

REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 APR 2026	DAY: WEDNESDAY
TABLED BY:	HON. DR. ROBERT PUKOSE, MP
CLERK-AT-THE-TABLE:	CHRISTINE NDIRITU

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

**KERICHO TOWNSHIP TECHNICAL
AND VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2025**



Kericho Township Technical and Vocational College
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2025

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



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1. Acronyms & 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
TVC	Technical Vocational College
KTTVC	Kericho Township Technical and Vocational College
FHC	Finance and Human Resource Committee
ARC	Audit and Risk committee
ETC	Education and Training Committee
TVETA	Technical and Vocational Training Authority.
KASNEB	Kenya Accountants and Secretaries National Examinations Board.
ICPAK	Institute of Certified Public Accountants of Kenya.
KNEC	Kenya National Examinations Board
HELB	Higher Education Loans Board.
CDACC	Curriculum Development, Assessment and Certification Council
RPL	Recognition of Prior Learning

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B. Definition of Key Terms

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

Comparative Year- Means the Prior period

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2. Key Entity Information and Management

(a) Background information

The institution was incorporated/ established under the TVET Act 2013 of 25th January, 2013. The entity is domiciled in Kericho County, Kenya. The institute is under the Ministry of Education, Directorate of Technical and Vocational Education.

The institute currently has seven functional departments namely;

1. Building Department
2. Hospitality Department
3. Business Department
4. Computing and Informatics
5. Liberal studies
6. Electrical & Electronics Department
7. Agriculture & Environmental Studies

(b) Principal Activities

The principal mandate of the Kericho Township TVC is captured in our vision and mission statements as well as our strategic objectives guided by our core values as sated below.

Vision

To make a better world trough quality education, research and innovation

Mission

To accelerate the worlds transition using technological advancement in addressing contemporary human challenges for prosperity.

Strategic objectives

- i. Creating more diverse revenue streams
 - ii. Budget for additional funds for marketing initiatives
 - iii. To increase market coverage
 - iv. To provide quality service through staff training and development
- To adhere to the ministry of education provided guidelines

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Core Values

- Non-discrimination
- Accountability
- Selfless service
- Team Work
- Excellence
- Innovation
- Integrity

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(c) Key Management

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

- Board of Governors
- Principal/Secretary to The Board
- Deputy Principal
- Registrar
- Dean of Trainers
- Head of Finance
- Head of Procurement
- Head of Internal Audit
- Head of Human Resource

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mr. Shadrack Tonui
2.	Deputy Principal	Mr. Wilson Kosgei
3.	Ag. Registrar	Mr. Robert Kemboi
4.	Ag. Dean of Students	Mr. Leonard Yegon
5.	Head of Finance	Mr Enock Kosgei (C.P.A)
6.	Head of Procurement	Ms. Eddah Chepkurui
7.	Head of Internal Audit	Ms. Dorothy Chepkoech
8.	Head of Human Resource	Ms. Gloria Chepkoech

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(e) Fiduciary Oversight Arrangements

The oversight role of Kericho Township TVC, is done by its Board of Governors (B.O.G) Inaugurated on 8th of July 2024. The Board Constitute of Three Fiduciary Oversight Committees Namely;

- Audit and Risk Committee
- Finance and Human Resource Committee
- Education and Training Committee

1. Audit committee with the membership as follows:

S NO.	Name	Designation	Expertise
i.	C.P.A David Kikwai	chairman	Finance & Accounting
ii.	Mr. David Koske	member	Engineer
iii.	Judith Chirchir	Member	Education

The responsibility of the committee is to receive and consider reports, make recommendations and advise the Board of Governors on:

- ✓ Internal and external audit reports
- ✓ Internal Audit annual plan
- ✓ Internal controls
- ✓ Risk management
- ✓ Compliance to laws, regulations and standards.
- ✓ Governance
- ✓ Governance Audit Reports

2. Finance and human resource committee with the membership as follows.

Name	Designation	Professional Background
Doris Ngeno	Chairperson	Law
Caleb Omondi	Member	Accounting
Peter Cheruiyot	Member	Education
Shadrack Tonui	Member	Education

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The committee is in charge of oversight activities involving hiring and management of human resource personnel within the institution. To receive and consider reports, make recommendations and advise the Board of Governors on:

- ✓ The College planning and financial strategy
- ✓ Annual budget and medium-Term Expenditure Framework;
- ✓ Resource Mobilization
- ✓ Purchase and sale of property and disposal of idle assets.
- ✓ The College investment and borrowings.
- ✓ The progress of the implementation of plans and policies as outlined in the strategic plan.
- ✓ Approval of new construction projects.
- ✓ The progress of projects.
- ✓ Maintenance and development of buildings and land.
- ✓ Development, investment and enterprise.
- ✓ Collaboration and Partnerships
- ✓ Memorandum of Understanding
- ✓ College Legal and ICT Status
- ✓ Human Resource Strategy, Policies and Procedures and standards.
- ✓ Terms and conditions of employment for the college staff
- ✓ To discuss all personnel issues affecting College employees.
- ✓ Staff recruitment, selection, deployment and career development

3. Education and Training committee with the membership as follows;

Name	Designation	Professional Background
Joseph Mafurah	Chairman	Education
Dorothy Bundi	member	
Peter Cheruiyot	Member	Education
Shadrack Tonui	Member	Education

The committee's role and responsibility is to receive and consider reports, make recommendations and advise the Board of Governors on:

- ✓ Issues relating to student's affairs.

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- ✓ Establishment of new Campuses.
- ✓ Admissions and examinations.
- ✓ Curriculum development/ Reviews
- ✓ Quality management systems.
- ✓ Sports updates
- ✓ Graduation updates
- ✓ Research Activities
- ✓ Performance Contracting

(f) Entity Headquarters

KERICHO TOWNSHIP TECHNICAL AND VOCATIONAL COLLEGE
P.O. Box 828- 20200,
Kericho, Kenya
Off John Kerich-Keongo Road.

(g) Entity Contacts

Telephone: (254) 0713107307

E-mail: keritownshiptechnical@gmail.com

Facebook page: Kericho township technical and vocational college

(h) Entity Bankers

1. Kenya Commercial Bank

Kericho branch

P.O Box 264-20406

Kericho Branch

2. Equity Bank

Kericho Branch

P.O Box 396

Kericho Branch

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(i)Independent Auditors




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

(j)Principal Legal Adviser




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

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3.The Board of Governors

No.	Member/ Director	Details
1.	 <p>Name: Dr. Reuben Langat Profession/Academic Qualification: PHD. Nonparametric Regression and Estimation in Survey Sampling</p>	<p>Date of birth: 31st Dec, 1972</p> <p>Work Experience: Lecturer, University of Kabianga Independent Board Member Chairman BOG</p>
2.	 <p>Name: Dorothy k. Bundi Profession/Academic Qualification: Bachelor of Education Arts</p>	<p>Date of birth: 19/5/1990</p> <p>Work Experience:</p> <ul style="list-style-type: none"> ➤ Dedan Kimati University (2020 to date) ➤ Independent Board Member ➤ Member Education and Training Committee
3.	 <p>Name: Mr. Caleb Omondi Samson Profession/Academic Qualification:</p> <ul style="list-style-type: none"> ➤ Masters in Agriculture and Rural Development- KMU ➤ BSC In Agriculture- UON ➤ Diploma in Farm Management-Egerton University 	<p>Date of birth: 15/03/1958</p> <p>Work Experience:</p> <ul style="list-style-type: none"> ➤ Manager Field Agricultural Extension services(31yrs). ➤ Consultant-Current ➤ Independent Board Member ➤ Member Finance and HR Committee


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4.		<p>Date of birth: 12th December 1972</p> <p>Work Experience:</p> <ul style="list-style-type: none"> ➤ Lecturer Egerton University ➤ Independent Board Member ➤ Chair Education and Training Committee
	<p>Name: Dr. Joseph Mafurah Profession/Academic Qualification: Phd-Bsc Agriculture Education & Extension</p>	
5.		<p>Date of birth: 1977</p> <p>Work Experience:</p> <ul style="list-style-type: none"> ➤ Civil Engineer at Browns Plantation ➤ Independent Board Member ➤ Member Finance and HR Committee
	<p>Name: Eng. Koske David Cheruiyot Profession/Academic Qualification : Civil Engineer</p>	
6.		<p>Date of birth: 8th August, 1972,</p> <p>Work Experience: County Director TVET Alternate Board Member Member Finance and Human Resource Committee</p>
	<p>Name: Peter Cheruiyot Profession/Academic Qualification :Master's Degree in Education Planning</p>	

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7.	 <p>Name: Ms. Doris Ngeno</p> <p>Profession/Academic Qualification:</p> <ul style="list-style-type: none"> ➤ LLB ➤ Diploma in Law-KSL <p>MSC IN Human Resource Management</p>	<p>Date of birth: 6/11/1988</p> <p>Work Experience:</p> <ul style="list-style-type: none"> ➤ Legal Advisor Office of the Governor Kericho County ➤ Managing Partner D.C Ngeno and Company Advocates ➤ Chair Finance and Human Resource Committee
8.	 <p>Name: CPA. David Kikwai</p> <p>Profession/Academic Qualification: Certified Public Accountant</p>	<p>Date of birth: 12/12/1965</p> <p>Work Experience: Finance and Accounting</p> <p>Independent Board Member</p>
9.	 <p>Name: Mrs. Judith Chirchir</p> <p>Profession/Academic Qualification: Bachelor of Education</p>	<p>Date of birth: 01/01/1967</p> <p>Work Experience: CEC Education Kericho County</p> <p>Independent Board Member</p>

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10.		<p>Date of birth: 20th August 1976</p> <p>Work Experience: Principal/Secretary BOG</p>
<p>Name: Mr. Shadrack Tonui Profession/Academic Qualification: Bed Education – Moi University MPH (ongoing)</p>		

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4. Key Management Team

No.	Member/ Director	Details
1.	 Name: Mr. Shadrack Tonui Profession/Academic Qualification: Bachelor of Education Moi University	Principal/Secretary BOG
2.	 Name: Mr. Wilson Kosgei Profession/Academic Qualification: Masters in analytical chemistry (JKUAT), BSc. Analytical Chemistry (UON), Diploma in Technical Trainers Education (KSTVET) Senior Management Course(KSG)	Deputy Principal
3.	 Name: Mr. Robert Kemboi Profession/Academic Qualification: Bachelor of Education (Technology Education)- Electrical Engineering	Ag. Registrar

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4.	 <p>Name: Leonard Yegon Profession/Academic Qualification: Bachelors of Applied Statistics With Computer(University of Kabianga)</p>	Ag. Dean Of Students
5.	 <p>Name: Kosgei Enock (CPA) Profession/Academic Qualification: Bachelor of Business Management-Finance Option (University of Kabianga) Certified Public Accountant of Kenya (CPA-K)</p>	Head of Finance
6.	 <p>Name: Eddah Chepkirui Profession/Academic Qualification: Bachelor in Procurement and Logistics Management (Chuka University) Membership-KISM</p>	Head of Procurement

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7.	 <p>Name: Dorothy Chepkoech</p> <p>Profession/Academic Qualification: Applied Statistics with Computing- University of Eldoret Certified Public Accountant(CPA)</p>	Head of Internal Audit
8.	 <p>Name: Gloria Chepkoech</p> <p>Profession/Academic Qualification: BSC Human Resource Management- JKUAT</p>	Head of Human Resource

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5. Chairman's Statement

I am pleased to report that Kericho Township TVC has continued to perform well in returning exemplary examination results of the Kenya National Examinations Council (KNEC) and Competency Based Education and Training. I take this opportunity to share with you my views on the key initiatives and achievements we have had over the year on economic performance, Education sector changes, financial performance, operations & risks associated with the Institution, and lastly our future outlook.

Economic Focus

In order to ensure efficient and effective provision of Technical Vocational Training, we have developed necessary policies and institutional framework to direct the running of the Institution in line with vision 2030, the Big 4 Agenda and Sustainable Development Goals. In the recent past, the institute has experienced growth in student enrolment from which we have projected an average of 34% annual growth, based on the current 3179 in 2024 from that of 2372 students in 2024.

We thank the Government of Kenya for providing training equipment, computers, capitation, Scholarship and employment of Trainers through the devolved system by the Public Service Commission that has greatly contributed towards increased student enrolment and improved quality of training to enable the institute align her graduates with regional and global trends and innovation.

Government financing using the new model of funding

During the year under review, Trainees who enrolled in the Institute during the September 2023, January, May 2024, September 2024, January 2025 and May 2025 intakes benefited from government financing under the new funding model. This will significantly improve the Institute's financial position compared to the previous capitation model. It is important to note that students who joined the Institute before September 2023 are still receiving government funding through the capitation system.

****Successes****

The Successes during the year were;

- Excellent Academic Performance standing at 72% for KNEC and 85.77% for CDACC
- Enrolment increased significantly
- MOU with Industries on dual Training
- Secured Bursaries from NG-CDF

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- Participated in Sports and Drama up to National Level
- Introduction and Registration of 8 Programs under CDACC
- Introduction of Recognition of Prior Learning (RPL) Program
- Operationalization of 3 phase Transformer

Challenges Faced

The Technical Training sector presents plenty of opportunities as well as risks, both of which need to be analysed in order to deliver sustainable long-term returns, without compromising training outcomes. During the year, the college faced the following challenges:

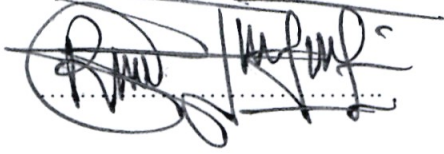
- Irregular Disbursement of Capitation and Scholarship
- Missed Capitation in some quarters
- Lack of stable water Supply
- Inadequate Land
- Lack of Hostels
- Lack of Adequate Equipment
- Inadequate Public Service Trainers

Outlook

I am indeed deeply indebted to the members of the Board of Governors for their unwavering support, commitment and futuristic outlook towards realising the institute's objectives in line with its strategic plan and core mandate of training market-driven technical manpower. Noteworthy is the Board's diverse qualifications and experience. I unreservedly assure all our Stakeholders we at The Kericho Township TVC, shall remain focussed, committed and consistent in the delivery of opportunities and accountably availing of resources to both trainers and trainees within the Government framework of accountability, corporate governance and ethical sustainability. Going forward The Kericho Township TVC is committed to working closely in collaboration with other like-minded entities, institutions, agencies and any other bi-lateral & multi-lateral agencies involved in technical and vocational training to ensure that our trainees continue to receive Competency Based Training.

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Lastly, I would like to whole-heartedly thank my fellow members of the Board of Governors, Management, Trainers, Non-Teaching Staff, Trainees – and all other stake-holders for their co-operation, collaboration, continued support and commitment during this period under review.

A handwritten signature in black ink, appearing to read 'R. Langat', is written over a horizontal dotted line. The signature is stylized and includes a large circular flourish on the left side.

Dr. Reuben C. Langat
Chairman Board of Governor

6. Report of the Principal

Introduction

Kericho Township TVC is a young public TVET institution in South Rift region with a promising future in offering technical skills for empowerment, as enshrined in its Vision.

The institution was registered by TVET Authority as a public institution in 2019 and is offering market driven programs approved by TVETA and Examined by KNEC and CDACC in line with actualizing the BETA Agenda. The institution currently offers 28 programs.

❖ Staffing

The total number of staff as at 30th June 2025 were 160 categorized as follows;

PSC Trainers-38

BOG Trainers-82

BOG non-teaching-40

However, due to an increase in student population and more programs, we are in the process of recruiting more PSC staff once positions are advertised.

Key Highlights

During the Financial Year under review, the following key Successes were reported:

- Excellent Academic Performance standing at 72% for KNEC and 85.77% for CDACC
- Enrolment increased significantly
- MOU with Industries on dual Training
- Secured Bursaries from NG-CDF
- Participated in Sports and Drama up to National Level
- Introduction and Registration of 8 Programs under CDACC
- Introduction of Recognition of Prior Learning (RPL) Program
- Operationalization of 3 phase Transformer
- High level financial performance was registered as we received good amount of Government Disbursement which enabled us to reduce pending bills relating to previous years

The student enrolment increased by 34% to 3,179 from 2,372 reported in the last financial year which is attributed to marketing strategies employed by the management during the year.

The Institute was able to successfully partner with various Organizations and Institutions for student placement

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The Three Phase Transformer was Installed by Kenya power and it is now fully functional
The land Title deed is yet to be acquired though I am happy to report that the process is ongoing.
PDP plan has been drawn at Ardhi house. Survey has been conducted and we endeavour to conclude by 30/06/2026.

Challenges faced during the year

During the year under review, Kericho Township TVC experienced several challenges as highlighted below:

- Irregular Disbursement of Capitation
- Missed Capitation in some quarters
- Lack of stable water Supply
- Inadequate Land
- Lack of Hostels
- Lack of Adequate Equipment
- Inadequate Public Service Trainers

Future

Our future plans in relation to expansion and well-being of the institutes are as follows;

- Increase student enrolment to 4,000 students
- To construct student Classes
- Construction of Workshops.
- Request for more PSC Trainers to a tune of 72
- Expediting clearance with the Mentor pending Debt
- Allocation of Development Grants for Infrastructural Development
- Looking forward to prompt Disbursement of Capitation

Under my leadership, we successfully developed Human resources manual, the finance policy, Credit and Debt management policy and Academic policy.

I have confidence that the trainees are well equipped with the necessary skills that strategically aligns them with opportunities within the country, regionally and globally at the same time contributing to the realization of the BETA Agenda.

Technical Training Institute being a Tertiary institution desires to enhance its visibility, performance, and competitiveness in the tertiary education sector in the face of stiff competition. To do so, however the Institute requires a lot of support from the Government and other

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stakeholders in terms of funding, material support and other contributions. We shall continue to appeal for such support for several years to come.

On behalf of the Institute's Board of Governors, I take this opportunity to thank the Government for its unequivocal support during the year under review.

I also appreciate the financial, material and moral support of our collaborators, partners and friends during the year. It is because of the understanding and guidance of the Chairman of the Board as well as the cooperation of the Management team, all staff and our students that we ended the year within an environment of peace and stability. I wish to register my sincere gratitude to them all.

I look forward to their continued support in the new financial year and the years ahead.

Thank you


.....
MR. SHADRACK TONU
PRINCIPAL /BOG SECRETARY

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7. Statement of Performance against Predetermined Objectives

Kericho Township Technical and Vocational College has 2 strategic pillars/issues/themes and objectives within current strategic plan for the period FY 2023-FY2027. These strategic pillars are as follows;

- i. Enhanced Access to learning
- ii. Increase the number of Teaching and Non-teaching staff

Kericho Township Technical and Vocational College develops its annual work plan based on the above 2 pillars. Assessment of the Board Performance against its Annual work plan is done on a Quarterly basis. The College achieved its Performance target or Fy 2024/2025 period for its strategic pillars, as indicated in the diagram below;

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Strategy 1: Enhanced Access to Learning	Introduce courses	Introduced Courses	To introduce more courses	Introduced programs 8
	Advertise Programs	Number of Advertisements	To market and publicize the Institute's courses	Radio Advertisements done every Holiday
	Organize for Forums and Student activities	Number of Events Participation	To participate in sports and recreation activities	Participated in Ball games, Athletic and Drama to the National level
Strategy 2: Increase the number of Teaching and Non-Teaching Staff	Request for PSC trainers	Trainers sourced as per CBE establishment	Write Letters to DHRM for posting of Trainers in Areas of Shortage	16 Trainers were deployed or posted by PSC during the year
	Recruitment of BOG Staff	BOG Staff recruited as per existing Vacancies	Advertise for Vacancies	72 BOG Staff were Absorbed

8. Corporate Governance Statement

Kericho Township TVC is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholder, strengthens the Board and management accountability and helps build public trust in the Institute.

The Board is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, state department of Vocational and Technical Training to oversee their interest in the long-term health and the overall success of the business and its financial strength in order to discharge its mandate in training. The Board serves as the ultimate decision-making body of the Institute, except for those matters reserved to or shared with the Government of Kenya. The Board of Governors selects and oversees the members of senior management, who are charged by the Board with conducting the business of the Institute in line with the Technical, Vocational, Education & Training Act of 2013 and the constitution of the Republic of Kenya.

The Board of Governors held (4) Four Full Board meetings and ten subcommittee meetings in the financial 2024/2025. The current Board was appointed on 11th June 2024 and inaugurated on 8th July 2024, for a term of three years ending 10th June 2027.

On expiry of the tenure of the current Board (10th June 2027) the process of appointment of a new Board of Governors is as laid out in the TVET act of 2013 shall be followed

Under the TVET act of 2013. The mention of Board of Governors is due to a letter which was issued by the Ministry of Education for Board of Governors to act as Board of Governors. The functions of Board of Governors as set out under section 28 (1) shall include;

- a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this Act and any other written law;
- b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;
- c) Administering and managing the property of the institutions;
- d) Developing and implementing the institutions' strategic plan;

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- e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions; (1) receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- f) determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act;
- g) Developing and reviewing programmes for training and to make representations thereon to the Board of Governors
- h) Regulating the admission and exclusion of students from the institutions, subject to a qualification's framework and the provisions of this Act;
- i) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board of Governors;
- j) Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- k) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;
- l) Making regulations governing organization, conduct and discipline of the staff and students;
- m) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the Board of Governors;
- n) Providing for the welfare of the students and staff of the institutions;
- o) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and
- p) Discharging all other functions conferred upon it by this Act or any other written law.

The Board of Governors in the period it has been in existence has endeavoured to discharge its functions independently with vigour and passion. Their diligence and prudent management of resources has been result oriented and much has been achieved during their term in office. They have been able to interpret government policies and TVET Act as well as other relevant laws in existence making the institution to move forward as we actualize the strategic plan.

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Moving forward, the Board of Governors is aligning its discharging of duties by improving on its operations while surpassing the set targets where possible.

Kericho Township Technical and vocational College Board of Governors are guided by the following policies in discharging their mandate Board Charter, Policy to manage conflict of interest, Communication policy, Terms of reference of committees and policy on related party transaction, the existence of these policies as been instrumental and guided the board from time to time.

The remuneration of the Board is guided by the Circular from the ministry of Education in corroboration with the approval from Salaries and Remuneration Commission. Ethics and Conduct of the Board Governors is guided by the existence of code of Ethics and Conduct.

Attendance of Board of Governors meetings

During FY 2024/2025, there was 100% eligible attendance at all meetings of the Board and Committees with 4 full Board meetings, and 9 Sub Committee meetings.

The following table shows the number of meetings held during 2024/2025

Full board					
	08.07.2024	27.09.2024	17.01.2025	14.04.2025	08.07.2024
S/NO	NAME	FULL BOARD MEETING	FULL BOARD MEETING	FULL BOARD MEETING	FULL BOARD MEETING
1)	Dr. Reuben Langat	Present	Present	Present	Present
2)	Dorothy.k. Bundi	Present	Present	Present	Present
3)	Mr. Caleb Omondi Samson	Present	Present	Present	Present
4)	Dr. Joseph Mafurah	Present	Present	Present	Present
5)	Mr. Koske David Cheruyot	Present	Present	Present	Present
6)	Mr. Peter Cheruiyot	Present	Present	Present	Present
7)	Doris Ngeno	Present	Present	Present	Present
8)	CPA. David Kikwai	Present	Present	Present	Present

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9)	Hon. Judith Chirchir	Present	Present	Present	Present
10)	Shadrack Tonui	Present	Present	Present	Present

Education and training committee meeting				
		08.10. 2024	09.01.2025	4/4/2025
S/NO	NAME			
1)	Dr. Joseph Mafurah	Present	Present	Present
2)	Dorothy Bundi	Present	Present	Present
3)	Mr. Peter Cheruiyot	Present	Present	Present
4)	Judith Chirchir	Present	Present	Present
5)	Shadrack Tonui	Present	Present	Present

Finance and human resource committee meeting				
		08.10. 2024	13.01.2025	10.04.2025
S/NO	NAME			
1)	Doris Ngeno	Present	Present	Present
2)	Mr. Caleb Omondi Samson	Present	Present	Present
3)	Peter Cheruiyot	Present	Present	Present
4)	David Koske	Present	Present	Present
5)	Shadrack Tonui	Present	Present	Present

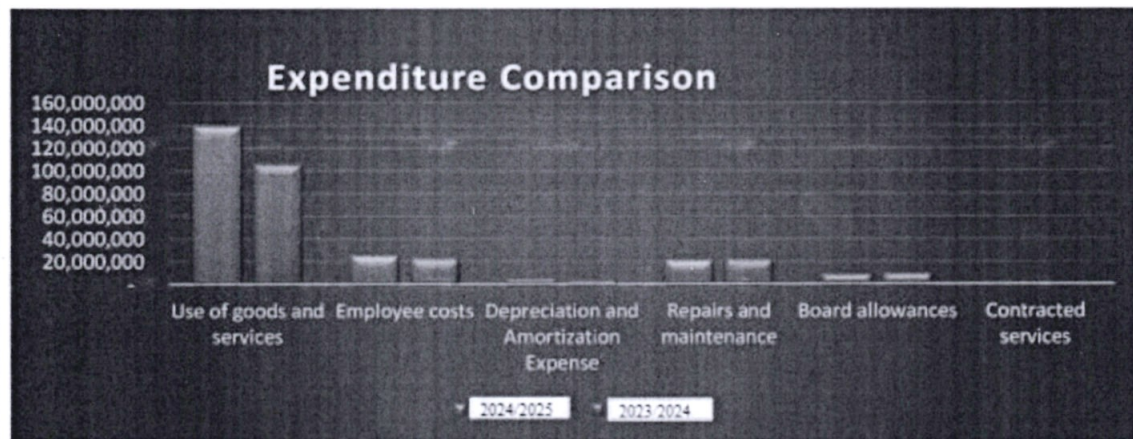
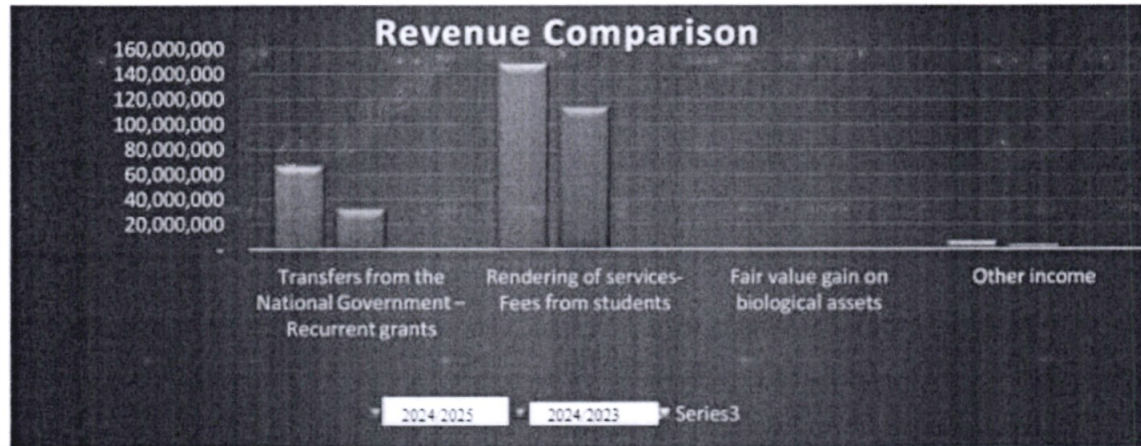
Audit and risk committee meeting				
		24.10.2024	16.01.2025	03.04.2025
S/No	NAME			
1)	CPA. David Kikwai	Present	Present	Present
2)	Dorothy k. Bundi	Present	Present	Present
3)	Judith Chirchir	Present	Present	Present

**Kericho Township Technical and Vocational College
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9. Management Discussion and Analysis

Kericho Township Technical and Vocational College operational and financial performance

During the year ended June 2025, the Institution had 3,179 trainees compared to 2,372 in year 2023/2024. Below are the graphs analysing the revenues and expenses of the institution.



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Kericho Township Technical and Vocational College compliance with statutory requirements

Kericho Township Tvc complies to deduction and remittance of statutory deductions such NHIF, NSSF and PAYE.

Major risks facing the organisation.

The institutes' major risks are mainly related to its core business which is training and human resource development. Some of the identified risks include;

- i. Low student enrolment.
- ii. Student turnover
- iii. Inadequate student accommodation and support facilities
- iv. Delayed disbursement of capitation and HELB grants
- v. Staff turnover due to inability to retain them
- vi. Lack of Land Ownership Documents

However, a number of Successes were recorded as listed below;

- Increase in Admission
- Undisturbed Curriculum implementation
- Our Operation and Financial Performance were fair as shown in the financial statement
- Modularization of the CBET Curriculum
- Operationalization of the three phase Electricity
- Increase in the number of PSC Staff

10. Environmental and Sustainability Reporting Statement

Kericho Township TVC 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 customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organization's strategic objectives.

Sustainability strategy and profile

The triple Bottom Line concepts analysis the sustainability of an organization based on three concepts: Profits, people (social) and Planet (environment).

Profit: The institute has adopted a transformation strategy aimed at ensuring that she remains financially sound in the face of dwindling funding from the central government. The institution has expanded its capacity for internally generated income like production of Milk and other Agricultural produce.

Social: The institute has developed a succession management policy to address the welfare of employees in the future and ensure that the organization is sustainable in the future

Environment: The Board of Governors has plans to undertake an environmental sustainability audit and develop an environmental policy to address the issues of environmental sustainability that will be identified during the audit

Environmental performance

Kericho Township Technical & Vocational College recognizes environment as an important factor in its operations.

During the Financial year, there wasn't an existing policy on environmental, however, a committee was formed to develop the policy. The policy is in the tail end-of formulation and is awaiting final presentation before it is presented to the Board for deliberation and subsequent approval.

Nevertheless, in the financial year, the institute managed to attain the following as part of its concerted efforts to dealing with environment;

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1. Planting of trees;

Tree cover was increased on the lower part of the institute land. This included planting of blue gum and cypress. This was done with engagement of Provincial administration who were invited to grace the occasion. They were the area Chiefs and assistant Chiefs. Indeed, the exercise was a success.

On the upper part, ornamental as well as indigenous trees were also planted to improve the institutes' aesthetics. In addition, flowers were also planted around the building.

2. Drainage.

It became necessary that drainage line was constructed to allow drainage of rain water from the building to the lower side of the institute.

Employee welfare

Kericho Township Technical & Vocational College is an equal opportunity providing institution. We recognize the roles and contributions of employees towards the success of the institute. During the financial year, we were mainly supported by policy of the mentoring institution and even received deployment of their staff as the college was in formative stage. We anticipate to have the Human resource policy approved to enable us to comply with the governments' requirements.

We also anticipate compliance with Occupational Safety and Health Act of 2007, (OSHA)

Market place practices-

The institute is aware of competition as a factor for its existence and growth. During the financial year, we endeavored the following;

- a) Responsible competition practice.

We championed fair competition even as we marketed our programs in an environment where other TVET institution was in existence. We ensured that we stick to our mandate both in print and electronic media.

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b) Responsible Supply chain and supplier relations-

During the financial year, we are grateful that we had a responsive mentor who engaged our suppliers positively, this secured confidence to the institute. Equally, the suppliers were able to gain confidence in us.

c) Responsible marketing and advertisement-

Ethical practices remain key in reaching to our prospective clients. Our marketing materials, distribution strategies and information dissemination was done with the background of this component.

d) Product stewardship- outline efforts to safeguard consumer rights and interests.

A number of staff were subjected to capacity building through attending to core mandate deliberations. This included attending AGM by Principal as was organized by KATTI in Mombasa. Piped water was connected to the institute even as other methods of water harvesting and storage is being deliberated.

Corporate Social Responsibility / Community Engagements

The institute managed to have deliberations with provincial administration, clergy and leaders during the financial year. During these deliberations, it was evident that there is need to have more robust deliberations towards securing a workable CSR in the subsequent financial years. For the Financial year 2024/2025 no CSR activity was done.

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

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the College affairs.

Principal activities;

The principal activities of the entity are;

- ✓ Training

Results

The results of the entity for the year ended June 30, 2025 are set out on page 1-7

Board of Governors

The members of the Board who served during the year are shown on page ix to xii. During the year 2024/2025 no Director retired/ resigned.

Auditors

The Auditor General is responsible for the statutory audit of the Kericho Township TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the *Institution* for the year ended June 30, 2025.

By Order of the Board


.....
Shadrack Tonui

Principal/BOG Secretary

Date: 28/11/2025'

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

12. Statement of Board of Governors' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013*) require the Board members to prepare financial statements in respect of that *Institute*, which give a true and fair view of the state of affairs of Kericho Township tvc at the end of the financial year and the operating results of the *Institution* for that year/period. The Council members are also required to ensure that the *Institute* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Institute*. The Board members are also responsible for safeguarding the assets of the *Institute*.

The Board members are responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year 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 entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *entity*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the *College's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*) The Board members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *College's* transactions during the financial year ended June 30, 2024, 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.

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In preparing the financial statements, the principal has assessed the *College's* ability to continue as a going concern this is evidenced by the Liquidity Status of the College as seen in the Financial Statements and nothing has come to the attention of the Board members to indicate that the *College* will not remain a going concern for at least the next twelve months from the date of this statement.

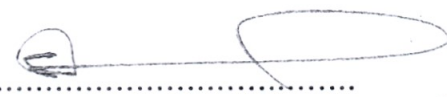
Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Approval of the financial statements

The *Kericho Township TVC's* financial statements were approved by the Board on

22/08/2025 and signed on its behalf by:


.....
Name Dr Reuben Langat
Chairperson of the Board


.....
Name STANLEY K. NUNU
Accounting Officer/Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

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

PREAMBLE

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

- A. Report on the 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 the Lawfulness and Effectiveness in 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 the 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 Kericho Township Technical and Vocational College set out on pages 1 to 41, which comprise of the statement of financial

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

position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kericho Township 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. Inaccuracy of Rendering of Services – Fees from Students

The statement of financial performance and as disclosed in Note 6 to the financial statements reflects revenue from rendering of services – fees from students amounting to Kshs.96,003,233. However, the amount differed with the billing/invoicing records totalling Kshs.126,853,525 resulting in an unexplained variance of Kshs.30,850,292.

In the circumstances, the accuracy and completeness of revenue from rendering of services amounting to Kshs.96,003,233 could not be confirmed.

2. Unsupported Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions totalling Kshs.125,964,454. The balance includes student debtors amounting to Kshs.125,248,967 as disclosed in Note 14 to the financial statements. However, the students' debtors were not supported by the fees statement or student debtors control ledger indicating the students' details, the fees chargeable, actual payment received, the outstanding balance and the corresponding dates the fees arrears were incurred. The ageing analysis indicating how long the receivables had been outstanding was also not provided.

Further, the balance includes receivables totalling Kshs.39,369,296 as disclosed in Note 14(a) to the financial statements which had remained outstanding for over one year. However, no provision was made for bad and doubtful debts and evidence indicating that proper mechanism had been put in place to recover these long overdue debts was not provided.

In the circumstances, the accuracy, completeness and recoverability of the receivables from exchange transactions totalling Kshs.125,964,454 could not be confirmed.

3. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment totalling Kshs.174,136,836 . The amount includes land, and buildings and structures amounting to Kshs.60,000,000 and Kshs.97,588,748 respectively as disclosed in Note 16 to the financial statements. However, the parcel of land approximated at 6 acres had not been surveyed and the ownership documents were not provided for audit. The College is also in possession of one motor vehicle donated by the State Department of Vocational and Technical Training. However, the vehicle was not registered in the name of the College nor recorded in the fixed asset register.

In addition, review of the assets register presented for audit revealed that the register was not prepared in the format prescribed with minimum requirements of identification or serial number, acquisition date, description of asset, location, responsible officer, class, cost of acquisition, accumulated depreciation, net book value and identification codes with which assets were tagged. This was contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, the accuracy, completeness and ownership of the College's property, plant and equipment totalling Kshs.174,136,836 could not be confirmed.

4. Unsupported Refundable Balances

The statement of financial position and as disclosed in Note 20 to the financial statements reflects refundable balances totalling Kshs.4,063,245. However, a separate bank account was not maintained for the deposits and refundable balances.

Further, the amount differs with the cash and cash equivalents balances totalling Kshs.1,090,954 reflected in Note 13 to the financial statements resulting in unexplained variance of Kshs.2,972,291. This is an indication of unauthorized spending of refundable balances and evidence to disclose proof that the refundable balances were safely kept and available for payment when due was not provided.

In the circumstances, the accuracy, completeness and existence of refundable balances totalling Kshs.4,063,245 could not be confirmed.

5. Unsupported Fees Received in Advance

The statement of financial position reflects fees received in advance totalling Kshs.12,443,649 as further disclosed in Note 21 to the financial statements. However, the supporting documents including ledger schedule giving a detailed list of the students who had prepaid fees, date of receipt, students' particulars, invoiced amount, actual fees received, and the fees received in advance were not provided for audit review.

In the circumstances, the accuracy and completeness of the fees received in advance totalling Kshs.12,443,649 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kericho Township 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 and actual on comparable basis amounting to Kshs.221,615,900 and Kshs.78,842,943 respectively resulting to an underfunding of Kshs.142,772,957 or sixty-four percent (64%) of the budget. Further, the statement reflects final expenditure budget and actual on comparable basis amounting to Kshs.221,615,900 and Kshs.79,127,592 respectively resulting to under-expenditure of Kshs.142,488,308 or sixty-four percent (64%) of the budget.

The under-funding and under-utilization affected the 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 Audit Matters

In the audit reports of the previous year, nine (9) issues were raised under the Report on the Financial Statements as shown in **Appendix I**. However, Management had not resolved the issues or given any explanations for failure to implement the recommendations.

Other Information

The Management is responsible for the Other Information set out on page iv to xxxvii which comprise of Key Entity Information and Management, The Board of Governors, Key

Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors, and Statement of Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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 the Lawfulness and Effectiveness in 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. Irregular Borrowing from Kericho National Polytechnic

The statement of financial position reflects trade and other payables totalling Kshs.29,918,081. The amount includes third party payments – payable to Kericho National Polytechnic of Kshs.2,446,308 as disclosed in Note 19 to the financial statements. Management explained that the amount was in respect of short-term loan obtained from the mentor institution in the financial year 2021/2022. However, the approval by Board of Governors, loan agreement with details of when the loan was taken, the principal amount, the interest rate applicable and approval by the Cabinet Secretary were not provided for audit. This was contrary to Section 51 (2) of the Public Finance Management Act, 2012 which states that a National Government entity shall obtain the approval of the Cabinet Secretary for its intended program of borrowing, refinancing and repayment of loans. Further, the loan had also remained outstanding for more than four (4) years. However, measures put in place to ensure full repayment or a laid down plan on how the funds were to be refunded was not provided for audit.

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

2. Non-Compliance with Law on Ethnic Composition of Staff

Review of the staff establishment revealed that the College had one hundred and twenty-one (121) members of staff out of whom one hundred and fourteen (114) or ninety four percent (94%) members of staff belonged to a single dominant ethnic community. This was contrary to the provisions of Section 7 (2) of the National Cohesion and Integration Act, 2008 which requires that all public establishments to seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

3. Delayed Implementation of Projects

Management entered into a contract with a local contractor for the construction of a student's centre at a contract sum of Kshs.4,172,547. Review of the project documents noted that the contract period was four (4) months commencing on 23 December 2023 with an expected completion date of 30 April 2024. As at 30 June, 2025, the contractor had been paid Kshs.1,270,000 or 30% of the contract sum. However, physical inspection conducted in November, 2025 revealed that the contractor was not on site and the project had stalled. Key works including external walling, internal walling, and roofing with an estimated value of Kshs.2,391,550 were incomplete. Further, there was no evidence of extension of the contract period and the progress report or revised work programs indicating how and when the remaining works would be carried out were not provided for audit review.

Further, review of records revealed that Management contracted a local contractor to construct a modern five-door washroom facility at a contract sum of Kshs.1,604,477. However, physical inspection carried out in November, 2025 revealed that the project remained unutilized four (4) months after completion. Management explained that the facility was not operational because the contractor had installed six (6) timber doors instead of the specified thick semi-solid flush doors valued at Kshs.107,000 as outlined in the bill of quantities. However, a snag list identifying the defective works requiring rectification before the release of final payment to enforce the contractor's obligations and apply liquidated damages for delayed or defective performance was not provided for audit.

In the circumstances, value for money may not be realized by the public in respect of the above incomplete and unutilized projects.

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

Basis for Conclusion

1. Lack of Approved Human Resource Manuals and Policies

Review of the human resources records revealed that the College lacked approved key policy manuals for Human Resource Management. The policies include approved staff establishment, annual recruitment plans, career progression guidelines, approved scheme of service, casuals' engagement policy and internship policy. As a result, confirmation of the appropriateness of the current staffing level that would enhance achievement of the institution's strategic objectives was not possible.

In the circumstances, it was not possible to confirm whether the College operated with an optimal number of staff.

2. Weak Information and Communication Technology Controls

Review of the institution's revenue management processes and the functionality of the Enterprise Resource Planning (ERP) system revealed significant weaknesses. It was established that the system does not recognize or invoice Kenya National Examinations Council (KNEC) students, making it impossible for the institution to generate their fee statements or monitor outstanding balances. Similarly, the system was not able to differentiate the various band placements for Curriculum Development, Assessment and Certification Council (CDACC) students, thereby limiting the Management from establishing the correct fee structure applicable to each student and as a result, compromising the accuracy of invoicing and revenue recognition.

Further, the system was not integrated with the institution's payment platforms and students made payments directly through banks and subsequently presented bank slips to the institution for manual reconciliation. This manual process was prone to human errors and omissions.

In addition, the College staff had not been trained on the effective use of the system and System's developers who were not employees retained unhindered access rights and still executed the functional roles of the different departments on behalf of the College staff.

This exposed the institution's information to risks of inaccuracy, inefficiencies, manipulations, breach of confidentiality and possible loss as well as disruption of operations. It was further established that Management continued to pay the vendor a monthly subscription fee of Kshs.29,000, despite the contract dated 21 February 2024 specifying a one-off set fee of Kshs.348,000, which had already been fully paid.

Additionally, operational inconsistencies were observed in the system, as identical queries generated different outputs when run at different times, and student invoices varied depending on when reports were generated. Numerous manual adjustments were required to correct these discrepancies, indicating weaknesses in system configuration, data integrity, and overall reliability.

In the circumstances, the effectiveness of internal controls on the use of Enterprise Resource Planning System (ERP) system 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 Management and the Board of Governors

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

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

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

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

The Board of Governors is responsible for overseeing College's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and

Appendix I

Unresolved Prior Year Audit Matters

Number	Financial Year	Issue
1	2023/2024	Unsupported receivables from exchange transactions
2	2023/2024	Unsupported property, plant and equipment
3	2023/2024	Unsupported trade and other payables from exchange transactions
4	2023/2024	Unsupported refundable balances
5	2023/2024	Unsupported fees received in advance
6	2023/2024	Unresolved prior year matters
7	2023/2024	Non-compliance with laws on ethnic diversity
8	2023/2024	Non-remittance of payroll deductions and statutory dues
9	2023/2024	Weaknesses in the implementation of the Enterprise Resource Planning (ERP) System

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 ISSAIs requires 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

15 December, 2025

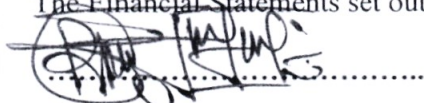
Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

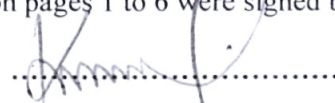
14. Statement of Financial Performance for The Year Ended 30 June 2025

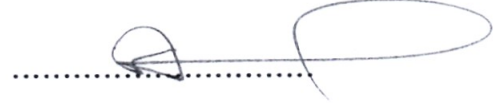
Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – Recurrent grants	5	45,354,285	9,565,425
Total Revenue from non-exchange transactions		45,354,285	9,565,425
Revenue from exchange transactions			
Rendering of services- Fees from students	6	96,003,233	70,056,134
Sale of Goods	7	1,870,744	2,163,400
Revenue from exchange transactions		97,873,977	72,219,534
Total revenue		143,228,262	81,784,959
Expenses			
Use of goods and services	8	55,075,628	39,373,386
Employee costs	9	15,232,009	8,875,709
Board allowances	10	1,804,950	637,000
Depreciation and Amortization Expense	11	9,806,062	9,489,481
Repairs and Maintenance	12	3,101,900	3,528,702
Total expenses		85,020,549	61,904,278
Net Surplus for the year		58,207,713	19,880,681

The notes set out on pages 7 to 45 form an integral part of the Annual Financial Statement.

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


 Chairman of Board


 Finance Officer


 Principal

Date 28/11/2025

ICPAK No 27306
 Date 28/11/2025

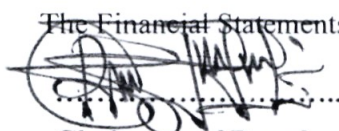
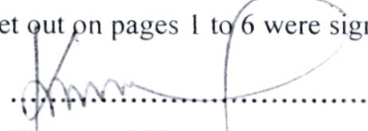

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Kericho Township Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

15. Statement of Financial Position as at 30th June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	13	1,090,954	1,365,603
Receivables from exchange transactions	14	125,964,454	56,094,141
Inventories	15	2,097,350	828,179
Total Current Assets		129,152,758	58,287,923
Non-current assets			
Property, plant and equipment	16	174,136,836	179,960,193
Intangible Assets	17	278,400	-
Biological Assets	18	130,000	100,000
Total Non-current Assets		174,545,236	180,060,193
Total assets		303,697,995	238,348,116
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	19	29,918,081	31,118,094
Refundable balances	20	4,063,245	1,730,050
Fee Received in Advance	21	12,443,649	6,782,665
Total Current Liabilities		46,424,975	39,630,809
Total liabilities		46,424,975	39,630,809
Net Assets		257,273,020	198,717,307
Represented By:			
Revaluation Reserves		-	-
Accumulated surplus		56,610,542	(1,945,171)
Capital Fund		200,662,478	200,662,478
Total Net Assets		257,273,020	198,717,307

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

		
Chairman of Board	Finance Officer	Principal
	ICPAK No 27306	
Date 28/11/2025	Date 28/11/2025	Date 28/11/2025

Kericho Township Technical and Vocational College
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16. Statement of Changes in Net Asset for The Year Ended 30 June 2025

	Accumulated surpluses	Capital Development grants/Fund	Total
At July 1, 2023	(21,825,852)	200,662,478	178,836,626
Revaluation gain		-	-
Surplus/ (Deficit) for the year	19,880,681	-	19,880,681
Capital/Development grants received during the year		-	-
Balance c/d as at June 30, 2024	(1,945,171)	200,662,478	198,717,307
At July 1, 2024	(1,945,171)	200,662,478	198,717,307
Revaluation gain		-	-
Surplus/ (Deficit) for the year	58,207,713	-	58,207,713
Intangible Assets Disclosed during the year	348,000		
Capital/Development grants received during the year		-	-
Balance c/d as at June 30, 2025	56,610,542	200,662,478	256,925,020

Kericho Township Technical and Vocational College
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17. Statement of Cash Flows for The Year Ended 30 June 2025

		2024/2025	2023/2024
	Note	Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – Recurrent grants		45,354,285	9,565,425
Total Revenue from non-exchange transactions		45,354,285	9,565,425
Total Revenue from non-exchange transactions			
Revenue from exchange transactions			
Rendering of services- Fees from students		31,617,914	61,277,339
Other income		1,870,744	2,163,400
Revenue from exchange transactions		33,488,658	63,440,739
Total revenue		78,842,943	73,006,164
Expenses			
Use of goods and services		55,065,628	38,633,036
Employee costs		15,232,009	8,875,709
Board allowances		1,804,950	637,000
Repairs and Maintenance		3,101,900	3,528,702
Total expenses		75,204,487	51,674,447
Net cash flows from operating activities	22	3,638,456	21,331,717
Cash flows from investing activities			
Purchase of property, plant, equipment		(3,913,105)	(20,732,142)
Purchase of intangible			
Net cash flows used in investing activities		(3,913,105)	(20,732,142)
Net increase in cash and cash equivalents		(274,649)	599,575
Cash and cash equivalents at start of year	13	1,365,603	766,028
Cash and cash equivalents at end of year	13	1,090,953	1,365,603

Kericho Township Technical and Vocational College
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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	Percentage
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from Government	166,628,100	-	166,628,100	45,354,285	121,273,816	73%
Rendering of services- Fees from students	41,657,800	-	41,657,800	31,617,914	10,039,886	24%
Other income	13,330,000	-	13,330,000	1,870,744	11,459,256	86%
Total income	221,615,900	-	221,615,900	78,842,943	142,772,958	64%
Expenses						
Compensation of employees	25,320,000	-	25,320,000	15,232,009	10,087,991	40%
Use of Goods and services	58,319,440	-	58,319,440	55,075,628	3,243,812	6%
Repair and maintenance	9,299,560	-	9,299,560	3,101,900	6,197,660	67%
Board expenses	3,480,000	-	3,480,000	1,804,950	1,675,050	48%
Total expenditure Payments	96,419,000	-	96,419,000	75,214,487	21,204,513	22%
Capital expenditure payments	125,196,900	-	125,196,900	3,913,105	121,283,795	97%
Surplus	-	-	-	(284,649)	284,649	

Notes

The Underperformance in the budget for in Both Revenue and Expenses is due to Government's failure to disburse fund as was budgeted.

Kericho Township Technical and Vocational College
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Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(274,649.40)
1	Capital Expenditure Payments	3,913,105.00
2	Depreciation Charged	(9,806,062.00)
3	Accrued Trade and othe Payables	29,918,080.80
4	Accrued Receivables from Exchange Transaction	(22,659,520.90)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	1,090,953.50

19. Notes to the Financial Statements

1. General Information

Kericho Township Tvc is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer technical training.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p>

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	(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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

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

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

iii. Early adoption of standards

Kericho Township TVC did not early-adopt any new or amended standards in year 2023/2024.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on **30/6/2024**. 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 budget following the Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page **xx** under section **xxx** of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule 2 of the ***Income tax Act***.

Sales tax/ Value Added Tax

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

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

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

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) Research and development costs

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

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

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

i) Financial instruments

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are

measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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.

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

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 *Kericho Township TVC*.

k) Provisions

Provisions are recognized when the Institute 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 *Institute* 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

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

Contingent assets

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

l) Social Benefits

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

m) Nature and purpose of reserves

Kericho Township TVC creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

Kericho Township TVC 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.

p) Foreign currency transactions

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

q) Borrowing costs

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

r) Related parties

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

s) Service concession arrangements

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

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Kericho Township TVC '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 Kericho Township TVC.
- 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 14(b).

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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5. Transfers from other National Government entities

Description	FY/2024/2025	FY/2023 /2024
Capitation grants	19,391,400	9,335,425
Gok scholarship	25,962,885	
Njoro tvc grants	-	230,000
Total Government grants and subsidies	45,354,285	9,565,425

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending the Grant	Amount Recognized to Statement of Financial Performance	Amount Deferred Under Deferred Income	Amount Recognized in Capital Fund	Total Grant Income During the year	2023-2024
	Kshs	Kshs			
State Department of Technical and Vocational Training	45,354,285	-	-	45,354,285	9,565,425
	45,354,285	-	-	45,354,285	9,565,425

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6. Rendering of Services

Description	FY/2024/2025	FY/2023 /2024
	KShs	KShs
Tuition	21,044,385	35,604,028
Activity fees	7,958,939	3,512,340
Attachment and Linkages	629,914	993,538
Placement fees	343,500	1,473,505
Examination fee	13,076,684	4,852,843
Trainee id	583,450	368,050
Electricity, Water and Conservancy	7,180,388	3,278,966
Development	878,230	1,521,288
Administrative cost	931,559	1,526,442
Repairs, Maintenance and Improvement	6,129,007	3,110,224
Medical& insurance	3,748,193	1,864,303
Personnel emoluments	21,350,075	6,629,360
Internet & computer	770,645	23,150
Local, travel & transport	7,567,601	3,941,050
Student council	1,342,192	617,247
Tour fee	107,000	110,000
Computer packages fee	110,000	9,200
Admission fee	965,921	466,550
Driving school fee	818,600	35,400
Nita levy	42,450	50
Tveta fee	424,500	500
Student ID	-	118,100
Total Rendering of Services	96,003,233	70,056,134

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7. Sale of Goods

Description	FY/2024/2025	FY/2023 /2024
	KShs	KShs
Income from sale of milk	10,480	4,550
Income from sale of food	-	3,950
Hire of facilities (cbet capacity building)	-	510,000
Supplier registration	21,000	6,000
Rent canteen	22,000	9,000
Fee refund	-	14,000
Hire of facilities (tea belt conference)	-	207,500
Hire of facilities (digitization of government services)	23,000	500,000
Labour productivity	-	700,000
Psc interview	-	207,800
Income from sale of agricultural produce	114,800	600
Hire of facilities (riders safety training)	21,300	-
Hire of facilities (agri- training toyota kenya)	360,900	-
Hire of facilities (rpl practitioners training)	1,278,000	-
Recovery of lost college items	19,264	-
Total sale of goods	1,870,744	2,163,400

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8. Use of Goods and Services

Description	FY/2024/2025	FY/2023 /2024
	KShs	KShs
Teaching and learning materials	9,670,901	7,305,281.00
Electricity and water	217,870	99,897.00
Administrative costs	3,975,907	8,211,331.00
Medical expenses	3,670	73,810.00
Bank charges	97,203	190,789.29
Internet & computer	752,755	239,153.00
Local, Travel and Transport	7,519,531	5,028,268.00
Hospitality expense	22,500	239,499.00
Student id	230,200	209,700.00
Student council	1,724,270	838,268.00
Stationery	1,826,310	1,798,934.00
Insurance	-	23,800.00
Student activity expense	2,736,140	1,888,412.00
Attachment and Linkages	540,309	293,957.00
Examination registration	16,085,740	7,742,214.37
Tea belt conference expense	10,760	644,540.00
Digitization of Gov. Services Expense	65,000	73,800.00
Marketing	2,703,031	1,707,027.00
Purchase of College farm milk	-	72,180.00
Campus expenses (kipkelion)	-	54,000.00
Virtual desktop infrastructure (vdi)	-	153,170.00
Agricultural exhibition expense	-	57,400.00
Fee refund expense	39,211	95,515.00
Staff training expense	-	1,107,000.00
Labour productivity conference expense	-	20,000.00
Psc interview expense	-	34,750.00
Tour expense	344,600	299,190.00
Kuccp placement	-	502,500.00
Transfer to mentee	-	230,000.00
Driving school remittances	323,000	139,000.00
Ainamoi ngcdf renovations	89,910	-
Agri-training toyota kenya	205,759	-
Silage preparation	93,060	-
Ainamoi campus expense	3,662,062	-
Hospitality Fashion and Design	63,150	-
Staff meals	330,485	-
Riders' safety training	109,800	-
Rpl practitioners training	999,050	-
Farm expense	134,193	-
Tree planting expense	211,600	-
Computer packages	2,800	-
Tvet fairs expense	95,640	-
Job fairs expense	189,210	-
Total good and services	55,075,628	39,373,385.66

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9. Employee Costs

Description	FY/2024/2025	FY/2023 /2024
	KShs	KShs
Salaries and wages	14,117,152	8,875,709
Nssf	845,049	-
Nita levy	58,051	-
Housing levy	211,757	-
Total Employee costs	15,232,009	8,875,709

10. Board Expenses

Description	FY/2024/2025	FY/2023 /2024
	KShs	KShs
BOG Allowance	1,804,950	637,000
Total director emoluments	1,804,950	637,000

11. Depreciation and Amortization expense

Description	FY/2024/2025	FY/2023 /2024
	KShs	KShs
Property, plant and equipment	9,736,462	9,489,481
Intangible assets	69,600	-
Total depreciation and amortization	9,806,062	9,489,481

12. Repairs and Maintenance

Description	FY/2024/2025	FY/2023 /2024
	KShs	KShs
General Repairs	2,109,580.00	2,292,572.00
Vehicle	676,970.00	1,236,130.00
Computers and Accessories	306,500.00	-
Property	8,850.00	-
Total Repairs and Maintenance	3,101,900.00	3,528,702.00

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13. Cash and Cash Equivalents

Description	FY/2024/2025	FY/2023 /2024
	KShs	KShs
Kenya Commercial Bank - Operation	308,489	578,010
Kenya Commercial Bank - NGCDF	-	89,239
- Equity	774,261	697,023
Cash on hand	8,204	1,330
Total cash and cash equivalents	1,090,954	1,365,603

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

Financial Institution	Account	FY/2024 /2025	FY/20223/2024
		KShs	KShs
a) Current Account			
Kenya Commercial Bank	1267113979	308,489	578,010
Kenya Commercial Bank-NGCDF	1319454704	-	89,239
Equity Bank, etc.	530279598412	774,261	697,024
Sub- Total		1,082,750	1,364,273
b) Others (Specify)			
Cash in Hand		8,204	1,330
Sub- Total		8,204	1,330
Grand Total		1,090,954	1,365,603

14. Receivables from Exchange transactions

Description	FY/2024/2025	FY/2023 /2024
	KShs	KShs
Current receivables		
Student debtors	125,248,954	56,094,141
Other exchange debtors	700,500	
Imprest debtors	15,000	
Total current receivables	125,964,454	56,094,141

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14 (a) Ageing Analysis of Receivables from Exchange transactions

Description	FY/2024 /2025		FY/2023 /2024	
	Kshs		Kshs	
	FY/2024 /2025	% of the total	FY/2023 /2024	% of the total
Less than 1 year	86,595,157	69	48,762,477	89
Between 1- 2 years	27,805,984	22	7,331,664	11
Between 2-3 years	11,563,312	9	-	-
Over 3 years	-	-	-	-
Total (a+b)	125,964,454	100	56,094,141	100

15. Inventory

Description	FY/2024/2025	FY/2023 /2024
	Kshs	Kshs
Cleaning & grounds	3,100	38840
Kitchen section	48,113	63600
Building	306,880	99540
Fashion & design	210,580	86320
Stationeries	181,950	165980
Food & beverage	41,035	9135
Plumbing	377,510	50954
Hairdressing	162,599	-
Electrical	307,710	235270
Agriculture	85,983	-
Civil engineering	-	78540
Carpentry	103,250	-
Welding & fabrication	87,990.00	-
Information communication technology	180,650	-
Total Inventories at lower of Cost and Net Realizable Value	2,097,350	828,179

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16. Property, Plant and Equipment

	Land	BUILDING AND STRUCTURE S	Furniture and fittings	Computers	Plant and	Capital	Total
					equipment	Work in progress	
Cost	Shs	Shs	Shs	Shs	Shs		Shs
At 1 July 2023	60,000,000	88,989,787	4,243,250	16,368,111	11,401,650	772,860	181,775,658
Additions	-	16,335,987	2,400,000	228,000	1,188,155	580,000	20,732,142
Disposals	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	772,860	772,860
At 30 June 2024	60,000,000	105,325,774	6,643,250	16,596,111	12,589,805	580,000	201,734,940
Additions	-	-	-	349,800	1,136,330	2,426,975	3,913,105
Disposals	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-
At 30 June 2025	60,000,000	105,325,774	6,643,250	16,945,911	13,726,135	3,006,975	205,648,045
Depreciation and impairment							-
At 1 July 2023	-	3,523,996	950,762	5,197,737	2,612,773	-	12,285,267
Depreciation	-	2,106,515	830,406	4,978,833	1,573,726	-	9,489,481

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Impairment	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-
At 30 06 2024	-	5,630,511	1,781,168	10,176,570	4,186,498	-	21,774,747
Depreciation	-	2,106,515	830,406	5,083,773	1,715,767	-	9,736,462
Impairment							
Transfers/adjustments							
At 30 06 2025	-	7,737,027	2,611,574	15,260,343	5,902,265	-	31,511,209
Net book values							-
At 30 06 2024	60,000,000	99,695,263	4,862,082	6,419,541	8,403,307	580,000	179,960,193
At 30 06 2025	60,000,000	97,588,748	4,031,676	1,685,568	7,823,870	3,006,975	174,136,836

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16(a) Property plant and Equipment at cost

Cost	Cost	Accumulated Depreciation	NBV
	Shs	Shs	Shs
Land	60,000,000	-	60,000,000
Buildings	105,325,774	7,737,027	97,588,748
Plant and Machinery	13,726,135	5,902,265	7,823,870
Computers and Related Equipment	16,945,911	15,260,343	1,685,568
Office Equipment, Furniture and Fittings	6,643,250	2,611,574	4,031,676
Capital Work in progress	3,006,975	-	3,006,975
At 30 06 2025	205,648,045	31,511,209	174,136,836

Disclosure

We are in possession of Government Vehicle Numbered GKA288U owned by State Department of Technical and Vocational College

17. Intangible Assets

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	348,000	-
At end of the year	348,000	-
Additions—internal development	-	-
At end of the year	348,000	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	69,600	-
At end of the year	69,600	-
Impairment loss	-	-
At end of the year	69,600	-
NBV	278,400	-

18. Biological Assets

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	FY 2024-2025	FY/2023 /2024
	KShs	KShs
Cattle	130,000.00	100,000
Total	130,000.00	100,000.00

19. Trade and Other Payables

	FY/2024 /2025		FY/2023 /2024	
	Kshs		Kshs	
Trade payables	24,388,388		26,774,916	
Salary deductions	3,083,385		1,896,870	
Third-Party Payments-Payables to Kericho NP	2,446,308		2,446,308	
Total Trade and Other Payables	29,918,081		31,118,094	
Ageing analysis:	FY/2024 /2025	% of the Total	FY/2023 /2024	% of the Total
Under one year	23,764,286	46	24,009,477	77
1-2 years	3,707,487	34	4,662,309	15
2-3 years	-	12	2,446,308	8
Over 3 years	2,446,308	8	-	0
Total	29,918,081	100	31,118,094	100

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20. Refundable Balances

Description	FY/2024 /2025		FY/2023 /2024	
	KShs		KShs	
Caution money	2,639,050		1,730,050	
Unallocated funds	1,424,195		-	
Total deposits	4,063,245		1,730,050	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	2,334,195	57	989,700	25
1-2 years	989,700	24	740,350	75
2-3 years	740,350	19	-	0
Over 3 years	-	0	-	0
Total	4,064,245	100	1,730,050	100

21. Fee Received in Advance

Description	FY/2024 /2025	FY/2023 /2024
	KShs	KShs
Fees Received in Advance	12,443,649	6,782,665
Closing balance	12,443,649	6,782,665

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22. Cash generated from Operations

Description	FY/2024 /2025	FY/2023 /2024
	KShs	KShs
Surplus for the year	58,207,713	19,880,681
Adjusted for:		
Depreciation and amortisation	9,806,062	9,489,481
Working Capital adjustments		
(Increase) in receivables	(69,870,313)	(40,819,841)
Decrease in payables	(1,200,013)	25,031,687
Increase in payments received in advance	5,660,984	6,782,665
Increase/Decrease in Inventory	(1,269,171)	967,045
Increase in Refundable Balances	2,293,195	-
Net cash flow from operating activities	3,628,456	21,331,718

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23. Financial Risk Management

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

(i) Credit risk

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

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

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

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

Description	Total amount Kshs	Total amount Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	56,094,141	44,875,313	11,218,828	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	1,276,363	-	-	-
Total	57,370,504	44,875,313	11,218,828	-
At 30 June 2025				
Receivables from exchange transactions	125,964,454	100,771,563	25,192,891	-
Receivables from non-exchange transactions	-	-	-	-

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Bank balances	1,090,954	-	-	-
Total	127,055,408	100,771,563	25,192,891	-

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

The entity has no significant concentration of credit risk.

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Less than 1 month	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	1,896,870	17,532,734	11,688,490	31,118,094
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	1,896,870	17,532,734	11,688,490	31,118,094
At 30 June 2025				

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Trade Payables	5,983,616	11,967,232	11,967,232	29,918,081
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	5,983,616	11,967,232	11,967,232	29,918,081

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

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

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

Management of interest rate risk

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

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase.

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iv) Capital Risk Management

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

Description	FY/2024 /2025	FY/2023 /2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	56,610,542	(1,945,171)
Capital Reserve	-	-
Total Funds	56,610,542	(1,945,171)
Total Borrowings	-	-
Less: Cash and Bank Balances	(1,090,954)	(1,365,603)
Net Debt/(Excess Cash and Cash Equivalentents)	55,519,588	(3,310,774)
Gearing	98	170

24. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

25. Events After the Reporting Period

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

26. Ultimate and Holding Entity

Kericho Township TVC is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

27. Currency

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

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28. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. On the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Unsupported Receivables from Exchange Transactions	Support provided	Resolved	
2	Unsupported Property, Plant and Equipment	Survey has been done	Not resolved	30/6/2026
3	Unsupported trade and other payables from exchange transactions	Supporting Documents Provided	Resolved	
4	Unsupported Refundable Balances	Caution Money Scrapped from Fee Structure	Resolved	
5	Unsupported fee received in Advance	Schedules Provided	Resolved	
6	Unresolved Prior year Matter	Some resolved	Not resolved	30/6/2026
7	Non-compliance with laws on ethnic diversity	To widen Recruitment scope in future recruitment	Not resolved	30/6/2026
8	Non-remittance of payroll deductions and statutory dues	Kra tax allows filing of returns after month end hence the Statutory remittances falls in the subsequent month.	Not resolved	30/6/2026
9	Weaknesses in implementation of the Enterprise Resource Planning (ERP) System	Implementation is over 80%	Not resolved	30/6/2026

Name

Joseph Tom

Accounting Officer

Principal

Date

28/11/2025

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29. Appendix II: Projects Implemented by Kericho Township TVC

Projects

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

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

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Modern Washrooms	1,604,477.06	1,410,000	88	194,477.06	194,477.06	KTTVC
2	Student Centre	4,607,152.20	1,596,975	35	4,800,272	3,010,177.20	KTTVC
	Total	6,211,629.26	3,006,975.00		4,994,749.06	3,204,654.26	

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity; Ministry of Education

Name of beneficiary entity; Kericho Township Tvc

Confirmation of amounts received by Kericho Township TVC as at 30th June 2025

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	20/09/2024	3,412,626.00	-	3,412,626.00	
MOE/DTE/SCH/VIL.1(56)	20/09/2024	6,147,793.50	-	6,147,793.50	
MOE/DTE/SCH/VOL.1(59)	20/09/2024	7,350,476.60	-	7,350,476.60	
MOE/DTE/SHO/VOL.1(22)	20/09/2024	73,907.90	-	73,907.90	
MOE/DTE/SHO/VOL.1(57)	20/09/2024	5,005,580.50	-	5,005,580.50	
	07/10/2024	4,649,400.00	-	4,649,400.00	
	14/02/2025	14,742,000.00		14,742,000.00	
	13/05/2025	3,972,500.00		3,972,500.00	
Total		45,354,284.50	-	45,354,284.50	

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name Kassoi Snow Sign [Signature] Date 28/June/25

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Appendix IV: Reporting of Climate Relevant Expenditures

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

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs .)	Comments
N/a	N/a	N/a	N/a	N/a	N/a	N/a