

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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BY:

Hon. Baysa Ega MP
Deputy leader of majority party

CLERK-AT
THE-TABLE:

Halima Ahmed

THE AUDITOR-GENERAL

ON

**EMSOS TECHNICAL AND VOCATIONAL
COLLEGE**

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



EMSOS TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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Emsos Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the Emsos Tvc financial resources.

Comparative Year- Means the prior period.

2. Key Emsos Tvc Information and Management

(a) Background information

Emsos Technical & Vocational College (ETVC) is a national TVET institution established in the sixty (60) technical colleges phase. It is located in Chesumei Sub-County, 10 kilometres from Mosoriot trading centre along Mosoriot –Kabiyet- Kaiboi road.

It is situated in scenic rural road setting in the heart of Nandi county renown for dairy and crop farming.and also within a serene environment conducive for effective learning and training.

The institution is a center of excellence in agricultural value addition offering a variety of technical and business courses ranging from Horticulture production, Food processing technology, Science Laboratory Technology, Food and Beverage, Plumbing, Electrical Engineering, Accountancy among others.

The college started with an enrollment of 100 students with 17 staff which has seen grown to a current enrollment of 550 students with a staff establishment of 36 trainers.

The institution has enjoyed support from the local leadership who have offered bursaries and sponsorships to needy students.

(b) Principal Activities

Emsos Technical and Vocational college is therefore mandated via legal instruments to:

- i. Provide relevant and quality technical and vocational education and training programs that meet the needs of individuals, industries, and the economy.
- ii. Implement competency-based curricula that align with industry standards and promote practical skills development.
- iii. Foster partnerships and collaboration with industries, employers, and other stakeholders to enhance the relevance and effectiveness of TVET programs.
- iv. Ensure equitable access to TVET opportunities for all individuals, including marginalized and vulnerable groups.
- v. Facilitate the integration of TVET graduates into the labor market and support their transition to employment or entrepreneurship.
- vi. Promote innovation, research, and continuous improvement in TVET delivery methods, technologies, and practices.
- vii. Uphold standards of excellence, integrity, and professionalism in all aspects of TVET provision and administration.

Vison Statement

To be a premier institution in agricultural value addition and technical training

Mission Statement

To produce innovative and competent manpower to meet the dynamic needs of society and industry.

(c) Key Management

The Emsos Tvc day-to-day management is under the following key organs:

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

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Mark Kitongo
2.	Deputy principal Administration	Emmy Lagat
3	Deputy principal Academics	Lordvico Too
4	Registrar	Emmanuel Kimutai
5	Head of Finance	Judith Kisang
6	Head of Procurement	Daniel Limo

Key Emsos Tvc Information and Management

(e) Fiduciary Oversight Arrangements

- The Board committees facilitate the decision –making to assist the Board of Governors in the execution of its duties, power and authority.
- Board committees being;

Audit and Risk Committee

S/No	Name	Title
1	Ms. SCOLASTICA TUWEI	CHAIRPERSON
3	Dr.PETER M. MAWIOO	MEMBER

The Committee's responsibilities include, but are not limited to:

- a) Reviewing and recommending improvements to the institution's internal control systems, risk management processes, and compliance procedures.
- b) Reviewing and recommending changes to the institution's internal audit plans and programs. Monitoring the independence and effectiveness of the internal audit function.
- c) Reviewing and approving the appointment, performance evaluation, and removal of the Internal Auditor.
- d) Reviewing and providing guidance on the annual internal audit budget and resources.
- e) Reviewing the internal audit reports, management letters, and responses to ensure timely resolution of findings and recommendations.
- f) Reviewing the institution's financial statements for accuracy and compliance with relevant accounting standards and regulations.
- g) Ensuring that the institution's risk management processes are adequate and effective.
- h) Periodically assessing the Committee's own performance and effectiveness.
- i) Reporting to the Board of Governors on Committee activities, significant findings, and recommendations.

Finance and Human Resource Board of Governors' Committee

S/NO	NAME	TITLE
1	Ms BETSY ADHIAMBO	CHAIRPERSON
2	Mr. JULIUS SEREM	MEMBER
3	Ms. NANCY KERING	MEMBER

MANDATE

The role of finance and general purpose committee is to advice the board:

- i. Formulating strategies, operational plans and budgets for approval by the Board
- ii. Identification of material risks and in conjunction with the Audit Committee, formulation of mitigation, management of the risk, monitoring of effectiveness of the risk management processes and reporting to the Board
- iii. Ensure that EMSOS Technical and Vocational College follows and adheres to proper financial and accounting procedures.
- iv. Ensure compliance with all statutory regulations in respect of financial and other institution's management matters.
- v. Ensure that EMSOS Technical and Vocational College keeps all financial records on a proper accounting basis

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- vi. Provide reports on financial statements and audited accounts to the Board Members during Board meetings and or any special Board or general meeting.
- vii. Advise the Board on financial management, resource mobilization, and administration
- viii. Formulating terms and conditions of service and reviewing the same for BOG staff for Board approval;

Education, Training and Infrastructure Board Committee

S/NO	NAME	TITLE
1	Mr. ERICK KEMEI	CHAIRPERSON
2	Mr. JULIUS SEREM	MEMBER
3	Mr. FREDRICK WAFULA	MEMBER

This committee shall deal with all matters related to curriculum implementation, research, scheme of service for BOG staff and all other human resource related issues. These shall include:

- i) Monitoring compliance with education policies, processes and codes of conduct approved by the Board;
- ii) Identification and adoption of information, Communication Technology processes;
- iii) Monitoring infrastructural activities approved by the Board

(f) Emsos Tvc Headquarters

Emsos Technical and Vocational College
P.O BOX 300-30100
Kapsabet Road-Off Mosoriot –Emsos road
ELDORET, KENYA

(g) Emsos Tvc Contacts

Telephone: (254)0796376783
E-Mail: info@emsostvc.ac.ke
Website: www.emsostvc.ac.ke

(h) Emsos Tvc Bankers

Kenya Commercial Bank
Eldoret East Branch
A/C NO:
➤ 1159400792
➤ 1252707681

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

3.The Board of Governors

SN.	Member/ Director	Details
1.	 DR.ELIZA S. OMUTANGE	Born in 1969. Holds a Doctor of philosophy in Environmental Earth sciences from Moi University, Masters of philosophy in education(Moi University) Bachelors of education(Moi University). Currently works as a senior lecturer and also Head of Department, Technology education in Moi University. He participated in curriculum review for Moi University. He is serving is second term in the board.
2.	 MR.MICHAEL RUGUT	Mr. Rugut was born 1967. He is currently serving as the regional Director of TVET in charge of Nandi, Uasin guishu, Elgeyo marakwet, Pokot and Turkana counties. He is the representative to the Principal Secretary, state Department of Vocational & Technical Training in the Board of Governors . He has a degree in Production Technology from Moi University. He attained a certificate in Automotive Engineering and Construction from University of Japan. He holds a Master's Degree in Administration (Project Management) from Kenyatta University.
3.	 MR. ERICK KEMEI	Born in 1974.He holds Masters of Science in chemical and processing Engineering. He is currently a tutorial Fellow at Dedan Kimathi University of Technology (Mechanical Engineering Department). He was appointed on 17th March, 2022.Serving his first term. He is the current chairperson of the Education, training and infrastructure board committee.

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4.	 Ms. BETSY ONYANGO	Born in 1994, Holds Bachelor of Education science. She is a certified Public accountant (CPA-K). She was appointed to the board on 17th March, 2022. She is serving for her first term. She is currently chairperson to finance and Human resource Committee. Serving her first term.
5.	 MR. JULIUS SEREM	Born in 1968, holds Bachelor of Science in Industrial Chemistry. He has experience in analytical testing of physical, chemical and microbiological quality parameters on fresh milk and various other dairy products in compliance with the Kenyan standards. He was appointed for the first term on 17 th March 2022. Serving his first term.
6.	 MR. FREDRICK WANJALA	Born in 1961, holds Masters in agricultural economics and resource management, he is an associate Lecturer Jomo Kenyatta university Kitale campus. He is serving for the second term as board member from 17 th March 2022.
7.	 Ms. SCHOLASTICA TUWEI	Born 1978. Holds master's degree in education and Bachelors of arts- education, She is the Governors' representative to the board. She is the chairperson Audit and risk committee. She is serving for her second term as board member of Emsos technical and vocational college.
8.	 Ms. NANCY KERING	Born in 1983. Holds Bachelor of Education in Early Childhood Development. She is serving her first term as a board member from 17 th March 2022.

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9.	 DR.PETER M. MAWIOO	Born in 1979. He is a lecturer at the University of Eldoret-Technology Department. He is an independent consultant for water and sanitation, wisdom and municipality of slobozia mare. He holds PhD in sanitary Engineering. He was appointed on 17th March 2022 to serve as a board member of Emsos Technical and vocational college
10.	 MR. MARK KITONGO	Born in 1971. Holds a Bachelors Degree in mechanical engineering from University of Eldoret. Has Higher Diploma in Mechanical Engineering. He has served as a principal for 8 years and total of 30 years in TVET. He is the Chief Executive officer of Emsos College and also a secretary to the board of governors

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Key Management Team

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Mark Kibet Kitongo BED Mechanical Engineering	-Chief Executive Officer/ Principal -Secretary BOG - Accounting Officer
2.	 EMMY LAGAT BED(AGRICULTURE)	-Deputy principal in charge Administration -Human resource function
3.	 MR. TOO LORDVICO B.ENG(electrical and Electronic Engineering)	-Deputy principal in charge of academics -Education matters -Curriculum implementation
4.	 MR. KIMUTAI EMMANUEL BED (Technology Education)	-The Registrar and Examination officer

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5.	 Ms. JUDITH KISANG -CPA-K ICPAK-ASSOC/3183	-Finance Officer -Financial Management -Budgeting and Control -Financial Reporting
6.	 MR.LIMO DANIEL -Diploma in Supply Chain -Member of KISM-80013	- Procurement -Advisor In Procurement Matters

4. Chairman's Statement

During the year in review, Emsos technical realized several achievements among them being;

- (i) The Board of Governors held four quarterly and several strategic meetings to provide policy direction.
- (ii). Enrollment increased significantly, with more trainers deployed to accommodate the growing student body.
- (iii) Performance contracting was successfully implemented, driving accountability and results.
- (iv). Improved infrastructure and training facilities.
- (v) Procurement of additional training tools, equipment, and materials for hands-on skills training.
- (vi). Roll-out of Competency-Based Education and Training (CBET) curricula, with programs accredited by TVETA and TVET-CDDAC.
- vii). Over 100 trainees presented for CBET assessments, with successful trainer capacity-building programs on CBET implementation and assessment.
- (vii). Strategic plan reviewed in line with 5th generation guidelines.
- (viii) Conducted outreach activities to promote college programs and hosted a successful agricultural exhibition and open day.

During the same period, the institution faced a number of Challenges; among them:

- i. Unreliable flow of finances for student capitation and scholarships which negatively impacted on financial sustainability and achievement of budgetary forecasts and service quality.
- ii. Constraints on Resources including insufficient training equipment and materials to keep pace with the growing student population.
- iii. CBET implementation which still requires continued capacity building and adjustments to fully embed the framework.

The Board recommends that the Government focuses more on:

- i. Provision of more funding support to expand and modernize infrastructure, digital tools, and training equipment to improve the learning environment and support the implementation of advanced curricula.
- ii. Take central responsibility of fully employed required trainers and essential staff to support delivery of service

The institution will make efforts to;

- i. Enhance collaborations with industries, government agencies, and stakeholders to offer more practical exposure and resources for students.
- ii. Focus on securing more scholarships and financial aid for students from vulnerable backgrounds, ensuring education for all.
- iii. Continuously conduct Capacity building for staff and management to stay updated with the latest educational standards and technological advancements.
- iv. Continue aligning operations with the national TVET agenda and Kenya's Vision 2030 for long-term sustainability and institutional growth.

Name: DR. ELIJAH OMUTANJE Date: 27/02/2025 Sign: [Signature]

Chairman Board Of Governors



5. Report of the Chief/Senior Principal

During the year in review, Emsos technical realized several achievements among them being;

- (i) The Board of Governors held four quarterly and several strategic meetings to provide policy direction.
- (ii). Enrollment increased significantly, with more trainers deployed to accommodate the growing student body.
- (iii) Performance contracting was successfully implemented, driving accountability and results.
- (iv). Improved infrastructure and training facilities, including:
 - o Establishment of a training shed for the Building Technology course.
 - o Establishment of a digital lab (Jitume) with capacity for 100 VDIs.
 - o Upgrading internet infrastructure to provide 25Mbps dedicated connectivity.
 - o LAN installation across college and integration of a Management Information System (MIS) to digitize student records, exams, and financial processes.
 - o Website upgraded to be more interactive, enhancing communication and outreach.
- (v) Procurement of additional training tools, equipment, and materials for hands-on skills training.
- (vi). Roll-out of Competency-Based Education and Training (CBET) curricula, with programs accredited by TVETA and TVET-CDDAC.
- vii). Over 100 trainees presented for CBET assessments, with successful trainer capacity-building programs on CBET implementation and assessment.
- (vii). Strategic plan reviewed in line with 5th generation guidelines.
- (viii) Conducted outreach activities to promote college programs and hosted a successful agricultural exhibition and open day.

These efforts resulted into the following consolidated successes;

- A growth in student numbers, driven by enhanced marketing and outreach efforts.
- Successful establishment of a fully digitized student and institutional management system, improved connectivity, and state-of-the-art training facilities.
- Full accreditation of CBET programs, which are now actively being assessed, positioning the college as a leader in skills-based training.
- MOUs signed with the County Government of Nandi and KEFFRI to strengthen industry collaboration and enhance learning opportunities for trainees.
- Chesumei NGCDF provided partial scholarships for over 100 students, ensuring inclusivity and support for vulnerable populations.

During the same period, the institution faced a number of Challenges; among them:

- iv. Unreliable flow of finances for student capitation and scholarships which negatively impacted on financial sustainability and achievement of budgetary forecasts and service quality.
- v. Constraints on Resources including insufficient training equipment and materials to keep pace with the growing student population.
- vi. CBET implementation which still requires continued capacity building and adjustments to fully embed the framework.

Name:

Mark Kironwa

Date:

27/2/24

Sign:

[Signature]

Principal/Secretary Board of Governors



6. Statement of Performance against Predetermined Objectives

Emsos TVC has VII strategic issues and objectives within current Strategic Plan for the FY 2023-FY 2027. These strategic issues are as follows:

The identified strategic issues within Emsos Technical and Vocational college include:

- i. Governance and management
- ii. Education and Training.
- iii. Financial management
- iv. Physical, ICT, and ICT infrastructure.
- v. Collaboration, partnership and linkages.
- vi. Research and innovation
- vii. Environmental sustainability.

KRA	Strategic Objectives	Strategies
KRA 1.1: Effective and functional Organizational Structure	Review organizational structure annually to include any additional operational units and responsibilities	-Evaluation of organizational structure to in response to changes in student enrollment and programs offered. -Identify functional areas -Clarify lines of authority/ chain of command -Define job description for each functional area
KRA 1.2: competent staff	Conduct training to all staff to enhance their skills and competencies for effective service delivery	-Conduct Training Needs Assessment to identify skill gaps -facilitate regular workshops, seminars and training sessions
KRA 1.3: Functional Student Council	-To establish and operationalize a student council	• Conduct student council election

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KRA 2.1: Effective implementation of CBET curricula	-To introduce demand driven CBET programs -To equip trainees with skills aligned to industry needs	• Apply licensing for CBET courses • Training of trainers On CBET Approaches • Acquire relevant equipment tools and training materials • Increase collaboration with industries.
KRA 2.2:training aligned to Bottom up economic transformation Agenda	Programs aligned to BETA	• Offer courses aligned with housing , agriculture and ICT.
KRA 2.3: increased gross student enrollment	To increase student enrollment through strategic marketing and effective service delivery	• Conducting strategic marketing • Offer effective service delivery • Lobby Partners for scholarships
KRA 2.4 Increased enrollment in STEAM Courses to accelerate implementation of vision 2030 flagship programs.	To increase enrollment in STEAM courses through sensitization programs	• Offer career guidance to potential trainees.
KRA 2.5:Increased trainee completion rate	To increase trainee completion rate	• Assist trainees to apply for HELB and scholarship • Effective coverage of curriculum • Develop reward mechanism for outstanding academic performance.
KRA 3.1: improved financial sustainability through efficient financial and procurement systems	To enhance financial sustainability through efficient financial and procurement systems	• Increase A-in –A • Establish income generating activities • Effective management of financial resources • Adhere to public procurement policies and regulations.

KRA 4.1: Developed physical infrastructure	To develop physical infrastructure for training and access	• Identify and document infrastructural needs • Develop funding proposals • Allocate infrastructure funds • Expand training and administrative facilities
KRA 4.2: developed robust ICT Infrastructure	To establish ICT infrastructure	• Identify and document ICT infrastructural needs • Develop funding proposals • Allocate infrastructure funds for ICT • Expand training and administrative ICT facilities
KRA 4.3: digitized services	To digitize institutional services	• Identify service area for digitization • On board management information system (MIS) • Train staff on Digital skills
KRA 5.1: established effective collaboration and partnerships with relevant stakeholders.	To establish linkages and partnership with industry and other relevant stakeholders	• Establish Memorandum of understanding with industries and stakeholders
KRA 6.1: enhanced research and innovation	To promote research and innovation in the institution	• Allocate funds to support research and innovation • Undertake value added research and innovation for supporting agriculture, science and technology development.
KRA 7.1: sustainable environment.	To green the institution and mitigate on climate change	• Sensitization of staff, students and community on environmental conservation • Continuous planting of trees • Adopt clean energy initiatives

7. Corporate Governance Statement

Appointment

The members of the board shall be appointed by the Cabinet Secretary Ministry of Education after wide consultation from strategic partners and individuals who share the same value, commitments and have an interest to work with Emsos technical and vocational College. The recruitment of Board members shall be through head hunting, recommendations by management, government administrative arm, and political leadership drawn from institution's immediate area of jurisdiction.

The membership of the Board of Governors shall comprise—

- (a) A chairperson;
- (b) A representative of the Principal Secretary in the Ministry responsible for technical and vocational training;
- (c) A representative of the county Governor of the county within which EMSOS Technical and Vocational College is located; and
- (d) A six other persons appointed on the basis of their knowledge and experience in—
 - i) Leadership and management;
 - ii) Financial management;
 - iii) Technology;
 - iv) Industry;
 - v) Engineering;
 - vi) Information communication technology or Law.

Removal

Membership to the Board shall be for a period of three [3] years. Retiring of a Board members who has successfully completed their constitutional term in office are eligible for re-appointment for a period of one [1] term.

Roles of board members

- a) Oversee the conduct of education and training at EMSOS TVC in accordance with the provisions of the TVET Act and any other written law;
- b) Promoting and maintaining standards, quality and relevance in education and training in EMSOS TVC.
- c) Administer and manage the property of the institution
- d) Develop and implement EMSOS TVC strategic plan
- e) Prepare annual estimates of revenue and expenditure for EMSOS Technical and Vocational College and incurring expenditure on its behalf

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- f) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to EMSOS Technical and Vocational College or other bodies or persons;
- g) 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;
- h) Mobilizing resources for the institutions;
- i) Developing and reviewing programs for training and to make representations thereon to the Board;

Conflict of Interest

In compliance with TVET Act of 2013 second schedule article 15, Board members shall:

1. If a member is directly or indirectly interested in any contract, proposed contract or other matter before a Board of Governors and is present at a meeting of the Board of Governors at which the contract, proposed contract or other matter is the subject of consideration, he shall, at the meeting and as soon as reasonably practicable after the commencement thereof, disclose the fact and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter.
2. A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting at which it is made.
3. A member of the Board of Governors who contravenes subparagraph (1) commits an offence and shall be liable as stipulated in the Act.

Board meetings

Regular meetings of the Board shall be held each quarter, that is, between July – September and October – December, January – March; April – June; each financial year.

8. Management Discussion and Analysis

The college closed the year with a surplus of Ksh.6,429,344 compared to the previous financial year FY 2022/2023 when college had a surplus of ksh.5,384,406 it is attributed increase of the fees in academic year from Ksh.56,420 to Ksh.67,189. With increase in annual fees we also have arrears due to non-disbursement of Government scholarship grants amounting to 2,727,876. And student arrears totalling Ksh. 14,153,396.

Compliance with statutory requirements.

The college has complied with all statutory requirements. College registration certificate was successfully renewed as well as training licence. The institution is fully compliant with KRA, NSSF, NHIF requirements. During the year under review, college made prompt remittance to statutory agencies.

Key projects

There were no development projects undertaken during the year.

Major risks facing College

In the financial year under review, college faced a number of challenges which posed a risk in service delivery;

1. Under disbursement of government capitation grants
2. Delay in disbursement of government grants
3. Non disbursement of 4th quarter capitation grants leading to underperformance of budget and delayed service delivery and financial obligations
4. Due to increase in student enrolment, the existing tuition space is overstretched in capacity hence the need for government to provide development funds for expansion of infrastructure.

Understaffing of trainers has led to employment of additional trainers by the board. This strains on the lean budget hence the need for government to fully employ sufficient trainers in all subjects.

9. Environmental and Sustainability Reporting Statement

Sustainability strategy and profile

The management commits for effective financial planning ensuring that the institution aligns its financial resources with its strategic objectives. The budgeting process involves forecasting revenues and expenditures, ensuring that resources are allocated efficiently. Emsos Tvc follows an annual budgeting process, incorporating input from key stakeholders to ensure comprehensive financial planning.

Revenue Sources The institution commits generate revenue from multiple sources, including:

- Government funding and grants
- Tuition and fees
- Donations and endowments
- Investment income

Environmental performance

The management commits for effective financial planning ensuring that the institution aligns its financial resources with its strategic objectives, including environmental sustainability. The budgeting process incorporates environmental initiatives, such as reducing carbon footprints and investing in green technologies. Emsos Tvc follows an annual budgeting process, incorporating input from key stakeholders to ensure comprehensive financial and environmental planning.

Employee welfare

College has established a staff welfare committee to coordinate staff activities related to their welfare. College management ensures timely NHIF remittance for staff to assist in health coverage.

The management will conduct health and safety audit of college work place to ensure safe environment for staff.

Market place practices-

The organisation should outline its efforts to:

- a) College management has prequalified and registered qualified suppliers and service providers. All bids are done competitively through independent evaluation and awards, College has strived to pay all Suppliers and service providers in a timely manner. No complaints were raised by suppliers or service providers during the year.
- b) College has conducted aggressive marketing of its programs and without undermining or offending any of its competitors.

10. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Emsos Technical and Vocational College affairs.

Principal activities

Emsos Technical and Vocational college is therefore mandated via legal instruments to:

- viii. Provide relevant and quality technical and vocational education and training programs that meet the needs of individuals, industries, and the economy.
- ix. Implement competency-based curricula that align with industry standards and promote practical skills development.
- x. Foster partnerships and collaboration with industries, employers, and other stakeholders to enhance the relevance and effectiveness of TVET programs.
- xi. Ensure equitable access to TVET opportunities for all individuals, including marginalized and vulnerable groups.
- xii. Facilitate the integration of TVET graduates into the labor market and support their transition to employment or entrepreneurship.
- xiii. Promote innovation, research, and continuous improvement in TVET delivery methods, technologies, and practices.
- xiv. Uphold standards of excellence, integrity, and professionalism in all aspects of TVET provision and administration

Results

The results of the Emsos Tvc for the year ended June 30 are set out on page 1-6

Board of Governors

The members of the Board who served during the year are shown on page xi-xii. During the year

Auditors

The Auditor General is responsible for the statutory audit of the Emsos Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the Emsos Technical and Vocational College for the year ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

.....
Secretary of the Board/

Nairobi

Date:



11. Statement of Board of Governors Responsibilities

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

The Council members are responsible for the preparation and presentation of the Emsos Tvc financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year ended on June 30, 2024. 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 Emsos Tvc
- (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 Emsos Tvc
- (v) selecting and applying appropriate accounting policies
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the Emsos TVC financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The council members are of the opinion that the Emsos Tvc financial statements give a true and fair view of the state of Emsos Tvc transactions during the financial year ended June 30, 2024, and of the Emsos Tvc financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the Emsos Tvc, which have been relied upon in the preparation of the Emsos Tvc financial statements as well as the adequacy of the systems of internal financial control.

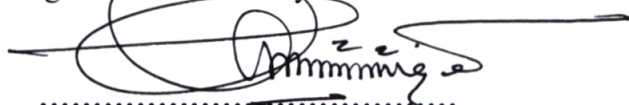
In preparing the financial statements, the Principal has assessed the Emsos Tvc ability to continue as a going concern. Nothing has come to the attention of the Council members to indicate that the

Emsos Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Emsos Tvc will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Emsos Tvc financial statements were approved by the Board on 27/4/24 2024 and signed on its behalf by:



Name DR. ELIAHI O MUTANGE
Chairperson of the Board/Council

M'AMU KUTONCHO

Name AT
Accounting Officer/Principal



REPUBLIC OF KENYA

Phone: +254-(20) 3214000
Email: 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 EMSOS TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Emsos Technical and Vocational College set out on pages 1 to 52, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion Section of my report, the financial statements present fairly, in all material respects, the financial position of Emsos Technical and Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS) and comply with the Technical Training Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Examination of the financial statements for the year ended 30 June, 2024 provided for audit review revealed the following anomalies;

- i. The statement of financial position reflects Kshs.9,187,590 as comparative balance in respect to current portion of receivables from exchange transactions. However, the previous year financial statements reflect Kshs.9,757,286 resulting in unexplained variance of Kshs.569,696. In addition, the statement reflects Kshs.177,444,030 and Kshs.177,133,465 as comparative balances for total assets and net assets respectively. However, the previous year financial statements reflect Kshs.178,013,726 and Kshs.177,703,161 for the two items respectively resulting in a variance of Kshs.569,696. The variances were not explained nor reconciled.
- ii. The statement of changes in net assets reflects Kshs.2,983,717 as accumulated fund as at 1 July, 2022 (previous year). However, the previous year financial statements had Kshs.3,546,839 resulting in unexplained and unreconciled variance of Kshs.563,122.

- iii. There was a casting error in the statement of changes in net assets where accumulated fund was reflected as Kshs.20,052,254 whereas on recalculation, the amount was Kshs.19,489,132. In addition, there were casting errors in the accumulated fund and total column as at 30 June, 2024 where accumulated fund and grand total were reflected as Kshs.32,826,701 and Kshs.183,569,583 respectively whereas on recalculation, the balances were Kshs.33,389,823 and Kshs.184,569,583 respectively.

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

2. Unsupported Transfers from Other National Government Entities

The statement of financial performance reflects Kshs.15,390,347 in respect to transfers from other national government entities as disclosed in Note 6 to the financial statements. However, the revenue schedule provided for audit reflects a total of Kshs.7,811,425 resulting in an unexplained and unreconciled variance of Kshs.7,578,922. Further, the statement of cash flows reflects Kshs.12,662,471 as transfers from other national government entities whereas available schedule reflects Kshs.7,811,425 resulting in an unexplained and unreconciled variance of Kshs.4,851,046.

In the circumstances, accuracy and completeness of the amount of Kshs.15,390,347 transfers from other national government entities could not be confirmed.

3. Valuation of Property Plant and Equipment

The statement of financial position and as disclosed in Note 32 to the financial statements reflects Kshs.152,279,542 in respect to property, plant and equipment which includes Kshs.96,679,125 as net book values for plant and equipment. However, the Management did not provide valuation reports, contract agreements or any other documents to show the basis of the value of plant and equipment reported.

In the circumstances, the accuracy and valuation of Kshs. 96,679,125 in respect to plant and equipment could not be confirmed.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects an actual expenditure of Kshs.18,834,533 against actual receipts of Kshs.32,171,962 resulting to an under-expenditure of Kshs.13,337,429 or 41% of total receipts.

In the circumstances, the under absorption of funds affected 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 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 Information

Conclusion

The Management is responsible for the Other Information set out on page iii to xxvi, 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, 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.

Basis for Conclusion

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I

confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Non-Compliance with Law on Ethnic Composition

During the year under review, the College had twenty-one (21) staff members out of which twenty (20) were from one dominant ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure to Tag Assets

The statement of financial position and as disclosed in Note 32 to the financial statements reflects Kshs.152,279,542 in respect to property, plant and equipment which includes plant and machinery, computers and related equipment, office equipment, furniture & fittings. However, physical inspection conducted in February, 2025 revealed that most of the assets in the institution were not tagged for identification. This is contrary to Regulation (139) (1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which requires accounting officers to ensure that the respective

National entity has proper control systems for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse, movement and conditions of assets can be tracked

In the circumstances, the Institution's assets are exposed to the risk of loss or misappropriation due to weak internal controls in asset monitoring and control.

2. Weaknesses in Internal Audit

During the year under review, the institution did not have a functional internal audit department and a substantively appointed internal auditor. The college occasionally used the services of an internal auditor from a neighboring national polytechnic.

In the circumstance, the lack of a functional internal audit function may have resulted to inability of the organization to timely detect operational risks and inefficiencies.

3. Lack of an Approved Information Communication Technology (ICT) Policy

The College did not have an approved ICT policy. In the absence of an approved ICT policy, the college did not have clear guidelines in respect to data security, backup plans, password and user account management and disaster recovery plans as required under Section 149(2)(c) of the Public Finance Management Act, 2012 which states that a public entity should always ensure that all its records, financial or otherwise kept in electronic form are adequately protected and backed up.

In the circumstances, the security and reliability of the Institution's data including the management information 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 the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS) 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.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 March, 2025

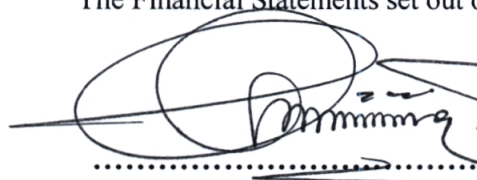
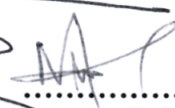
Emsos Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

13. Statement of Financial Performance for the Year Ended 30th June 2024

	Notes	FY2023/2024	FY 2022/2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	15,390,347	16,430,000
Grants from donors and development partners	7	-	-
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
		15,390,347	16,430,000
Revenue from Exchange transactions			
Rendering of services- fees from students	10	16,781,615	12,246,568
Sale of goods	11	-	-
Revenue from Exchange transactions		16,781,615	12,246,586
Total Revenue		32,171,962	28,676,586
Expenses			
Use of goods and services	15	12,616,764	9,188,843
Employee costs	16	3,612,424	2,444,575
Board Expenses	17	1,312,000	425,345
Depreciation and amortization expense	18	6,908,025	1,727,455
Repairs and maintenance	19	1,293,205	102,390
Total Expenses		25,742,418	13,898,608
Other Gains/(Losses)			
Gain on sale of assets	23	-	-
Total Other Gains/(Losses)		-	-
Net surplus/(deficit) for the year		6,429,544	14,777,960

(The notes set out on pages 21 to 26 form an integral part of the Annual Financial Statements).

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

Chairman of Board

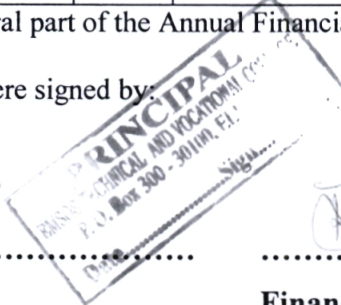
Principal

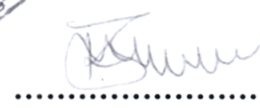
Date

27/02/2025

Date

27/02/2025





Finance Officer

ICPAK No

Assoc/3183

Date

27/02/2025

Emsos Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

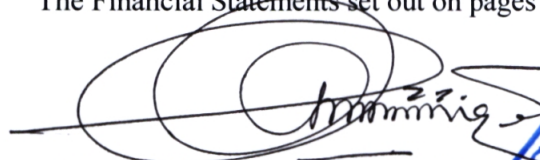
14. Statement of Financial Position as at 30th June 2024

Description	Notes	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	4,753,110	614,533
Current portion of receivables from exchange transactions	27(a)	14,643,846	9,187,590
Receivables from scholarship	28	12,196,876	9,469,000
Inventories	29	45,000	0
Investments in financial assets	30	0	0
Prepayments	31	0	0
Total Current Assets		31,638,832	19,271,123
Non-Current Assets			
Long term receivables from exchange transactions	27(b)		
Property, plant, and equipment	32	152,279,542	158,172,907
Intangible assets	33	150,000	
Total Non-Current Assets		152,429,542	158,172,907
Total Assets (A)		184,068,374	177,444,030
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	36	107,403	272,365
Refundable deposits from customers	37	38,200	38,200
Payments received in advance	42	353,188	-
Total Current Liabilities		498,791	310,565
Non-Current Liabilities			
Total non- current liabilities			
Total Liabilities (B)		498,791	310,565
Net Assets (A-B)		183,569,583	177,133,465

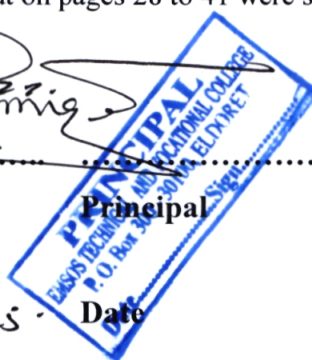
Emsos Technical and Vocational College
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Description	Notes	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Represented By:			
Revaluation Reserves			
Accumulated Surplus		32,826,701	20,052,254
Capital Fund		150,742,882	157,650,907
Net Assets		183,569,583	177,703,161

The Financial Statements set out on pages 28 to 41 were signed by:



Chairman of Board
 Date 27/02/2025





Finance Officer
 ICPAK No Assod/3183
 Date 27/02/2025

Emsos Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

15. Statement of Changes in Net Asset for the Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2022 (previous year)	-	2,983,717	159,378,362	162,925,201
Revaluation gain	-	-	-	
Surplus/(deficit) for the year	-	14,777,960	-	14,777,960
Capital grants received during the year	-	-	-	
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	1,727,455	(1,727,455)	
At June 30, 2023	-	20,052,254	157,650,907	177,703,161
At July 1, 2023 (current year)	-	20,052,254	157,650,907	177,703,161
Revaluation gain	-	-	-	
Surplus/(deficit) for the year	-	6,429,544	-	6,429,344
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	6,908,025	(6,908,025)	
At June 30, 2024	-	32,826,701	150,742,882	183,569,583

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

Description	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		12,662,471	6,961,000
Public contributions and donations			
Rendering of services- fees from students		11,325,359	4,939,930
Sale of goods			
Miscellaneous income			
Total Receipts		23,987,830	11,900,930
Payments			
Use of goods and services	15	12,616,764	9,188,843
Employee costs	16	3,612,424	2,444,575
Board Expenses	17	1,312,200	425,345
Repairs and maintenance	19	1,293,205	102,390
Contracted services			
Grants and subsidies			
Total Payments		18,834,593	12,171,153
Net Cash Flows from operating activities	47	5,153,237	(270,223)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(1,014,660)	(72,000)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		(1,014,660)	(72,000)
Cash flows from financing activities			
Proceeds From Borrowing			-
Repayment Of Borrowings			-
Net cash flows used in financing activities			-
Net Increase/(Decrease) in Cash and Cash equivalents		4,138,577	(342,223)
Cash and Cash equivalents at 1 JULY 23	26	614,533	956,756
Cash and Cash equivalents at 30 JUNE 24	26	4,753,110	614,533

Emsos Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June,2024

17. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilisation Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	17,341,500	-	17,341,500	15,390,347	1,951,153	89%
Public contributions and donations	-	-	-	0	0	-
Rendering of services- fees from students	16,369,850	411,765	16,781,615	16,781,615	0	100.00%
Sale of goods	-	-	-	0	-	
Total Income	33,711,350	411,765	34,123,115	32,171,962	1,951,153	
Expenses						
Use of goods and services	25,181,000	339,765	25,520,765	12,616,764	12,904,001	49.40%
Employee costs	3,801,500	-	3,801,500	3,612,424	189,076	95%
Board Expenses	1,240,000	72,000	1,312,000	1,312,000	0	100%
Repairs and maintenance	3,488,850	-	3,488,850	1,293,345	2,195,505	37%
Total Expenditure	33,711,350	411,765	34,123,115	18,834,533	15,288,582	

NOTES:

- I. Inconsistency of the government in disbursing funds.
- II. Late disbursement of funds.
- III. Court case on funding model, we did not know our fate.

18. Notes to the Financial Statements

1. General Information

Emsos Tvc is established by and derives its authority and accountability from PFM Act. The Emsos Tvc is wholly owned by the Government of Kenya and is domiciled in Kenya. The Emsos Tvc 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 judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Emsos Tvc. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Emsos Technical and Vocational College
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3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Emsos Tvc. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. It is not relevant to Emsos Tvc since we are not engaging on leasing activities
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. State the expected impact of the standard to the Emsos Tvc if relevant –it is not.
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by:

Emsos Technical and Vocational College
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	i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. State the expected impact of the standard to the Emsos Tvc if relevant –It is not.
IPSAS 47: Revenue	Applicable 1st January 2026 This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an Emsos Tvc shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. State the expected impact of the standard to the Emsos Tvc if relevant
IPSAS 48: Transfer Expenses	Applicable 1st January 2026 The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. State the expected impact of the standard to the Emsos Tvc if relevant
IPSAS 49: Retirement Benefit Plans	Applicable 1st January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. State the expected impact of the standard to the Emsos Tvc if relevant

iii. Early adoption of standards

The Emsos Tvc did not early adopt any new or amended standards in year 2024.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The Emsos Tvc 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 Emsos Tvc.

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Board on 3rd July, 2023. 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 Emsos Tvc upon receiving the respective approvals to conclude the final budget. Accordingly, the Emsos Tvc recorded additional appropriations of xxx on the FY 2023/2024 budget following the Board's approval. The Emsos Tvc 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

c) Taxes

Current income tax

The Emsos Tvc is exempt from paying taxes ..

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Emsos Tvc 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 Emsos Tvc. 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 Emsos Tvc 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 Emsos Tvc 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 Emsos Tvc. 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 Emsos Tvc expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Emsos Tvc 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 Emsos Tvc 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 Emsos Tvc and a financial liability or equity instrument of another Emsos Tvc. At initial recognition, the Emsos Tvc 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 Emsos Tvc 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 Emsos Tvc 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 Emsos Tvc has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the Emsos Tvc 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 Emsos Tvc 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 Emsos Tvc 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 Emsos Tvc recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (Continued)

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

k) Provisions

Provisions are recognized when the Emsos Tvc 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 Emsos Tvc expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The *Emsos 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

The *Emsos 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 *Emsos Tvc* 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 Emsos Tvc recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Emsos Tvc will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

The Emsos Tvc creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The Emsos Tvc provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Emsos Tvc pays fixed contributions into a separate Emsos Tvc (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.

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 currencyg are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

p) Borrowing costs

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

q) Related parties

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

r) Service concession arrangements

The Emsos 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 Emsos Tvc recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Emsos Tvc* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

s) Cash and cash equivalents

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

t) Comparative figures

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

u) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Emsos Tvc 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 Emsos Tvc 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 Emsos Tvc. 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 Emsos 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.

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

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6. Transfers from other National Government entities

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	7,811,425	15,930,000
Operational Grant	-	500,000
Scholarship grants	7,578,922	-
Other Grants	-	-
Total unconditional Grants	15,390,347	16,430,000
Total Government Grants and Subsidies	15,390,347	16,430,000

(a)Transfers from other Government entities d

Name of the Emsos Tvc Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of XX	-	-	--	--	--
XX Ministry	-	--	--	--	--
Total	-	-	-	-	-

7. Grants from Donors and Development Partners

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
JICA- Research Grant	-	
World Bank Grants	-	-
In-Kind Donations	-	-
Donations transferred to revenue-conditions met	-	-
Other Grants (specify)	-	-
Total Grants from Development Partners	-	-

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(a) Reconciliations of grants from donors and development partners

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Yet To Be Met - Remain Liabilities	-	-

8. Transfers from Other Levels of Government

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Transfer from County XX	-	-
Transfer from XX University	-	-
Transfer from XX Institute	-	-
Total Transfers	-	-

9. Public Contributions and Donations

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
Total Donations and Contributions	-	-

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10. Rendering of Services

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Tuition Fees	15,026,265	10,887,968
Activity Fees	0	0
Industrial Attachment Fees	0	0
Examination Fees	1,374,050	1,208,600
Library Fees	0	0
Facilities And Materials	0	0
Registration Fees	381,300	150,000
Total Revenue from The Rendering of Services	16,781,615	12,246,568

(It comprises of student fees ,examination fees and registration)

11. Sale of Goods

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
		-
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	-	-
Cafeteria sales	-	-
Other sales (specify)	-	-
Total Revenue from Sale of Goods	-	-

12. Rental revenue from facilities and equipment

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Hire of Facilities and Equipment	-	-
Contingent Rentals	-	-
Operating Lease Revenue	-	-
Others <i>(specify)</i>	-	-
Total	-	-

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13. Finance Income

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Others (<i>specify</i>)	-	-
Total finance income	-	

14. Miscellaneous Income

Description	FY 2023-2024	FY 2022-2024
	Kshs	Kshs
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	-	-
Services concession income	-	-
Reimbursements and refunds	-	-
Graduation fees	-	-
Bad debts recovered	-	-
Income written back	-	-
Others (<i>specify</i>)	-	-
Total other income		

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15. Use of Goods and Services

Description	FY 2023-2024	2022-2023
	Kshs	Kshs
Teaching and learning materials	5,917,804	3,364,074
Industrial attachment costs	102,930	193,750
Electricity and water	331,386	250,044
Activity	675,660	233,400
Advertising/Marketing	225,600	210,140
Examination fees	1,374,050	1,208,600
Audit fees	100,000	150,000
Performance Contracting	35,000	112,000
Travelling and accommodation	2,285,064	2,363,270
KATTI	438,812	227,816
Admin Expenses	1,049,458	695,749
TVETA	71,000	83,000
KUCCPS	0	59,000
CDACC	10,000	0
farm	0	38,000
Total good and services	12,616,764	9,188,843

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16. Employee Costs

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Salaries and wages	2,916,404	2,068,585
Employee related costs - contributions to pensions and medical aids	0	0
Travel, motor car, accommodation, subsistence and other allowances	0	0
CASUALS	185,050	112,120
NHIF	114,400	76,400
NSSF	396,570	187,470
Employee Costs	3,612,424	2,444,575

17. Board Expenses

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	-	-
Other Allowances	-	-
Board Expenses	1,312,000	425,345
Total	1,312,000	425,345

18. Depreciation and Amortization expense

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Property, plant and equipment	6,908,025	1,727,455
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	6,908,025	1,727,455

19. Repairs and Maintenance

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Property	1,293,205	102,390
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
Total Repairs and Maintenance	1,293,205	102,390

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20. Contracted Services

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Other (specify)	-	-
Total contracted services	-	-

21. Grants and Subsidies

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Others (<i>specify</i>)	-	-
Total Grants and Subsidies	-	-

22. Finance Costs

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Others (specify)	-	-
Total Finance Costs	-	-

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23. Gain On Sale of Assets

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
Total Gain On Sale of Assets	-	-

24. Gain/(loss) on Fair Value Investments

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Fair value on equity investments	-	-
Fair value arising from investment property	-	-
Fair value arising from biological assets	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

25. Impairment Loss

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

26. Cash and Cash Equivalents

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Current Account	4,753,110	614,533
On - Call Deposits		
Fixed Deposits Account		
Staff Car Loan/ Mortgage		
Others (Specify)		
Total Cash and Cash Equivalents	4,753,110	614,533

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

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

Financial Institution	Account number	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1159400792	2,942,696	2,665
Kenya Commercial Bank	1252707681	1,724,849	568,819
Sub- Total		4,667,545	571,484
b) On - Call Deposits			
Kenya Commercial Bank			
Equity Bank – etc.			
Sub- Total			
c) Fixed Deposits Account			
Kenya Commercial Bank			
Bank B			
Sub- Total			
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank			
Bank B			
Sub- Total			
e) Others(<i>Specify</i>)			
Cash in Transit			
Cash in Hand		85,565	43,049
Mobile Money account			-
Sub- Total		85565	43,049
Grand Total		4,753,110	614,533

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27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Current Receivables		
Student Debtors	14,643,846	9,187,590
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	14,643,846	9,187,590

27 (b) Long- term Receivables from Exchange transactions

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Non-Current Receivables	-	-
Refundable Deposits	-	-
Advance Payments	-	-
-Public Organizations	-	-
L-ess: Impairment Allowance	-	-
Total	-	-
Current Portion Transferred To Current Receivables	-	-
Total Non-Current Receivables	-	-
Total Receivables	-	-

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	10,024,711	74.3%	6,736,942	78.9%
Between 1- 2 years	4,619,135	25.7%	2,450,648	21.1%
Between 2-3 years	-	%		%
Over 3 years	-	%		%
Total (a+b)	14,643,846	100%	9,187,590	100%

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

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
At the beginning of the year	-	-
Provisions during the year	-	-
Recovered during the year	-	-
Write offs during the year	-	-
At the end of the year	-	-

28. Receivables from Non-Exchange transactions

Description	FY 2022-2023	FY 2022-2023
	Kshs	Kshs
Current Receivables	-	-
Capitation Grants*	-	-
Transfers from Other Govt. entities	-	-
Undisbursed scholarship	12,196,876	9,469,000
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	12,196,876	9,469,000

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

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,727,876	%	9,469,000	%
Between 1- 2 years	9,469,000	%	-	%
Between 2-3 years	0	%	-	%
Over 3 years	0	%	-	%
Total	12,196,876	%	9,469,000	%

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

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

29. Inventories

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Consumable stores	45,000	-
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	--	-
Catering stores	-	-
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	45,000	-

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30. Investments in financial assets

Description		FY 2023-2024	FY 2022-2023
		Kshs	Kshs
a) Investment in Treasury Bills and Bonds			
Financial Institution			
CBK		-	-
CBK		-	-
Sub- Total		-	-
b) Investment with Financial Institutions/ Banks			
Bank X		-	-
Bank Y		-	-
Sub- Total		-	-
c) Equity Investments (Specify)			
Equity/ Shares in Company Xxx		-	-
Sub- Total		-	-
Grand Total		-	-

d) Shareholding in other entities

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

Name of Emsos Tvc where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	Insert Current FY	Insert Comparative FY
	%	%	%	Kshs	Kshs	Kshs
Emsos Tvc A	-	-	--	-	-	-
Emsos Tvc B	-	-	-	-	-	---
	-	-	--	-	-	-

31. Prepayments

Description		FY 2023-2024	FY 2022-2023
		Kshs.	Kshs.
Prepaid Rent		-	-
Prepaid Electricity Costs		-	-
Other Prepayments (Specify)		-	-
Total		-	-

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32. Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
DEPRECIATION RATE						
At 1 July 2022(previous year)	4,000,000	52,623,775	2,637,500	667,000	101,767,500	161,695,775
Additions	-	-		72,000	-	72,000
Disposals	-	-		0	-	-
Transfers/Adjustments	-	-		0	-	-
At 30th June 2023	4,000,000	52,623,775	2,637,500	739,000	101,767,500	161,767,775
Additions	-	-	679,660	335,000	-	1,014,660
Disposals	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-
At 30th June 2024	4,000,000	52,623,775	3,317,160	1,074,000	101,767,500	162,782,435
Depreciation And Impairment						
At 1 Jun 2022 (previous year)	-	(2,664,921)	(642,188)	(555,111)	-	(3,862,220)
Depreciation	-	(1,282,704)	(288,477)	(156,274)	-	(1,727,455)
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
At 30 Jun 2023(current year)		3,947,625	930,665	711,385		5,589,675
Depreciation	-	(1,250,636)	(337,374)	(231,640)	(5,088,375)	(6,908,025)
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-		-	-	-
At 30th Jun 2024	-	5,198,261	1,268,039	943,025	5,088,375	7,918,163
Net Book Values						
At 30th Jun 2023	4,000,000	50,025,457	2,019,335	360,615	101,767,500	158,172,907
At 30th Jun 2024	4,000,000	48,774,821	2,361,621	463,975	96,679,125	152,279,542

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Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020).

32 (b) Property, Plant and Equipment at Cost

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

Description		Cost	Accumulated Depreciation	NBV
		Kshs	Kshs	Kshs
Land		4,000,000	0	4,000,000
Buildings		53,973,082	5,198,261	48,774,821
Plant And Machinery		101,767,500	5,088,375	96,679,125
Computers and Related Equipment		1,407,000	943,025	463,975
Office Equipment, Furniture, And Fittings		3,629,660	1,268,039	2,361,621
Total				152,279,542

33. Intangible Assets

Description		FY 2023-2024	FY2022-2023
		Kshs	Kshs
Cost		150,000	-
At beginning of the year			-
Additions		-	-
At end of the year			-
Additions-internal development		-	-
At end of the year		-	-
Amortization and impairment		-	-
At beginning of the year		-	-
Amortization		-	-
At end of the year		-	-
Impairment loss		-	-
At end of the year		-	-
NBV		150,000	-

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34. Investment Property

Description	FY 2023-2024	FY 2022-2024
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	--	-
Gain or loss on fair value- if fair value is elected	-	-
At end of the year	-	-

35. Biological Assets

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Cattle	-	-
Trees	-	-
Others (Specify)	-	-
Total	-	-

36. Trade and Other Payables

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Trade payables	107,403		272,365	
Fees paid in advance	-		-	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
Total Trade and Other Payables	107,403		272,365	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	107,403	%	272,365	xxx
1-2 years		%		xxx
2-3 years		%		xxx
Over 3 years		%		xxx
Total (to tie to totals above)	107,403	%	272,365	xxx

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37. Refundable Deposits from Customers/Students

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Consumer deposits				
Caution money	38,200		38,200	
Other refundable deposits				
Total Deposits	38,200		38,200	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year		%		%
1-2 years	-	%		%
2-3 years	38,200	%	38,200	%
Over 3 years		%		%
Total (to tie to totals deposits above)	38,200	%	38,200	%

38. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year	-	-	--	-	-
Additional Provisions	-	-	--	-	-
Provision Utilised	-	--		-	-
Change Due To Discount And Time Value For Money	-	-	--	-	-
Transfers From Non -Current Provisions	-	-	-	-	-
Total Provisions	-	-	-	-	-

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39. Finance Lease Obligation

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
At the start of the year	-	-
Discount interest on Lease Liability	-	-
Paid during the year	-	--
At end of the year	-	-

Maturity Analysis

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

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

40. Deferred Income

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
National Government	-	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

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The deferred income movement is as follows:

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

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

41. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	-	-

Retirement benefit Asset/ Liability

The Emsos Tvc does not operates a defined benefit scheme for all full-time employees .

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (Pre- Retirement)	-	-

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Mortality (Post- Retirement)	-	-
Withdrawals	-	-
Ill Health	-	-
Retirement	-	-

Recognition of Retirement Benefit Asset/ Liability

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

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (<i>specify</i>)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

- b) Amounts recognised in the Statement of Financial Position

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others (<i>specify</i>)	-	-
Net asset or liability arising from defined benefit obligation	-	-

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The Emsos Tvc also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Emsos Tvc obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 6% of gross salary per employee per month. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

42. Payments received in advance.

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Fees received in advance	353,791		-	
Others (Specify)			-	
Total	353,791		-	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	353,188	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	353,188	%	-	%

43. Borrowings

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Balance at beginning of the year	-		-	
External borrowings during the year	-		-	
Domestic borrowings during the year	-		-	
Repayments of external borrowings during the year	-		-	
Repayments of domestic borrowings during the year	-		-	
Balance at end of the year	-		-	

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43 a) Analysis of External and Domestic Borrowings

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'	-	-
Sterling pound denominated loan from 'yyy organization'	-	-
Euro denominated loan from 'zzz organization'	-	-
Domestic borrowings	-	-
Kenya shilling loan	-	-
Total balance at end of the year	-	-

43 b) Breakdown of Long and Short-Term Borrowings

Description	FY	FY
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

44. Non-Current Provisions

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

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45. Service Concession Arrangements

Description	FY 2023-2024	FY 2022-2024
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	=	=
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	=	=

46. Social Benefit Liabilities

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	=	=
People Living with disabilities benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	=	=
	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

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47. Cash generated from operations.

Surplus for the year before tax	FY 2023-2024	FY2022-2023
	Kshs	Kshs
Adjusted for:		
Depreciation	6,908,025	1,727,455
Non-Cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	-	-
Working Capital Adjustments		
Increase in Inventory	(45,000)	-
Increase in Receivables	(6,266,684)	((1,785,913))
Increase in Deferred Income	-	
Increase in Payables	(164,962)	(211,765)
Increase in Payments received in advance	353,791	-
Net Cash Flow from Operating Activities	5,153,237	(270,223)

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48. Financial Risk Management

The Emsos Tvc 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 Emsos Tvc financial risk management objectives and policies are detailed below:

(i) Credit risk

The Emsos Tvc 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 Emsos Tvc maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	7,886,712			
Receivables from non-exchange transactions				
Bank balances				
Total	7,886,712			
At 30 June 2024 (current year)				
Receivables from exchange transactions	14,153,396			
Receivables from non-exchange transactions	2,727,876			
Bank balances	5,753,110			
Total	22,634,382			

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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 Emsos Tvc has significant concentration of credit risk on amounts due from xxxx

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 Emsos Tvc directors, who have built an appropriate liquidity risk management framework for the management of the Emsos Tvc short, medium and long-term funding and liquidity management requirements. The Emsos Tvc manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	-	272,365	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	272,365		
At 30 June 2024)				
Trade Payables	-	107,403	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	107,403	-	-

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(iii) Market risk

The Emsos Tvc has put in place an internal audit function to assist it in assessing the risk faced by the Emsos Tvc 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 Emsos Tvc 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 Emsos Tvc 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 Emsos Tvc exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The Emsos Tvc does not have transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the Emsos Tvc foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities	-	-	-
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	---	--

The Emsos Tvc manages foreign exchange risk form 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.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	10%	-	-
Usd	10%	-	-
20xx			
Euro	10%	-	-
Usd	10%	-	-

b) Interest rate risk

Interest rate risk is the risk that the Emsos Tvc 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 Emsos Tvc 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.

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iv) Capital Risk Management

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

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash and Cash Equivalents)	-	-
Gearing	-	-

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49. Related Party Balances

Nature of related party relationships

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

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

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

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	--	-
B) Purchases from related parties		
Purchases of electricity from kplc	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	--	-
Total		
b) Grants /Transfers from the Government		
Grants from National Govt	12,662,471	6,961,000
Grants from County Government	-	
Donations in Kind	-	
Total	12,662,471	6,961,000
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for 23 Employees	3,427,374	2,332,455
Payments for Goods and Services	12,801,814	9,235,517
Total	16,229,188	11,567,972

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Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
d) Key Management Compensation		
Directors' emoluments	1,312,200	425,345
Compensation to Key Management		
Total	1,293,205	425,345

50. Segment Information

Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Emsos Tvc to present segmental information of each geographic region or department to enable users understand the Emsos Tvc performance and allocation of resources to different segments. Does not affect Emsos Tvc in the year under review

51. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

Contingent Liabilities

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case Xxx against (<i>The Emsos Tvc</i>)	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

52. Capital Commitments

Capital Commitments	FY 2023-2024	FY 2022-2023
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	Kshs	Kshs
Authorised for	--	-
Authorised and Contracted for	-	-
Total	-	-

53. Events After The Reporting Period

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

54. Ultimate And Holding Emsos Tvc

The Emsos Tvc is a State Department Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

55. Currency

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

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19. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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

.....
Name Mark Kironko
Accounting Officer
Principal
Date



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Appendix II: Projects Implemented by (The Emsos 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)
1	N/A					
2						

Status of Projects completion

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

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Appendix III- Inter-Emsos Tvc Confirmation Letter

Name of transferring MOE –State Department for Technical Education

Name of beneficiary Emsos Tvc.....

Confirmation of amounts received by Emsos Tvc as at 30 th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
DTE/CAP9/36(28)	02/10/2023	2,047,500	-	2,047,500	Fully Posted
DTE/CAP9/39(19)	18/01/2024	1,921,500	-	1,921,500	Fully Posted
DTE/CAP9/41(19)	05/02/2024	2,196,000	-	2,196,000	Fully posted
DTE/CAP9/42(18)	31/05/2024	1,646,425	-	1,646,425	Fully Posted
MOE/DTE/SCHO/VOL.II(27)	27/02/24	4,730,106	-	4,730,106	Fully Posted
MOE/DTE/SCH/VOL.III(25)	06/03/24	120,940	-	120,940	Fully posted
Total		12,662,471	-	12,662,471	

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

Head of Accounts Department - State Department for Technical Education

Name Sign Date

Head of Accounts Department - Emsos Tvc:

Name JUDITH KISAKA Sign [Signature] Date 27/02/24

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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									

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						