	0
Grand Total	0	0

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d) Shareholding in other entities

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

Name of Entity where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	2022-2023	2021-2022
	%	%	%	Kshs	Kshs	Kshs
Entity	0	0	0	0	0	0
Entity	0	0	0	0	0	0
	0	0	0	0	0	0

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30. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 30th June 2020	0	53,000,000	0	0	0	-	0	-53,000,000
Additions	0	0	0	0	0	-	0	0
Disposals	(0)	0	0	0	0	-	0	-
Transfer/Adjustments	(0)	0	0	0	0	-	0	-
At 1st June 2021		53,000,000	0	0	0	-	0	53,000,000
Addition's photocopier, horn speaker, TV		0	0	0	133,000	0	0	133,000
Disposals		0	0	0	0	0	0	0
Transfer/Adjustments		0	0	0	0	0	0	0
At 30th June 2022		53,000,000	0	0	133,000	0	0	53,133,000
Additions Epson printers		0	0	0	90,000			90,000
Furniture		0	0	385,000	0	0	0	385,000
Disposals		0	0	0	0	0	0	0
Transfer/Adjustments		0	0	0	0	0	0	0
At 30th June 2023		53,000,000		385,000	223,000	0	0	53,608,000
Depreciation And Impairment								
At 1 June 2020								
Depreciation as at 30 June 2020	0	(5,300,000)	0	0	0	0	0	(5,300,000)
Disposals	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
At 30th June 2021		(5,300,000)	0	0	0	0	0	(5,300,000)
At 1st July 2021								
Depreciation	0	(4,770,000)	0	0	(33,250)	0	0	(4,803,250)
Disposals	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
Transfer/Adjustment	0	0	0	0	0	0	0	0

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Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 30th June 2022		(4,770,000)	0	0	(33,250)	0	0	(4,803,250)
At 1st July 2022								
Depreciation	0	(4,293,000)	0	(38,500)	(47,438)	0	0	(4,378,938)
Disposals	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
Transfer/Adjustment	0	0	0	0	0	0	0	0
At 30th Jun 2023		(4,293,000)	0	(38,500)	(47,438)	0	0	(4,378,938)
Net Book Values								
At 30th June 2021	0	47,700,00	0	0	0	0	0	47,700,000
At 30th June 2022	0	42,930,00	0	0	99,750	0	0	43,029,750
At 30th June 2023		38,637,000	0	346,500	142,312	0	0	39,125,812

- Depreciation is provided on reducing balance method.
- The value of college Land could be ascertained due to the fact that valuation was not carried out as parcel is still own by Pele primary school as the close of financial year.
- The cost of Plant and equipment supplied by the government cannot be ascertain since asset value was not been provide at the closed of the financial year.

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Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were not revalued. These amounts were adopted in the financial statements on 2023.

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	53,000,000	14,363,000	38,637,000
Plant And Machinery	0	0	0
Motor Vehicles including Motorcycles	0	0	0
Computers and Related Equipment	223,000	80,688	142,312
Office Equipment, Furniture, And Fittings	385,000	38,500	346,500
Total	53,608,000	14,482,188	39,125,812

31. Intangible Assets

Description	2022-2023	2021-2022
	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

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32. Investment Property

Description	2022-2023	2021-2022
	Kshs	Kshs
At beginning of the year	0	0
Additions	0	0
Disposal during the year	(0)	(0)
Depreciation	(0)	(0)
Impairment	(0)	(0)
Gain or loss on fair value- if fair value is elected	0	0
At end of the year	0	0

33. Biological Assets

	2022-2023	2021-2022
	Kshs	Kshs
Cattle	0	0
Trees	0	0
Others (Specify)	0	0
Total	0	0

34. Trade and Other Payables

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Trade payables	2,276,058		525,500	
Fees paid in advance	406,260		469,250	
Salary deductions	0		0	
Third-Party Payments	0		0	
Other Payables	0		0	
Total Trade and Other Payables	2,682,318		994,750	
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	2,682,318	100%	994,750	100%
1-2 years	0	0	0	0
2-3 years	0	0	0	0
Over 3 years	0	0	0	0
Total	2,682,318	%	994,750	100%

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35. Refundable Deposits from Customers/Students

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Consumer deposits	0		0	
Caution money	0		0	
Other refundable deposits	0		0	
Total Deposits	0		0	
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	0	0%	0	0%
1-2 years	0	0%	0	0%
2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total (to tie to totals deposits above)	0	0%	0	0%

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	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
Transfers From Non -Current Provisions	0	0	0	0	0
Total Provisions	0	0	0	0	0

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37. Finance Lease Obligation

Description	2022-2023	2021-2022
	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
Total	0

Analysed as:

Description	Amount
	Kshs
Current	0
Non- Current	0
Total	0

38. Deferred Income

Description	2022-2023	2021-2022
	Kshs	Kshs
National Government	0	0
International Funding Bodies	0	0
Public Contributions and Donations	0	0
Total Deferred Income	0	0

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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

39. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2022-2023	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	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 does not operate a defined benefit scheme for all full-time employees from July 1, 2023. An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was not carried out as at 30 June 2022

Description	2022-2023	2021-2022
	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	0years	0 years

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Recognition of Retirement Benefit Asset/ Liability

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

Description	2022-2023	2021-2022
	Kshs	Kshs
The return on defined plan assets	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	2022-2023	2021-2022
	Kshs	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 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 while employers contribute the same. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

40. Payments received in advance.

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Fees received in advance	406,260		469,250	
Others (Specify)	0		0	
Total	406,260		469,250	
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	406,260	100%	469,250	100%
1-2 years	0	0%	0	0%
2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total	406,260	100%	469,250	0%

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41. 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

42. Borrowings

Description	2022-2023	2021-2022
	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

43 a) Analysis of External and Domestic Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
External borrowings		
Dollar denominated loan from organization'	0	0
Sterling pound denominated loan from organization'	0	0
Euro denominated loan from organization'	0	0
Domestic borrowings		
Kenya shilling loan	0	0
Total balance at end of the year	0	0

43 b) Breakdown of Long and Short-Term Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Short Term Borrowings (Current Portion)	0	0
Long Term Borrowings	0	0
Total	0	0

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43. Service Concession Arrangements

Description	2022-2023	2021-2022
	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

44. Social Benefit Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Health social benefit scheme	0	0
Unemployment social benefit scheme	0	0
Orphaned and vulnerable benefit scheme	0	0
People Living with disabilities benefit scheme	0	0
Elderly social benefit scheme	0	0
Bursary social benefits	0	0
Total	0	0
	0	0
Current social benefits	0	0
Non- current social benefits	0	0
Total	0	0

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

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45. Cash generated from operations.

Surplus for the year before tax	2022-2023	2021-2022
Adjusted for:		
Surplus	(4,210,738)	(5,053,639)
Depreciation	4,378,938	4,803,250
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	0	0
Contribution to impairment allowance	0	0
Finance Income	0	0
Finance Cost	0	0
Working Capital Adjustments	0	0
Increase in Inventory	0	0
Increase in Receivables	0	0
Increase in Deferred Income	0	0
Increase in Payables	0	0
Increase in Payments received in advance	0	0
Net Cash Flow from Operating Activities	168,200	(250,389)

46. Financial Risk Management

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

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

(i) Credit risk

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

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

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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 2022 (previous year)				
Receivables from exchange transactions	9,791,099	9,791,099	0	0
Receivables from non-exchange transactions	1,000,000	1,000,000	0	0
Bank balances	13,221	13,221	0	0
Total	10,804,320	10,804,320	0	0
At 30 June 2023 (current year)				
Receivables from exchange transactions	24,453,209	24,453,209	0	0
Receivables from non-exchange transactions	500,000	500,000	0	0
Bank balances	181,421	181,421	0	0
Total	25,134,630	25,134,630	0	0

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 2023

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

(ii) Liquidity risk management

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

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

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Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables				
Jack Electrical Enterprises	54,550	828,520	0	883,070
Grandfathers Enterprises	114,228	233,040	0	347,268
Taifa Sportswear collections	30,0000	0	0	30,000
Sally jeruto	44,800	57,430	0	102,230
Godwin Timbers	25,000	0	0	25,000
Nakuru Rural water	13,070	0	0	13,070
Pickmart traders	520	0	0	520
Mish Enterprises	0	94,700	0	94,700
KUCCS	0	409,500	0	409,500
Baraka college	0	110,000	0	110,000
Bureti technical college	0	0	260,700	260,700
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	282,168	1,733,190	268,550	2,276,058
At 30 June 2022				
Trade Payables				
Bureti technical college	525,500	0	0	525,500
Current Portion of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	525,500	0	0	525,500

(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.

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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.

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 2023			
Financial Assets (Investments, Cash, Debtors)	0	0	0
Liabilities	0	0	0
Trade and Other Payables	0	0	0
Borrowings	0	0	0
	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

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.

Financial risk management (continued)

Foreign currency sensitivity analysis

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

U	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2022			
Euro	10%	0	0
Usd	10%	0	0
2023			
Euro	10%	0	0
Usd	10%	0	0

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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.

Sensitivity analysis

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

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	2022-2023	2021-2022
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	(8,942,862)	(4,731,919)
Capital Reserve	71,324,519	57,571,239
Total Funds	62,381,862	52,829,320
Total Borrowings	0	0
Less: Cash and Bank Balances	(181,421)	(13,221)
Net Debt/(Excess Cash and Cash Equivalents)	62,200,441	52,816,099
Gearing		

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

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

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

Description	2022-2023	2021-2022
	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	0	0
Grants from County Government	0	0
Donations in Kind	0	0
Total	0	0
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Employees	0	0
Payments for Goods and Services for	0	0
Total		
d) Key Management Compensation		
Directors' emoluments	0	0
Compensation to Key Management	0	0
Total	0	0

48. 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

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49. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2022-2023	2021-2022
	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	2022-2023	2021-2022
	Kshs	Kshs
Contingent Liabilities		
Court Case against	0	0
Bank guarantees in favour of subsidiary	0	0
Contingent liabilities arising from Contracts including PPPs	0	0
Others	0	0
Total	0	0

50. Capital Commitments

Capital Commitments	2022-2023	2021-2022
	Kshs	Kshs
Authorised for	0	0
Authorised and contracted for	0	0
Total	0	0

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51. Events After The Reporting Period

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

52. 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.

53. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

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)

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
Accounting Officer
Date

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Appendix II: Projects Implemented by Total 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	none					
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	none						
2							
3							

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Appendix III- Inter-Entity Confirmation Letter
TOTAL TECHNICAL AND VOCATIONAL COLLEGE.

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

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2023				Amount Received by [total technical and vocational college] (Kshs) as at 30 th June 2023. (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Capitation (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	6/7/2022	1,000,000	0	0	1,000,000	1,000,000	0
	26/10/2022	500,000	0	0	500,000	500,000	0
	26/10/2022	0	610,000	0	610,000	610,000	0
	16/01/2023	500,000	0	0	500,000	500,000	0
	26/01/2023	0	568,000	0	568,000	568,000	0
	27/6/2023	0	568,000	0	568,000	568,000	0
Total		2,000,000	1,746,000		3,746,000	3,746,000	

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

Head of Accountants department of beneficiary Entity:

Name Benard K. Kel Sign [Signature] Date 11/2/2023

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
	none								

Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
none						