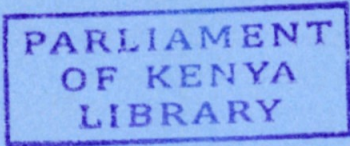


REPUBLIC OF KENYA



# REPORT

OF

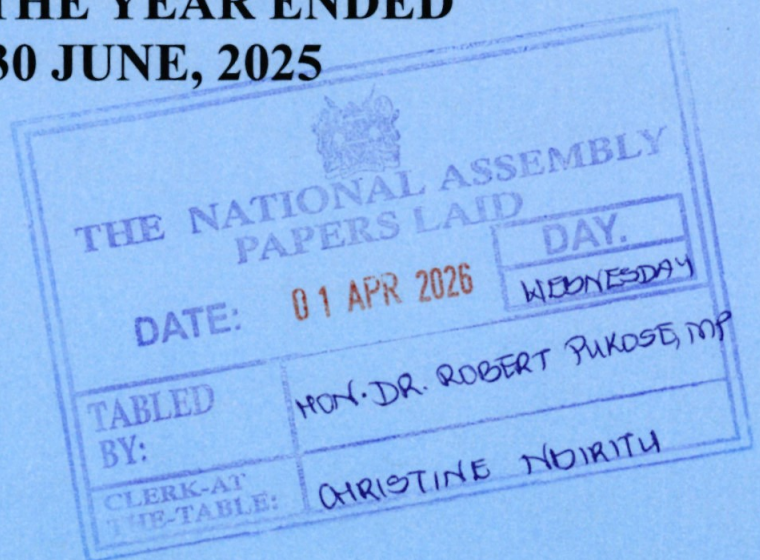


## THE AUDITOR-GENERAL

ON

# NAVAKHOLO TECHNICAL AND VOCATIONAL COLLEGE

## FOR THE YEAR ENDED 30 JUNE, 2025





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**NAVAKHOLO TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

**Navakholo Technical and Vocational College**  
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**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

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

**B. Definition of Key Terms**

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

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

**2. Key Entity Information and Management**

**(a) Background information**

The college is domicile in Navakholo sub county, Kakamega County. It was established under the TVET Act 2013 Act on 28<sup>th</sup> January.2021. The college is domiciled in Kenya and has NO branches. The college is under the Ministry of Education

**(b) Principal Activities**

(c) The mandates of the college are as contained in the TVET act 2013.

(d) Our vision is to be a leading college in technical training and innovation for social -economic prosperity and global competitiveness

(e)

(f) Mission: is to provide quality competency based technical training in science, engineering and technology to foster applied research and community outreach for innovation and sustainable development.

(g)

**(h) Key Management**

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

- Board of Governors.
- Accounting officer/ Principal
- Management committee
- Head of departments

**(i) Fiduciary Management**

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

SN.	Designation	Name
1.	Principal	Rev. Patrick Shiyonga
2.	Deputy principal Finance	Mr. MbetaSamwel
3	Deputy principal Academics	Mr. GerishomWafula
4	Registrar (s)	Mr. Amai Alfred
5	Dean of students	Mrs. Atsulu Winfred
6	Head of Finance	CPA Jensen Iravonga

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

**(j) Fiduciary Oversight Arrangements**

**Finance, Infrastructure and resource mobilization committee.**

No	Name	Designation
1	Gov. Evans Barasa	Chair person
2	Gov. Edith Shanyisa	Member
3	Gov. Ronald K. Bett	Member
4	Rev. Patrick Shiyonga	Secretary

**-Education training, research and human resource committee.**

No	Name	Designation
1	Gov. Edith Shanyisa	Chair person
2	Gov. Ronald k. Bett	Member
4	Gov. Andrew Ng'eno	Member
5	Rev. Patrick Shiyonga	Secretary

**-Audit and risk committee.**








No	Name	Designation
1	Gov. Kelvin Omieno	Chair person
2	Gov. David Sikuku	Member
3	CD Mr. Sunguti Joseph	Member
4	CPA. Albert. D Bengula	Committee secretary

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

- (k) **College Headquarters**  
P.O. Box 766-50100  
Kakamega County  
Navakholo Sub County  
3 kms from Navakholo centre
- (l) **College Contacts**  
  
Telephone: (254)741596247  
E-mail: navakholotvc@gmail.com
- (m) **College Bankers**  
  
Equity bank-0500280066901  
Kakamega, branch  
Kakamega town
- (n) **Independent Auditors**  
  
Auditor-General  
Office of Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya
- (o) **Principal Legal Adviser**  
  
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya


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**3.The Council/Board of Governors**

<i>SN.</i>	<i>Member</i>	<i>Details</i>
1.	 Prof. Violet Opata BOARD CHAIR PERSON	D.O.B:1966 Key Qualifications: PhD Work experience: Associate professor of communication technology, Open university of Kenya
2.	 Gov. Evans Barasa Wanjala BOARD MEMBER	D.O.B:1992 Key Qualifications: Holder of Bed Arts, MBA strategic management. Work experience: Operations supervisor EBKL
3.	 Gov. Edith Shanyisa BOARD MEMBER	D.O.B:1987 Key Qualifications: Degree holder in animal science & management. Work experience:
4.	 Prof. Kelvin Omieno BOARD MEMBER	D.O.B: 1984 Key Qualification; PhD Work experience: Associate Prof. of IT
5.	 Gov. Andrew Ng'eno BOARD MEMBER	D.O.B:1961 Key Qualification: BSc-mechanical Engineering /Dip in sugarcane technology. Work experience: private and public institutions operation manager, Registered Engineer with Engineers Board of Kenya. (EBK)
6.	 Gov. Ronald k. Bet BOARD MEMBER	D.O.B: Key Qualification: Degree in electronics Work experience: administration duties
7.	 Gov. David Sikuku BOARD MEMBER	D.O.B:1984 Key Qualification: MBA (finance option) Work experience: researcher parliamentary service commission.







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8.	 Rev. Patrick Shiyonga BOARD SECRETARY	D.O.B:1966 Key Qualification: Master degree Education (Guiding and counselling) Work experience: administration duties
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**4. Key Management Team**

<i>SN</i>	<i>Member</i>	<i>Details</i>
1.	 Rev. Patrick Shiyonga Key qualifications: Master degree Education (Guidance and Counselling)	Principal/Accounting officer In charge of college administration and academic.
2.	 Mr MbetaSamwel Key qualifications: Master degree in project planning and management	Deputy principal Administration In charge of finance and administration
3.	 Mr. GerishomWafula Key qualifications: Master degree (MBA)	Deputy principal Academics In charge of student academics Key qualifications:
4.	 Mr Amai Alfred. Key qualifications: Bachelor degree (Survey)	Registrar In charge of Registry
5.	 Mrs Atsulu Winfred Key qualifications: Higher Diploma Building and civil Engineering.	Dean of students In charge of trainees' welfare
6.	 Mr.Jensen Iravonga Key qualifications: CPA(K). MBA(Finane)	Finance Officer In charge of finance.

**5. Chairperson's Statement**

The Navakholo Technical and Vocational College Board of Management was appointed on 7th day of November in 2023. In view of Mandate bestowed to us by the Cabinet Secretary I would announce, without any reservations that the Board has carried out its functions diligently and satisfactorily. On 19<sup>th</sup> day of December 2023 the Board was inaugurated. During the first meeting the Board formed the following committees to enhance efficiency in its functions. These included:

- a) Finance and Human Resources committee.
- b) Education, Training and Research committee.
- c) Risk and compliance committee.

In the financial year 2024-2025 the Board has held several meetings to ensure the college management fast tracks the necessary procedures for the smooth running of the college. The following resolutions were made:

- a. The members agreed that all policies documents need to be fully discussed at the committee level before submission to the full board.
- b. The college was not doing well financially since trainees do not pay fees and that will only improve if the fees payment trend changes.
- c. The college received capitation/scholarship funds totaling to Kshs 17,949,275 which represents 35% of the total capitation projected from the Government.

**Challenges**

The College relies mainly on trainer recruited by the Board causing constrains on the meagre resources provided by the Ministry.

**Way Forward**

With activated and energetic marketing strategies and sensitizing the community on Government bursaries and loans, there is a lot of hope students' population will increase greatly.

Board chairperson. Prof. Violet Opata.....

Date: .....

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**6. Report of Principal**

Navakholo Technical and Vocational College is situated in Chebuyusi village, Bunyala Central Location, Navakholo Sub-County in Kakamega County. It is public college with registration TVETA/Public/TVC/0006/2021. The college was mentored by Kisiwa Technical Training Institute. The 5.5 (five) acre land title deed acquisition is on the process.

In the financial year 2024-2025, the budget performance against the actual was below average at 41.4% this was caused by inadequate Government funding and delays in funds disbursement.

**THE HUMAN RESOURCE.**

The college opened its doors to students on January 2020 with the first intake. The college is managed by a Board of governors inaugurated on 19<sup>th</sup> December 2023. Currently there are 52 staff. This includes: 15 PSC trainers, 23 BOG trainers and 14 BOG non-teaching.

**COURSES AND ENROLMENT**

The college is a Centre of excellence in **BUILDING AND CIVIL ENGINEERING**. Other courses include: ICT, Water Engineering, Plumbing and Masonry, Land Survey, Hospitality, Secretarial, Automotive and Mechanical. The total enrolment as at 30th June 2025 was 1265 trainees spread across the courses.


**STRENGTH.**

The college is sited strategically 100m from existing colleges and therefore has a large catchment for Trainees. Also it has a substantive Board of Governors.

**CHALLENGES**

The College is in dire need for;

1. Public service trainers to ease the burden of BOG trainers.
2. Hostels to attract trainees from a far.
3. Compound fencing
4. Tools and equipment for new courses
5. Transportation; double cabin and bus for mobility and training.
6. E-Library books, computers, library chairs and tables for research and training purposes.
7. Filling of administrative positions for effective operation of the college.

for Principal: Rev. Patrick Shiyonga...  .....

Date: 21/11/2025 .....

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

Navakholo Technical Training College develops its annual work plans based on the above Three (3) pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. Navakholo TVC achieved its performance targets set for the 2024/2025 period for its (Three) strategic pillars, as indicated in the diagram below:

<b>Strategic pillar</b>	<b>objectives</b>	<b>Key performance indicators</b>	<b>activities</b>	<b>Achievements</b>
Pillar / Theme / Issue 1: Enhancing Trainee Experience and Academic Excellence	Trainee Management and Focus	Enhance trainee enrollment, retention, and engagement.	<ul style="list-style-type: none"> <li>- Strengthen trainee support services, including academic advising, counseling, academic tours, and mentorship</li> <li>- Improve trainee feedback systems and respond to identified issues effectively</li> <li>Conduct career talk in high schools</li> <li>- Introduce trainee engagement programs to promote extracurricular activities</li> </ul>	All achieved
	Marketing and Re-branding for Recognition	Improve the institution's visibility and brand recognition	<ul style="list-style-type: none"> <li>- Develop and implement marketing campaigns targeting various stakeholders and industries</li> <li>- Re-brand institution materials, vehicles including promotional content and online presence</li> </ul>	

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			- Establish partnerships with local media for brand promotion	
	Quality Training and Competent Graduates	Deliver quality training and competency-based programs	- Review and update curriculum to align with industry needs - Incorporate competency-based training and assessments - Conduct regular training for trainers to enhance quality teaching	
	Research, Science, Technology, and Innovation	Foster a culture of research, innovation, and learning	- Create platforms for trainers and trainees to showcase research projects - Establish a research and innovation fund to support initiatives - Collaborate with industries for applied research and innovation projects	
Pillar / Theme / Issue 2: Strengthening Institutional Infrastructure and Technology	Physical Infrastructure and Facilities	Develop and upgrade infrastructure to support effective training	- Construct and renovate classrooms, workshops, and laboratory - Improve and maintain trainee welfare facilities, such as sports facilities - Ensure all infrastructure is accessible to trainees with disabilities	Partly achieved

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			Purchase institutional bus	
	Information and Communications Technology (ICT)	Integrate ICT in learning and administration	<ul style="list-style-type: none"> <li>- Upgrade ICT infrastructure, including internet connectivity and hardware</li> <li>- Implement e-learning platforms for blended learning</li> <li>- Automate administrative workflows to improve efficiency</li> </ul>	
Pillar / Theme / Issue 3: Building Sustainable Partnerships and Financial Stability	Collaboration and Partnerships	Establish strong industry and community partnerships	<ul style="list-style-type: none"> <li>- Engage with industries to provide internships and apprenticeships</li> </ul>	Partly achieved
	Income Generation and Resource Mobilization	Achieve financial sustainability through income generation	<ul style="list-style-type: none"> <li>- Develop income-generating activities.</li> <li>- Mobilize funds from donors and development partners</li> <li>- Establish endowment funds to support infrastructure and trainee welfare</li> <li>Start a production unit for building.</li> </ul>	
	Trainers Development and Trainees' Welfare	Enhance trainers' capacity and trainees' welfare	<ul style="list-style-type: none"> <li>- Conduct regular trainers training and professional development programs</li> <li>- Develop a scholarship and bursary program for trainees</li> </ul>	

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			<ul style="list-style-type: none"> <li>- Conduct regular trainers training and professional development programs</li> <li>- Develop a scholarship and bursary program for trainees</li> <li>- Improve trainee welfare services, including health and counseling support</li> <li>- Develop a scholarship and bursary program for trainees</li> <li>- Improve trainee welfare services, including health and counseling support</li> <li>- Improve trainee welfare services, including health and counseling support</li> </ul>	
	Greening initiatives	Objective: Promote environmental conservation	Enhance environmentally friendly activities. Start a tree nursery	

**NB:** The objectives and their accompanying activities in the table above were also targeted in the college's 2024/2025 Performance Contract. Consequently, their achievement is as indicated in the table above.

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**8. Corporate Governance Statement**

**a) Introduction**

Navakholo Technical and vocational college is committed to upholding high standards of corporate governance, ensuring transparency, accountability, and integrity in all its operations. This statement outlines the governance framework, processes, and practices that guide the Board of Governors (the Board) in discharging its duties.

**b) Board Meetings and Attendance**

The Board held 10 meetings during the financial year. Attendance by each member was as follows:

S/NO.	NAME	POSITION	FULL BOARD	SPECIAL	PFDE	RTHR	AUDIT
1.	Prof. Violet Opata	Board Chair	3				
2.	Gov. Evans W. Barasa	Member	3	2	4		
3.	Gov. David Sikuku	Member	3				5
4.	Prof. Kelvin Omieno	Member	3				5
5.	Gov. Andrew Ng'eno	Member	3	2		3	
6.	Gov. Ronald Bett	Member	3	2	4	3	
7.	Gov. Edith Shanyisa	Member	3	2	4	3	
8.	REV.	Secretary	3	2	4	3	3

The high level of attendance reflects the commitment of the Board members to their governance responsibilities.

**c) Succession Planning**

Navakholo TVC has a robust succession plan in place to ensure the continuity of leadership and governance. The succession plan identifies potential internal and external candidates for key roles, focusing on skills, experience, and leadership capabilities. The plan is reviewed annually by the Board to ensure it aligns with the strategic objectives of the Institute.

**d) Board Charter**

The Board operates under a formal Board Charter that outlines its roles, responsibilities, and procedures. The Charter serves as a guide for effective governance, ensuring that the

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Board acts in the best interest of Navakholo TVC and its stakeholders. The Charter should be reviewed periodically and updated as necessary to reflect best practices and regulatory requirements.

a) Appointment and Removal of Board Members

The process for appointing and removing Board members is governed by article 15 of the TVET Act 2013. Board members are appointed based on their expertise, experience, and commitment to the values and objectives of Navakholo TVC. Removal of a member may occur due to non-performance, conflict of interest, or any other valid reason as stipulated in the governing documents. The Board has established a transparent and fair process for these actions, ensuring decisions are made in the best interest of the college.

Roles and Functions of the Board

The primary roles of the Board include:

- i. Strategic Oversight: Setting the strategic direction of the college and ensuring alignment with its mission and vision.
- ii. Financial Stewardship: Overseeing the financial performance and ensuring the Institute's resources are used efficiently.
- iii. Policy Development: Formulating and approving key policies that govern the operations of college.
- iv. Risk Management: Identifying and mitigating risks that could affect the college's ability to achieve its objectives.
- v. Compliance: Ensuring adherence to all relevant laws, regulations, and standards.

b) Induction and Training

All new Board members undergo a comprehensive induction program that familiarizes them with Navakholo TVC's operations, governance framework, and their roles and responsibilities. Continuous professional development is encouraged, with members attending relevant training sessions and workshops throughout the year to enhance their skills and knowledge.

c) Board and Member Performance

The Board conducts an annual evaluation of its performance, as well as the performance of individual members. This process is designed to assess the effectiveness of the Board in fulfilling its governance responsibilities and to identify areas for improvement. Feedback from the evaluation informs the Board's development plans for the following year.

d) Conflict of Interest

Board members are required to disclose any potential or actual conflicts of interest. A conflict-of-interest register is maintained and reviewed regularly to ensure that any conflicts are appropriately managed. Members are expected to excuse themselves from discussions or decisions where a conflict of interest may arise.

e) Board Remuneration

Board members receive remuneration in accordance with the guidelines set by the inauguration minute of 21<sup>st</sup> July, 2020 the remuneration is designed to reflect the responsibilities of the role while ensuring that it does not compromise the independence and objectivity of the members.

f) Ethics and Conduct

Navakholo TVC is committed to maintaining high ethical standards in all its activities. The Board has adopted a Code of Conduct that sets out the ethical principles and standards of behaviour expected of all members. Compliance with the Code is mandatory, and any breaches are dealt with in accordance with the college's disciplinary procedures.

g) Governance Audit

Regular governance reviews should be conducted to assess the effectiveness of the Board's governance practices. The reviews must ensure that Navakholo TVC adheres to best practices in corporate governance, with recommendations for further improvement being actively considered by the Board.

In conclusion, Navakholo TVC remains committed to continuous improvement in its governance practices, ensuring that the Board continues to provide effective leadership and oversight in achieving the college's strategic objectives.

**(i) The Board Charter**

The Board is guided by the Board Charter which defines the governance procedures within which the Board exists and operates. The Charter was enacted by the Board in 30<sup>th</sup> June, 2022 and revised on 15<sup>th</sup> October 2024. It clearly states the respective roles, responsibilities and the authorities of the Board and its Committees.

**(ii) Board Appointment and Composition**

In accordance with the TVET Act, 2013, the Board of Governors consists of nine persons appointed by the Cabinet Secretary for a period of three years and who are eligible for re-appointment for a further one term.

The membership of the Board of Governors comprises of:

- (a) The Chairperson;
- (b) The principal who is the Secretary to the Board of Governors.
- (c) Representative of the Principal Secretary in the Ministry of Education State Department of TVET
- (d) Representative of the Governor of the County Government of Kakamega.
- (e) Five other members appointed on the basis of their knowledge and Experience in Leadership and Management, Financial Management, Technology, Industry, Engineering and Information Communication Technology.

**Some of the roles of the Board of Governors include:**

- a) Approve the policies of the Institute
- b) Approve the financial statements.
- c) Employ staff
- d) Approve the Annual Budget
- e) Cause the Accounts to be kept and financial statement to be prepared and presented for audit
- f) Undertake other functions set out in the TVET Act, 2013.

**(iii) Board Diversity**

The Board members possess a broad range of skills, expertise, experience and knowledge essential to undertake the college's mandate. The college endeavors to and remains compliant with the one third (1/3) gender balance.

**(iv) Separation of Powers**

The Chairman of the Board's responsibilities include the operation, leadership and governance of the Board, ensuring its effectiveness and setting its agenda. The Institute Principal's roles and responsibilities include the day-to-day management of the Institute's business and overseeing the implementation of strategies and policies approved by the Board.

**(v) Board's Effectiveness**

In order to ensure that the Board members are effective in their contribution to the management of the Institute, the members undergo regular training to enable them to fulfill their responsibilities. The Board members undergo a comprehensive induction and capacity building program upon their inauguration.

**(vi) Board Evaluation**

The Board has put in place an evaluation system to ensure that the Board achieves its objective. The Board evaluation is scheduled to take place in the year 2025/2026.

**(vii) Sitting Allowances of the Board**

The Board members are remunerated for their service in accordance with the prevailing relevant legislative provisions and/or guidance from the relevant authority. The remuneration includes sitting allowances per sitting to the Chairman and members. In addition, sitting allowances may be payable when on official duty in and outside the country.

**(viii) Conflict of Interest**

The Institute conflict of interest policy outlines the circumstances under which a conflict of interest may arise. Board members are required to avoid conflict of interest and deal at arms-length in any matter that relates to the organization. However, a board member who identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the board. A register of interests is maintained and declarations of any conflicts of interests are made at the start of each committee and Board meetings.

**(ix) Committees of the Board**

The college has a total of three committees which are:

1. The Audit and Risk Management Committee
2. Planning, Finance, Development and Enterprise Committee
3. Research, Training and Human Resource Committee.

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

### **Section A**

#### **The college's operational and financial performance**

Navakholo TVC admitted a total of trainees in various courses as per the requirements of KNQA framework. This admitted number is higher than in the last period and it is as a result of continuing aggressive marketing, increased awareness in the community, surrounding counties carried out throughout the period which involved moving from Market to another Market advertising TVET courses.

Training has been smooth in this period though with challenges faced in availing training resources due to undisbursed funds from government agencies. The college offered 59 TVETA approved courses of which are set courses.

In this period the college organised several academic trips to the trainees to various relevant organizations. This motivated the trainees and staff.

The college did not participate in extra curricula activities as the same were not scheduled by KATTI due to strained financial resources

In order to generate extra income the college invested in income generating units like the college farm

### **Section B**

#### **College's compliance with statutory requirements**

1. The college has been compliant to the following statutes and has contributed as per its provisions as follows:
  1. NHIF/SHA
  2. NSSF
  3. P.A.Y.E
  4. Income Tax

Other statutes that the college has complied with are:

- Public Finance Management Act 2012
- Public Procurement and Disposal Act 2015
- Mwongozo
- CDAC
- TVET ACT
- KNQA

However, the college was faced with some risks emanating from;

- i. Cut back of development grants
- ii. Poor payment of fees by the trainees
- iii. Insufficient supply of clean water
- iv. Low completion rate by trainers

**Navakholo Technical and Vocational College**  
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- v. Poverty levels in the in the prospective trainees back ground.
- vi. Limited alternative sources of funds
- vii. Shortage of training infrastructure
- viii. Insufficient PSC Trainers

**Section C**

**Key projects and investment the College is planning/implementing.**

There were no projects in place during the quarter.

**Section D**

**Major risks facing the College**

The College financial assets are trade receivables and cash and short-term deposits which arise directly from its operations. The College had financial liabilities comprising of trade and other payables.

The College had exposure to the following risks:

- i) Market risks
- ii) Liquidity risks
- iii) Credit risks

The Board had overall responsibility for the establishment and oversight of the College's risk Management framework. The Board through their regular meetings addressed risks associated with internal operations.

**(A). Market risk**

Market risk refers to the potential for financial losses or operational challenges that could impact the college's ability to provide quality education and services. Here are some specific Market risks that Navakholo Technical and vocational college might face:

**1. Economic Downturns**

- **Unemployment Rates:** High unemployment can reduce the number of trainees enrolling in vocational programs.
- **Inflation:** Rising costs of living and Materials can Make education more expensive, potentially deterring trainees.

**2. Political Risk**

- **Policy Changes:** Fluctuations in government policies regarding education and vocational training can affect funding and regulations.
- **Elections:** Political instability during election periods can disrupt the college's operations and financial stability.

**3. Market Competition**

- **Private Colleges:** Competition from private vocational schools offering similar programs can attract trainees away.
- **Globalization:** International competition from other countries offering similar training programs can impact local colleges.

**4. Technological Risk**

- **Digital Transformation:** Failure to adopt new technologies can Make the college's programs outdated and less competitive.

- **Cybersecurity:** Threats to data integrity and security can disrupt operations and compromise trainee information.

#### 5. Operational Risk

- **Resource Availability:** Shortages in qualified instructors, Materials, and equipment can affect the quality of education.
- **Infrastructure:** Maintenance and upgrades to facilities are necessary to meet standards and attract trainees.

#### Mitigation Strategies

1. **Diversification of Programs:** Navakholo Technical College is offering a wide range of programs to cater to different Market needs and reduce dependency on any single program.
2. **Continuous Improvement:** Navakholo Technical College is regularly updating curricula and adopting new technologies to stay relevant.
3. **Strong Alumni Network:** Navakholo Technical College is building a strong alumni network to provide support, mentorship, and potential partnerships.
4. **Effective Marketing:** Navakholo Technical College is utilizing Marketing strategies to promote the college and its programs effectively.
5. **Risk Management Plans:** Navakholo Technical College is developing and implementing comprehensive risk Management plans to address potential challenges.

By understanding and addressing these Market risks, Navakholo Technical College might be able to enhance its resilience and continue to provide valuable education and training to its trainees.

#### (B). Liquidity risk

Liquidity risk refers to the risk that a college or individual may not be able to meet their short-term financial obligations due to an inability to convert assets into cash quickly. For Navakholo Technical and Vocational College, liquidity risk can significantly impact her operations and financial stability. Here are some specific aspects of liquidity risk for Navakholo Technical and Vocational College:

##### 1. Cash Flow Management

- **Revenue Fluctuations:** Variability in trainee enrolments and government funding has led to unpredictable cash flows.
- **Expense Timing:** Large expenses, such as payroll or Maintenance costs, has strained cash reserve.

##### 2. Funding and Financing

- **Government Funding:** Dependence on government funding has created liquidity issues if there are delays or reductions in allocations.

##### 3. Operational Costs

- **Utility Bills:** Rising costs of utilities has impacted budgeting and cash flow Management.
- **Supplies and Materials:** Sudden increases in the cost of educational Materials and supplies has strain resources.

##### 4. Trainee-Related Expenses

- **Tuition and Fees:** Ensuring that there is sufficient cash flow to cover tuition and fees, especially during peak enrolment periods.
- **Scholarships and Financial Aid:** Managing the disbursement of scholarships and financial aid programs without depleting cash reserves.

#### Mitigation Strategies

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

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1. **Effective Cash Management Systems:** Navakholo Technical and Vocational college is implementing robust cash Management systems to track income and expenses accurately and predictably.
2. **Diversified Funding Sources:** Navakholo Technical and Vocational college is diversifying funding sources to include private donations, partnerships, and alternative financing options.
3. **Contingency Planning:** Navakholo Technical and Vocational college is developing contingency plans to address potential cash flow shortages, such as emergency funds or lines of credit.
4. **Budgeting and Forecasting:** Navakholo Technical and Vocational college is regularly reviewing and adjusting budgets based on actual performance and forecasts.

By addressing these liquidity risks through effective Management and strategic planning, Navakholo Technical and Vocational college can ensure they have the necessary resources to continue providing quality education and services to their trainees.

**(C). Credit risk**

Credit risk refers to the possibility that a borrower will fail to meet their financial obligations, resulting in a loss for the lender. Navakholo Technical and Vocational College, Managing credit risk is crucial, especially when dealing with trainee loans and other forms of credit extended to trainees or staff. Here are some specific aspects of credit risk for Navakholo Technical and Vocational College:

**1. Trainee Loans**

- **Default Risk:** The risk that trainees will default on their loans, particularly after graduation when they Juney face financial challenges.
- **Interest Rate Risk:** The risk that changes in interest rates will affect the repayment terms and the college's ability to service its own debt.

**2. Vendor and Supplier Credit**

- **Payment Delays:** The risk of delayed payments to vendors and suppliers, which has strained relationships and impacted the availability of necessary Materials and services.
- **Creditworthiness of Suppliers:** The risk that suppliers themselves are facing financial difficulties, impacting their ability to deliver goods and services.

**3. Operational Credit**

- **Staff Salaries:** Ensuring that there is sufficient cash flow to meet payroll obligations, especially if the college faces unexpected financial challenges.

**Mitigation Strategies**

1. **Credit Screening:** Navakholo Technical and Vocational College is implementing thorough credit screening processes for trainees and vendors to assess their ability to repay loans and meet financial obligations.
2. **Diversification of Funding Sources:** Navakholo Technical and Vocational College is diversifying funding sources to reduce reliance on any single type of credit and mitigate the impact of defaults or payment delays.
3. **Insurance:** Navakholo Technical and Vocational College is considering credit insurance to protect against defaults and other credit-related risks.
4. **Financial Reserves:** Navakholo Technical and Vocational College is Maintaining adequate reserves to cover potential defaults and unexpected financial obligations.

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

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5. **Monitoring and Review:** Navakholo Technical and Vocational College is regularly monitoring credit risk and reviewing credit policies to ensure they remain effective and aligned with current Market conditions.  
By addressing these credit risks through careful Management and strategic planning, Navakholo Technical and Vocational College can protect their financial stability and continue to provide valuable education and services to their trainees and community.

**Section E**

**Material arrears in statutory/financial obligations**

Navakholo Technical and Vocational did not have any Material arrears in statutory/financial obligations in the year under review.

**Section F**

**The College's financial probity and serious governance issues**

The College did not have any Major financial improbity reported during the year under review.

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

Navakholo Technical and Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the trainees/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives).

### **Sustainability strategy and profile**

#### **Institutional challenges**

- Financial constraints in provision of adequate training materials and learning resources in line with the massive recruitment of trainees;
- Capacity building of staff is not adequate, especially in information and communications technology (ICT) competences with new changes;
- Student's inability to afford laptops and/or smartphones needed for online learning

#### **Integration**

Due to the potential of TVET to contribute to socioeconomic development, many countries in the world are embarking on reforms to establish TVET systems that are fit for purpose.

The major programmes NTVC offers are:

- welding
- Mechanical technology
- Electrical engineering

### **Environmental performance**

#### **ENVIRONMENTAL POLICY**

Navakholo TVC commits itself to and endorses the need to protect the environment.

Navakholo TVC acknowledges and accepts its responsibility to conduct its business in compliance with applicable environmental laws and regulations.

To accomplish this, the top management is committed to:-

Establish an internal review procedure to identify environmental impacts of all functions within the institution and to access levels of compliance with applicable laws and regulations pertaining to the environment.

Develop a program aimed at safe-guarding the quality of the environment and achieving compliance.

Establish and maintain appropriate training programs designed to make every employee competent to carry out his/her responsibilities with respect to the policy.

Report annually on regulatory compliance, issues and improvements.

#### **ENVIRONMENTAL STATEMENT**

Navakholo TVC has a vital interest in ensuring a clean and healthy environment.

Navakholo TVC also relies on a healthy environment so that you, the customer, can enjoy the standard of living and healthy.

As technology advances and regulations change, Navakholo TVC will continue to improve systems,

Reduce waste and efficiently utilize resource to meet the environmental challenges of the next century.

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

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Navakholo TVC will make available to interested parties, its environmental program and its environmental control activities

**Employee welfare**

Navakholo TVC has taken great concern of its employees by ensuring that their welfare is taken care of in the Human Resource Policies captured in the NTVC HR Manual.

The employee welfare within the college is well taken care of by ensuring non discriminative engagements by way of recruitments where the gender ratio is considered and also management roles taking cognisance of article 10 of the Kenyan constitution

**Market place practices-**

NTVC has employed best market place policies by putting effort in the following areas;

- a) Responsible competition practice.  
Navakholo Technical and vocational college ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors by implementing relevant government policies and procedures.
- b) Navakholo Technical and vocational college maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

**Corporate Social Responsibility / Community Engagements**

The college would wish to engage in CSR activities but due to lack of funds occasioned by non-remittance from government agencies, we did not participate in any such activity.

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

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

The Board members submitted their report together with the audited financial statements for the year ended June 30, 2025, which showed the state of the college's affairs.

**Principal activities**

The principal activities of Navakholo Technical and vocational college are to provide high quality Technical and vocational Education and Training and Research that promote creativity and innovations to meet global challenges.

**Results**

The results of Navakholo Technical and vocational college for the year ended 30<sup>th</sup> June, 2025 are set out on pages 1 to 5.


**Board of Governors**

The members of the Board who served during the year are shown on page vi and vii

**Auditors**

The Auditor General is responsible for the statutory audit of Navakholo Technical and vocational college in accordance with Article 229 of the Constitution of Kenya.

By Order of the Board

for  .....

**Rev. Patrick Shiyonga**  
**Secretary of the Board**

Date: 21/11/2025

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

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**12. Statement of Board of Governor's Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect of Navakholo technical and vocational college, which give a true and fair view of the state of affairs of Navakholo technical and vocational college at the end of the financial year/period and the operating results of Navakholo technical and vocational college for that year/period. The Board members are also required to ensure that Navakholo technical and vocational college keeps proper accounting records which disclose with reasonable accuracy the financial position of Navakholo technical and vocational college. The Board members are also responsible for safeguarding the assets of Navakholo technical and vocational college.

The Board members are responsible for the preparation and presentation of Navakholo technical and vocational college financial statements, which give a true and fair view of the state of affairs of Navakholo technical and vocational college for and as at the end of the financial year ended on June 30, 2025. This responsibility includes:

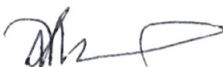
- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the college,
- (iii) designing, implementing 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 college,
- (v) selecting and applying appropriate accounting policies,

The Board members accept responsibility for the institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act 2013). The Board members are of the opinion that the college's financial statements give a true and fair view of the state of college's transactions during the financial year ended June 30, 2025, and of the college's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.


Nothing has come to the attention of the Board members to indicate that Navakholo technical and vocational 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**

Navakholo technical and vocational college financial statements were approved by the Board on 26<sup>th</sup> July 2025 and signed on its behalf by:

  
Name: Prof Violet Opata  
Chairperson of the Board

26/7/2025

  
for Name: Rev. Patrick Shiyonga  
Accounting Officer/Principal  
21/7/2025

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

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

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Navakholo Technical and Vocational College set out on pages 1 to 30, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of

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*Report of the Auditor-General on Navakholo Technical and Vocational College for the year ended 30 June, 2025*

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Navakholo Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Refundable Deposits from Customers Balance**

The statement of financial position and Note 20 to the financial statements reflect refundable deposits from customers balance of Kshs.2,546,517. The balance comprises students' caution money of Kshs.500, other refundable bursary deposits of Kshs.614,000, and other refundable capitation deposits of Kshs.1,932,017. However, the ledgers supporting these balances were not provided for audit verification.

In addition, explanations were not provided to indicate situations when bursary and capitation are refundable, and to whom. Further, the refundable deposits were not banked in a separate savings account as required. This practice makes it difficult to confirm the accuracy and completeness of the balances and exposes the funds to potential misuse.

In the circumstances, the accuracy and completeness of refundable deposits from customers balance of Kshs.2,546,517 could not be confirmed.

#### **2. Long Outstanding Receivables from Exchange Transactions**

The statement of financial position and Note 16 to the financial statements indicates current receivables from exchange transactions balance of Kshs.25,551,019. However, the ageing analysis revealed that receivables totalling Kshs.13,706,142 had remained outstanding for a period exceeding three years, while an additional balance of Kshs.11,844,877 had been outstanding for more than six months. The prolonged outstanding balances were attributed to weaknesses in debt management, including inadequate follow-up mechanisms, lack of enforcement of credit policies, and possible deficiencies in debtor profiling and recovery strategies.

In the circumstances, the accuracy and full recoverability of current receivables from exchange transactions balance of Kshs.25,551,019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Navakholo 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 revenue budget of Kshs.76,319,200 against actual receipts of Kshs.29,020,088 resulting in an under-funding of Kshs.47,299,112 or 62% of the budget. Similarly, the College incurred expenditure of Kshs.31,598,350 against an approved expenditure budget of Kshs.76,319,200 resulting in an under-expenditure of Kshs.44,720,850 or 59% of the budget.

In the circumstances, the under-funding and under-performance affected the implementation of planned activities 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. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the previous year audit report, several issues were raised under Report on the Financial Statements, Emphasis of Matter, Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk management and Governance, as detailed in **Appendix I**. The Management did not provide explanations for failure to implement Auditor-General's recommendations for the previous year ended 30 June, 2024.

In the circumstances, the issues remain unresolved.

### **Other Information**

The Management is responsible for the Other Information set out on page iii to xxix 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

Statement, 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. Non-Compliance with Law on Occupational Safety and Health (OSH)**

During the year under review, the college had not conducted mandatory fire safety audits and annual occupational safety and health audits by approved OSH advisors, as required under the Occupational Safety and Health Act, 2007. Further, the College was yet to constitute an OSH Committee and was not in possession of certificate of registration as a workplace from the Directorate of Occupational Safety and Health Services.

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

#### **2. Non-Compliance with Staff Ethnic Diversity Requirement**

Review staff records revealed that the College had thirty-eight (38) employees during the year under review. However, thirty-four members of staff or 89% were from one dominant ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008, which mandates that all public offices shall strive to reflect the diversity of the Kenyan population in their staffing and prohibits any public establishment from having more than one-third of its workforce from a one ethnic community. Management has not demonstrated actions taken and the future plans to ensure compliance with law on ethnic diversity.

In the circumstances, Management was in breach the law.

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### Basis for Conclusion

#### 1. Failure to Recruit a Human Resource Officer

Review of staff establishment and personnel records revealed that the position of Human Resources officer was vacant during the year under review. The responsibilities of the role were handled by the Finance Officer, contrary to best practice and approved staffing norms. This was contrary to Section 10 of the Public Service (Values and Principles) Act, 2015 and the Human Resource Policies and Procedures Manual for the Public Service which require that public institutions maintain a functional and adequately staffed establishment aligned to approved organizational structures. Each designated role should be filled by qualified personnel to ensure operational efficiency and compliance with governance standards.

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

#### 2. Lack of College Land Ownership Documents

Note 18 of the financial statements reflect land valued at Kshs.5,500,000. However, the land ownership documents were not provided for audit verification. It was observed that the land on which the college was located was donated by Chebuyusi secondary school. However, the reason for failure to transfer the title to the college was not provided by the College's Management.

In the circumstances, the security and ownership of college land 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 Board of Governors**

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

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

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

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

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

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

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

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

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

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

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

**Nairobi**

**08 December, 2025**

## Appendix 1: Unresolved Prior Year Matters

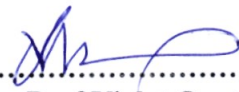
Reference No. of the Auditor-General's Report	Title of Audit Issue
	<b>Report on the Financial Statements</b>
1	Inaccuracies of the financial statements
2	Long outstanding receivables from exchange transactions balance
	<b>Emphasis of Matter</b>
	Budgetary Control and Performance
	<b>Report on Lawfulness, Effectiveness in the Use of Public Resources</b>
	Non-compliance with staff ethnic diversity requirement
	<b>Report on Effectiveness of Internal Controls, Risk Management and Governance</b>
1	Lack of an internal function and audit committee
2	Ineffective Information and Communication Technology (ICT) Management


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

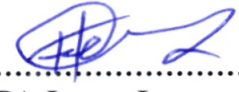
14. Statement of Financial Performance for the Year Ended 30 June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	17,949,272	19,705,164
		<b>17,949,272</b>	<b>19,705,164</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	22,915,693	14,848,987
Miscellaneous income	8	872,275	
<b>Revenue from Exchange transactions</b>		<b>23,787,968</b>	<b>14,848,987</b>
<b>Total Revenue</b>		<b>41,737,240</b>	<b>34,554,151</b>
<b>Expenses</b>			
Use of goods and services	9	22,748,576	12,445,147
Employee costs	10	5,876,254	4,445,200
Board /Council Expenses	11	2,371,892	2,522,750
Depreciation and amortization expense			18,625,982
Repairs and maintenance	12	531,140	104,325
Contracted services	13	336,000	288,000
<b>Total Expenses</b>		<b>31,863,862</b>	<b>38,431,404</b>
<b>Other Gains/(Losses)</b>			
<b>Net surplus/(deficit) for the year</b>		<b>9,874,428</b>	<b>(3,877,253)</b>

The Financial Statements set out on pages 1 to 4 were signed by:

  
Name. Prof Violet Opata  
Chairman of Council/Board

  
Rev Patrick Shiyonga  
Principal

  
CPA Jensen Iravonga  
Finance Officer

Date

26/11/2025

Date

21/11/2025

ICPAK No. 17869

Date


21/11/2025

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


**15. Statement of Financial Position as At 30th June 2025**

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	15	6,034,067	4,602,688
Current portion of receivables from exchange transactions	16	25,551,019	17,141,932
Inventories	17	528,480	331,400
<b>Total Current Assets</b>		<b>32,113,566</b>	<b>22,076,020</b>
<b>Non-Current Assets</b>			
Property, plant, and equipment	18	191,713,000	124,781,838
<b>Total Non-Current Assets</b>		<b>191,713,000</b>	<b>124,781,838</b>
<b>Total Assets (A)</b>		<b>223,826,566</b>	<b>146,857,858</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	19	217,507	362,400
Refundable deposits from customers	20	2,546,517	-
Payments received in advance	21	279,770	2,764,421
<b>Total Current Liabilities</b>			<b>3,126,821</b>
<b>Total Liabilities (B)</b>		<b>3,043,794</b>	<b>3,126,821</b>
<b>Net Assets (A-B)</b>		<b>220,782,772</b>	<b>143,731,037</b>
<b>Represented By:</b>			
Revaluation reserve		66,931,162	
Accumulated Surplus		29,804,650	19,930,222
Capital Fund		124,046,960	124,046,960
<b>Net Assets</b>		<b>220,782,772</b>	<b>143,977,182</b>

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

  
 Name. Prof Violet Ometa  
 Chairman of Council/Board

Date 26/11/2025

  
 Rev Patrick Shiyonga  
 Principal

Date 21/11/2025

  
 CPA Jensen Iravonga  
 Finance Officer

ICPAK No. 17869  
 Date 21/11/2025

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

16. Statement of Changes in Net Asset for the Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
<b>At July 1, 2023</b>	-	<b>5,181,493</b>	<b>142,672,942</b>	<b>146,272,937</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(3,877,253)	-	(3,877,253)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	18,625,982	(18,625,982)	-
<b>At June 30, 2024</b>	-	<b>19,930,222</b>	<b>124,046,960</b>	<b>142,395,684</b>
<b>At July 1, 2024</b>		<b>19,930,222</b>	<b>124,046,960</b>	<b>142,395,684</b>
Revaluation gain	66,931,162	-	-	<b>66,931,162</b>
Surplus/(deficit) for the year	-	<b>9,874,428</b>	-	<b>9,874,428</b>
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2025</b>	<b>66,931,162</b>	<b>29,804,650</b>	<b>124,046,960</b>	<b>219,201,274</b>

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**17. Statement of Cash Flows for the Year Ended 30 June 2025**

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities		17,949,272	19,705,164
Rendering of services- fees from students		11,070,816	14,848,987
Miscellaneous income		872,275	
<b>Total Receipts</b>		<b>29,892,363</b>	<b>34,554,151</b>
<b>Payments</b>			
Use of goods and services		22,636,014	12,445,147
Employee costs		5,876,254	4,445,200
Board /Council Expenses		2,361,892	2,522,750
Repairs and maintenance		531,140	104,325
Contracted services		240,000	288,000
<b>Total Payments</b>		<b>31,645,300</b>	<b>19,805,422</b>
<b>Net Cash Flows from operating activities</b>	47	<b>(1,752,937)</b>	<b>14,748,729</b>
<b>Cash flows from investing activities</b>			
<b>Net cash flows used in investing activities</b>			<b>(55,000)</b>
<b>Cash flows from financing activities</b>			
<b>Net Increase/(Decrease)in Cash and Cash equivalents</b>		<b>1,431,379</b>	<b>3,606,909</b>
Cash and Cash equivalents at 1 <sup>st</sup> JULY 2025		4,602,688	995,779
<b>Cash and Cash equivalents at 30<sup>th</sup> JUNE 2024</b>	26	<b>6,034,067</b>	<b>4,602,688</b>

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18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
<b>Receipts</b>						
Transfers from other National Government entities	50,000,000		50,000,000	17,949,272	32,050,728	35.9%
Rendering of services-fees from students	26,319,200		26,319,200	11,070,816	15,248,384	42.1%
<b>Total Receipts</b>	<b>76,319,200</b>		<b>76,319,200</b>	<b>29,020,088</b>	<b>47,299,112</b>	<b>38%</b>
<b>Payments</b>						
Use of goods and services	54,763,200		54,763,200	22,589,064	32,174,136	41.2%
Employee costs	15,600,000		15,600,000	5,876,254	9,723,746	37.7%
Board /Council Expenses	2,801,200		2,801,200	2,361,892	439,308	84.3%
Repairs and maintenance	2,866,800		2,866,800	531,140	2,335,660	18.5%
Contracted services	288,600		288,000	240,000	48,000	83.3%
<b>Total Expenditure Payments</b>	<b>76,319,200</b>		<b>76,319,200</b>	<b>31,598,350</b>	<b>44,720,850</b>	<b>41.4%</b>

**19. Notes to the Financial Statements**

**1. General Information**

Navakholo Technical and vocational college is established by and derives its authority and accountability from TVET 2023 Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer vocational education

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

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

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

(When an IPSAS becomes effective on 1st January 2024, it is applicable in Kenya from 1st July 2024)

**i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.**

There are no new and amended standards issued in the financial year.

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.**

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<b>Applicable 1<sup>st</sup> January 2025</b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b>Applicable 1<sup>st</sup> January 2025</b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS45: Property Plant and Equipment	<b>Applicable 1<sup>st</sup> January 2025</b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<b>Applicable 1<sup>st</sup> January 2025</b> The objective of this standard was to improve measurement guidance across IPSAS by:

	<ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS47: Revenue	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS48:TransferExpenses	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS49: Retirement Benefit Plans	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b>Applicable 1<sup>st</sup> January 2027</b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the</li> </ul>

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	amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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**iii. Early adoption of standards**

The college did not early – adopt any new or amended standards in the financial year.

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

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

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

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

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

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

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

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

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

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

##### **Interest income**

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

##### **Rental income**

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

**b) Budget information**

The original budget for FY 2024/2025 was approved by the Council or Board on 27th *February 2024*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity didn't record any additional appropriations on the FY 2024/2025. 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 Cash flows has been presented.

**c) Taxes**

**Current income tax**

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

**e) Property, plant and equipment**

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

**f) Leases**

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

**g) Intangible assets**

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

life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

**h) Biological Assets**

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

**i) Research and development costs**

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

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

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

**j) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**Financial assets**

**Classification**

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model

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

### **Subsequent measurement**

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

#### **Amortized cost**

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

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

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

#### **Fair value through surplus or deficit**

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

### **Trade and other receivables**

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

## **Impairment**

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

## **Financial liabilities**

### **Classification**

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

### **k) Inventories**

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

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

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

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

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 college.

### **l) Provisions**

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

### **m) Social Benefits**

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

### **n) Nature and purpose of reserves**

The college creates and maintains reserves in terms of specific requirements.

### **o) 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.

### **p) 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.

### **q) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when

the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

**r) 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.

**s) Related parties**

The college 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.

**t) Service concession arrangements**

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

**u) 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 imprest. And advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**v) Comparative figures**

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

**w) 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, 2025.

## 5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the colleges'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	2024/2025	2023/2024
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	17,949,272	19,205,163
<b>Total Government Grants and Subsidies</b>	<b>17,949,272</b>	<b>19,205,163</b>

7. Rendering of Services

Description	30/June/2025	30/June /2024
	Kshs	Kshs
TUITION	16,308,013	1,114,100
PERSONAL EMOLUMENT	1,542,921	5,444,000
LT&T	565,340	1,859,148
RMI	162,486	513,820
EWC	401,041	1,057,020
ACTIVITY	760,291	1,382,000
ATTACHMENT	173,700	139,000
DEVELOPMENT	483,291	1,354,000
STUDENT COUNCIL	16,300	249,600
EXAM	2,099,050	1,736,299
ADMINISTRATION	22,450	
ADMISSION FEE	26,410	
ID	6,500	
KUCCPS	347,900	
BANK CHARGES	46,950	
<b>Total revenue from the rendering of services</b>	<b>22,915,693</b>	<b>14,848,987</b>

8. Miscellaneous Income

Description	30/June/2025	30/June /2024
	Kshs	Kshs
FARM	9,275	
CONTINGENT RENTALS		
MACHINE HIRE	3,000	
IGA	860,000	-
<b>Total other income</b>	<b>872,275</b>	<b>-</b>

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**9. Use of Goods and Services**

Description	30/June/2025	30/June /2024
	KShs	KShs
INTELLIMIS	301,600	232,000
INTERNET SUB	51,542	75,314
TRAVEL	3,123,750	3,867,274
OFFICE HOSIPITALITY	574,445	151,570
MARKETING	515,200	465,000
ACTIVITY	2,882,166	2,066,670
AUDIT FEE	187,450	75,500
INDUSTRIAL ASSESMENT	281,170	75,314
POWER BILL	322,211	287,266
JITUME PROGRAMME	1,063,890	
AIRTIME	219,700	73,000
FARM	53,130	52,590
LAWNMORE EXPENSES	13,760	78,350
ADMIN COST	3,706,453	2,273,141
STUDENT COUNCIL	251,985	244,020
STATIONERY	509,000	257,760
WEBSITE DEVELOPMENT	58,050	0
WORKSHOP TRAININGS		124,000
EXAMS(KNEC & CDACC)	2,965,700	1,845,034
FABRICATED CLASSROOM		369,460
KUCCPS REGISTRATION	621,270	112,500
TUITION	3,480,850	900,119
STUDENT CHAIRS	48,400	544,044
MEDICAL EXPENSES	6,075	
IGA	863,500	
STAFF RETREAT	339,079	
TVET FAIR		550,800
INSURERENCE		16,000
PC COST	158,200	
ASSET VALUATION	150,000	
<b>Total use of goods and services</b>	<b>22,748,576</b>	<b>14,736,726</b>

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10. Employee Costs

Description	30/June/2025	30/June /2024
	Kshs	Kshs
Salaries and wages	5,876,254	4,755,360
<b>Total Employee costs</b>	<b>5,876,254</b>	<b>4,755,360</b>

11. Board/Council Expenses

Description	30/June/2025	30/June /2024
	Kshs	Kshs
Board expenses	2,371,892	2,752,526
<b>Total BOG emoluments</b>	<b>2,371,892</b>	<b>2,752,526</b>

12. Repairs and Maintenance

Description	30/June/2025	30/June /2024
	Kshs	Kshs
General repair	531,140	142,255
<b>Total repairs and maintenance</b>	<b>531,140</b>	<b>142,255</b>

13. Contracted Services

Description	30/June/2025	30/June /2024
	Kshs	Kshs
Security Services	240,000	264,000
<b>Total contracted services</b>	<b>240,000</b>	<b>264,000</b>

14. Finance Costs

Description	30/June/2025	30/June /2024
	Kshs	Kshs

15. Cash and Cash Equivalents

Description	30/June/2025	30/June /2024
	KShs	KShs
Current account	6,034,067	4,599,645
Others(cash at hand)		3,673
<b>Total cash and cash equivalents</b>	<b>6,034,067</b>	<b>4,603,318</b>

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

Financial Institution	Account number	2024/2025		2023/2024	
		Kshs		Kshs	
<b>a) Current Account</b>					
Equity Bank,	0500280066901	6,034,067		4,603,318	
<b>Sub- Total</b>		<b>6,034,067</b>		<b>4,603,318</b>	
<b>Grand Total</b>		<b>6,034,067</b>		<b>4,603,318</b>	

16. Receivables from Exchange transactions

16(a) Current Receivables from Exchange transactions

Description	30/June/2025	30/June /2024
	KShs	KShs
<b>Current receivables</b>		
Student debtors	11,844,877	9,589,168
Student debtors 2021-2024	13,706,142	7,552,764
<b>Total current receivables</b>	<b>25,551,019</b>	<b>17,141,932</b>

2 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	2024/2025	% of total	2023/2024	% of the total
Less than 1 year	11,844,877	46.35%	9,589,168	55.94%
Between 1- 3 years	13,706,142	53.65 %	7,552,764	44.06%
<b>Total (a+b)</b>	<b>25,551,019</b>	<b>100%</b>	<b>17,141,932</b>	<b>100%</b>

17. Inventories

Description	30/June/2025	30/June /2024
	KShs	KShs
Main stores	528,480	331,400
<b>Total inventories at the lower of cost and net realizable value</b>	<b>528,480</b>	<b>331,400</b>

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**18. Property, Plant and Equipment**

Cost	Land	Buildings	Furniture and fittings	Computers	Plant and equipment	Machinery and equipments	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		2%	12.5%	33.3%	12.5%	12.5%	
At 1 July 2023	2,500,000	59,210,550	2,666,735	1,616,500	614,120	131,891,946	198,499,701
Additions					-	55,000	55,000
At 30 <sup>th</sup> June 2024	2,500,000	59,210,550	2,666,735	1,616,500	614,120	131,946,946	198,554,701
Revaluation gain	3,000,000	39,339,294	11,403,692	1,577,000	11,611,176		66,931,162
At 30 <sup>th</sup> June 2025	5,500,000	93,813,000	12,800,000	1,577,000	78,023,000	-	191,713,000
Depreciation And Impairment							
At 1 July 2024	-	3,552,633	937,085	1,450,215	119,630	49,459,479	55,519,042
Depreciation	-	1,184,211	333,342	538,295	83,670	16,486,494	18,625,982
Disposals	-	-	-				
Impairment	-	-	-				
At 30 Jun 2024		4,736,844	1,270,427	1,988,510	203,270	65,945,972	74,145,023
Depreciation	-						
Net Book Values							
At 30 <sup>th</sup> Jun 2024	2,500,000	54,473,706	1,396,308	-	65,945,974	465,850	124,781,838
At 30 <sup>th</sup> Jun 2025	5,500,000	93,813,000	12,800,000	1,577,000	78,023,000	-	191,713,000

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19. Trade and Other Payables

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade payables	217,507		362,400	
	-			
<b>Total Trade and Other Payables</b>	<b>217,507</b>		<b>362,400</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	217,507	100%	362,400	100%
<b>Total (to tie to totals above)</b>	<b>217,507</b>	<b>100%</b>	<b>362,400</b>	<b>100%</b>

20. Refundable Deposits from Customers/Students

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Caution money	500.		-	
Other refundable deposits (Bursary)	614,000		-	
(Capitation)	<b>1,932,017</b>			
<b>Total Deposits</b>	<b>2,546,517</b>		<b>-</b>	
<b>Ageing analysis:</b>	<b>2024/2025</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	2,546,517	100%	-	%
<b>Total (to tie to totals deposits above)</b>	<b>2,546,517</b>	<b>100%</b>	<b>-</b>	<b>%</b>

21. Payments received in advance.

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Fees received in advance	279,770		2,764,421	
Total	<b>279,770</b>		<b>2,764,421</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	279,770	100%	2764421	100%
<b>Total</b>	<b>279,770</b>	<b>100%</b>	<b>2,764,421</b>	<b>100%</b>

## 22. Financial Risk Management

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

### (i) Credit risk

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

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

The carrying amount of financial assets recorded in the financial statements representing the College'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
<b>At 30 June 2024</b>				
Receivables from exchange transactions	17,141,932	17,141,932	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	4,603,318	4,603,318	-	-
<b>Total</b>	<b>21,745,250</b>	<b>21,745,250</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2025</b>				
Receivables from exchange transactions	25,551,019	25,551,019	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	6,034,067	6,034,067	-	-
<b>Total</b>	<b>31,585,086</b>	<b>31,585,086</b>	<b>-</b>	<b>-</b>

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**Financial risk management (continued)**

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

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

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade Payables	362,400	-	2,764,421	3,126,821
<b>Total</b>	<b>362,400</b>	<b>-</b>	<b>2,764,421</b>	<b>3,126,821</b>
<b>At 30 June 2025</b>				
Trade Payables	217,507	-	-	217,507
<b>Total</b>	<b>217,507</b>	<b>-</b>	<b>-</b>	<b>217,507</b>

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**(iii) Market risk**

The college has put in place an internal audit function to assist it in assessing the risk faced by the College 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 College's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The College'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 College's exposure to market risks or the manner in which it manages and measures the risk.

**a) Foreign currency risk**

The College does not have 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.

**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.

**b) Interest rate risk**

Interest rate risk is the risk that the College'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 College 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. The analysis has been performed on the same basis as the prior year.

**Navakholo Technical and Vocational College**  
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**iv) Capital Risk Management**

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

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Revaluation Reserve	66,931,162	-
Retained Earnings	29,804,560	19,930,222
Capital Reserve	124,046,960	124,046,960
<b>Total Funds</b>	<b>220,782,682</b>	<b>143,977,182</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	(6,034,067)	(4,603,318)
Net Debt/(Excess Cash and Cash Equivalents)	-	-
<b>Gearing</b>	<b>-%</b>	<b>-%</b>

**23. Events After The Reporting Period**

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

**24. Ultimate And Holding Entity**

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

**25. Currency**

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

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**20. Appendices**

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

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1	Inaccuracies in financial statements	The inaccuracies have been corrected	Resolved	20/10/2025
2	Long outstanding receivables from exchange transactions	The management is currently issuing demand notices and reminders to prompt students pay fees	Partially resolved	30/06/2026
3	Lack of an Internal Audit function and Audit Committee	There is currently an internal audit committee and a subcontracted internal auditor who manages the internal audit function from a mentor institution	resolved	



for Name Rev. Patrick Shiyonga

**Accounting Officer  
Principal and Sec. BOG  
Date 21/11/2025**

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**Appendix III- Inter-Entât Confirmation Letter**

Name of transferring entity.....Ministry of Education

Name of beneficiary entity..... **Navakholo Technical and Vocational college**

**Confirmation of amounts received by [Navakholo Technical and Vocational college] as at 30<sup>th</sup> June (2025)**

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)
MOE/DTE/CAP/45(101)	7/10/2024	2,660,325		2,660,325
MOE/DTE/CAP/46(89)	16/02/2025	7,604,425		7,604,425
MOE/DTE/SCHO/VOL 1(123)	24/09/2024	2,015,095		2,015,095
MOE/DTE/SCHO/VOL 1(123)	20/9/2024	3,379,032		3,379,032
MOE/DTE/SCHO/VOL 1(123)	20/09/2024	2,035,252		2,035,252
MOE/DTE/SCHO/VOL 1(123)	20/9/2024	255,146		255,146
<b>Total</b>		<b>17,949,275</b>		<b>17,949,275</b>

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

**Head of Accounts Department - Beneficiary Entity:**

Name ..... *Jensen Travyan* Sign ..... *[Signature]* Date..... *21/11/2025*

