REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

OF

THE AUDITOR-GENERAL

ON

TINDIRET TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED 30 JUNE, 2020

TINDIRET TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2020

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

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1. KEY TTVC INFORMATION AND MANAGEMENT

(a) Background information

The *Tindiret Technical and Vocational College (TTVC)* was established under the TVET Act No 29 of 2013 on 1st April 2019 during a hand over ceremony from the contractor to the Mentor institution – Kaiboi Technical Training Institute. The first Principal of the College was posted on 19th June 2019. An official opening ceremony followed shortly after on 29th June 2019 and much later, its first Board of Governors was inaugurated on 10th February 2020. TTVC is domiciled in Kenya, located 5 km East of Kopere-Tindiret road in Tindiret division, Soba location, Sigoria sub-location in Nandi County. Currently it runs its single campus on a one storey building seating on a 7-acre farm. The institute is under the Ministry of Education.
TTVC has four major departments offering 25 approved courses in Building & Civil Engineering, Electrical Engineering, Information Communication Technology, and Business Studies trades.

(b) Principal Activities

Vision: To be a top-rated institute in Technical Education, vocational training, Research and Innovation.
Mission: To provide Technical and vocational training to learners to meet the global market demands.
Motto: Citadel of Skills, Enterprise and Progress.
Mandate:

- To produce skilled artisan, craftsmen and technicians for both public and private sectors.
- To provide technical knowledge, vocational skills and attitudes necessary for man power development.
- To provide increased training opportunities for school leavers that will enable them to be self-supporting.
- To develop practical skills and attitude that will lead to income earning activities in the society

(c) Key Management

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

- Board of Governors members
- Accounting officer/ Principal
- Management
- and Heads of Department.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	**F.P. Kipchirchir Tanui**
2.	Deputy principal	**Joseph Kitam**
3.	Registrar	**Kipngeno Clive**
4.	Dean of students	**Enid Sergon**
5.	Head of finance	**Priscillar Ngeno**

(e) Fiduciary Oversight Arrangements

TTVC is oversighted by the Ministry of Education State Department of Vocational training through the directorate of TVET. This activity is undertaken by the Board of Governors who as mentioned earlier were inaugurated in the third quarter of the financial year under review. Other than that, the institution did not have any fiduciary Oversight Arrangements and was yet to establish Audit committee activities. Further these are the very first financial statements that will lead to its first ever external, audit at TTVC.

KEY TTVC INFORMATION AND MANAGEMENT (Continued)

(f) TTVC Headquarters

Tindiret Technical and Vocational College,
P.O. Box 126, - 40100,
Kopere Maraba Road,
SONGHOR, NANDI COUNTY,
KENYA

(g) TTVC Contacts

Telephone: (+254) 746 550 647
E-mail: tindirettvc@gmail.com
Website: www.ttvc.ac.ke

(h) TTVC Bankers

Kenya Commercial Bank
Nandi Hills Branch
P.O BOX 184 - 30301
A/C No. 1263943721

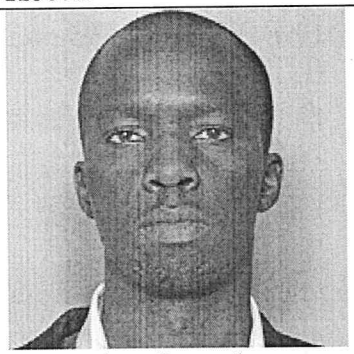
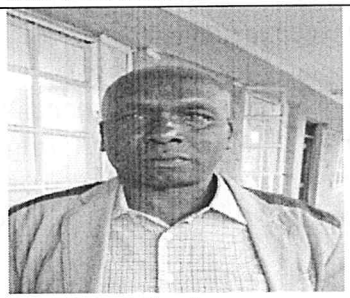
(i) Independent Auditors

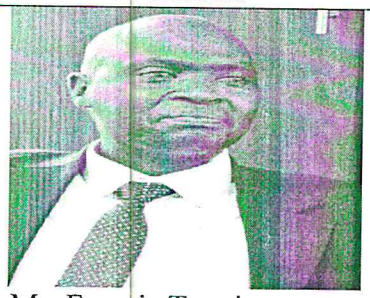
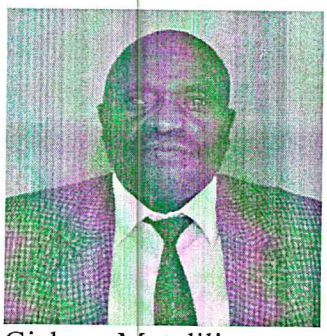
Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser

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

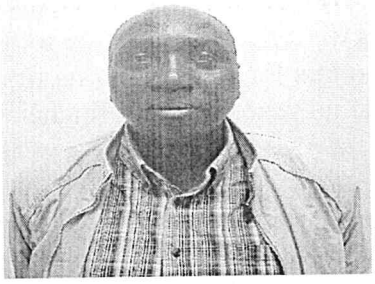
2. THE BOARD OF GOVERNORS

 1. Mrs. Margaret Chepkemoi Koech	Chairperson of the Board of Governors Tindiret TVC, born in 28/12/1969 MSc international hotel management Bachelor of education, home economics Currently CEO chalan properties ltd Worked as head of commercial services dept: Multimedia university of Kenya Member of Board Kenyatta national hospital Independent Director
 2. John Oloo Gwendo	Date of birth: 21/11/1978 Masters of Science (Information Systems) B.Ed. (Technology Education) Experience of 10 Years
 3. Mr. Joel Kemei	Date of birth: 9/2/1966 Highest Education Level Dip in Education Management Experience Of 30 Years
 4. Mr. Joel Misoi	Date of birth: 25/06/1957 Highest Education Level: KACE Experience Of 30 Years in education management
 5. Ms. Jepchirchir Kibor	Date of birth: 11/8/1964 Highest Education Level: bachelors of commerce business management (marketing option) Experience of over 30 Years

 6. Mr. Moses Kolum	Date of birth: 22/03/1966 Highest Education Level: master's in business administration Bachelor of arts Experience of over 20 Years Human Resource Manager
 7. Ms. Alice Sitienei	Date of birth: 11.11.1976 Highest Education Level: Masters in education Experience Of 20 Years in education management
 Mr. Francis Tanui 8. Secretary to the Board	Date of birth: 9/2/1966 Highest Education Level: Bachelors of education in accounting - B.Ed. Arts (accounting) Experience of 26 Years Not a member of ICPSK
 9. Gichuru Mutulili, County Director of TVET,	Born on 3rd September, 1966 he is the current TVET County Director Uasin Gishu, Nandi and Elgeyo Marakwet Region. He is the PS representative of the Ministry in the Board and provide advice and guidelines on Ministry's strategic goals, mandate and policy direction. He holds Master's in Business Administration (Management Information Systems) and B.Ed. (Arts) Mathematics &Business Studies. Further, has wealth experience in public service particularly in Educational management particularly ISQ Training, Performance management, project management, financial management, procurement management and monitoring and evaluation of programmers and projects having served as a teacher, education officer in various positions and Counties.

3. MANAGEMENT TEAM

 Mr. Francis Tanui B.Ed. Arts (accounting) 1. Principal, Secretary to the Board	Principal/Secretary to the BOG.

 Mr. Joseph Kitam 2. B.Ed. Technology,	DEPUTY PRINCIPAL
 Mrs. Priscillar Ngeno B.com (Finance) 3. CPA	FINANCE OFFICER

4. CHAIRMAN'S STATEMENT

I am pleased to present our 2020 financial statement and performance. Despite the adverse effects of the Covid-19 pandemic and the fact that we are hardly settled in office, we remain committed to a great take-off. This is in fact the very first time TTVC is presenting its accounts for audit being its first year of operation. The Board of TTVC was inaugurated on 10th February this year when the financial year was already in its third quarter.

TTVC relies on strong stakeholder relations in all its performance and growth prospects. This year's performance is owed to the fact that the Government of Kenya set up the college in the first place while the NG-CDF sent in its first cohort of pioneer trainees. There are other great stakeholders including the office of the affirmative action fund and the community that have ensured we take off thus far. All these and much more will shape our strategic direction and inform our future plans.

The strength and agility of our Board will be tested in the way we set off. Laying the foundations of a great college in pursuit of its vision. To ensure this happens, we sought to lay the necessary structures like guiding the management into writing its very first strategic plan, putting in place a board charter and an almanac. All this the Board believes will guide us not only into a strategic direction but also enable us implement set targets and objectives especially in curriculum implementation, physical facilities development and overall growth of the college. Sadly, this was not achieved during the year under review. We intended to achieve a breakeven point within our first three years of operation. The Intended strategic Plan will come up with key strategic figures to determine this exact breakeven point. We intend to continue providing the management with the much-needed direction and support through the most turbulent period occasioned by the COVID-19 pandemic and the challenges of starting.

Looking into the future, we see opportunities as well as new challenges to our College. We face many challenges as the college currently remains shut because of the pandemic and management is unable to implement most of the policies the board would like. It is in times like this that we must remain focussed on our goal and purpose, running safe operations to ensure survival. We will continue engaging key stakeholders to hold our hand through this.

On behalf of the Board of Governors, I extend my appreciation to the Government of the Kenya, the Ministry of Education, our esteemed stakeholders, the management and staff for continued support, cooperation and contribution towards driving our strategy and college success.

MARGARET KOECH
BOG CHAIRPERSON

Date .....31/5/21.....

5. REPORT OF THE PRINCIPAL

It is my pleasure to present the annual statement of finances for audit for the financial year ended 30 June, 2020. This is happening at an extra ordinary time when our college is shut and the country's economy is reeling from the disruptive effects of Covid-19 pandemic.

With the direction of the Board, the management of TTVC is committed to ensuring that the college takes off well. It is only our first year of operation having inaugurated its first BOG in 10th February 2020. Naturally, our instincts were trained towards growth in trainee numbers. We were lucky to have our first cohort of 473 trainees during the year with the support of the NG-CDF. We deployed considerable resources towards marketing strategies with a view of attracting and retaining more trainees and staff from other regions. Sadly, most of our efforts during the year were watered down by the pandemic. Due to this also the college was not able to write its first strategic plan. We however remain committed to pursuit of our vision to be the top rated TVET college. This we will do by ensuring quality delivery of our services especially curriculum implementation.

Though non-financial, we achieved some key milestones during the year. We were able to witness the official handing over from the contractor of the sole single storey building on which the college operates. An official opening ceremony was also conducted and graced by his Excellency the Deputy president of the republic of Kenya. Further, we received the first BOG members and the very first cohort of pioneer trainees. The management was also able to connect the college to its first connectivity to the internet. We intend to have an induction of Board members in line with the TVET Act 2013 and to bolster their contributions to the college affairs.

During the year, we also managed to secure training and examination/ assessment approvals for set of 25 courses which we have organised in four separate departments and deployed qualified staff. This ensured that our core business of training in quality TVET went on as required. We intend to continue deploying resources in key strategic areas of curriculum implementation and facilities expansion to cater for an anticipated rise in population of the college.

Looking into the future, Management remains optimistic that the college will pick up to a growth trajectory despite the current fluid socio economic environment and college closure. I am honoured to lead a great college that is just starting off. It is indeed my pleasure to change the lives of youth who would otherwise be languishing in a state of despair back in the villages. I look forward to collective effort to create and sustain a lasting impact.

My sincere appreciation to all people of good will.

ABDI TIONY,
PRINCIPAL/SECRETARY TO THE BOARD,

Date .....07/05/2021.....

TINDIRET TECHNICAL AND VOCATIONAL COLLEGE
PRINCIPAL
07 MAY 2021
P.O.Box 126-40110,SONGHOR

6. REVIEW OF TINDIRET TECHNICAL AND VOCATIONAL COLLEGE'S PERFORMANCE FOR FY 2019/2020

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting officer to include in the financial statement, a statement of the national government TTVC's performance against predetermined objectives.

TTVC's strategic plan was in the process of development during the financial year under review being its first year of existence. Hence management is unable to pre-empt any strategic pillars from the envisaged TTVC strategic plan for the purposes of meeting the provisions of this Act.

7. CORPORATE GOVERNANCE STATEMENT

According to the provisions of the TVET Act 2013 (Second schedule section 1), The Board of Governors of a public institution shall consist of not less than seven and not more than Nine members appointed by the Cabinet Secretary. In the case of TTVC, during the financial year under review, there were 8 Members appointed to the Board of TTVC as listed on table on page iv and v above. The Principal who is also the Secretary to the Board formed the ninth member.

Section 7 of the second schedule of the TVET Act provides for a three-year term renewable once for a member of the Board. The members were appointed at diverse dates within the year to provide for succession planning.

During the year under review, the Board of TTVC held the following meetings.

DATE OF MEETING	NATURE OF MEETING	ATTENDANCE
10 FEBRUARY 2020	INAUGURATION	9
10 FEBRUARY 2020	FORMATION OF COMMITTEES	9
10 FEBRUARY 2020	CHOOSING BANK SIGNATORIES	9
25 FEBRUARY 2020	1st FULL BOARD	7
3 MARCH 2020	1st HUMAN RESOURCE, FINANCE AND ADMINISTRATION COMMITTEE	8
4 MARCH 2020	1st RISK AND AUDIT COMMITTEE	7
5 MARCH 2020	1st EDUCATION, INFRASTRUCTURE AND RESOURCE MOBILIZATION COMMITTEE	8
25 MAY 2020	2nd HUMAN RESOURCE, FINANCE AND ADMINISTRATION COMMITTEE	7
19 JUNE 2020	2nd FULL BOARD	10

During the year under review, it was not possible to hold an inductions exercise and this is planned for succeeding year. Similarly, a board charter and Almanac is under development and shall provide for the conduct, governance and audit of the Board. Board remuneration was discussed and passed as part of agenda in one of the meetings of the Board during the year under review.

Section 29 of the TVET Act provides that: -

The functions of the Board of Governors shall include:

1. Overseeing the conduct of education and training in the institution in accordance with the provisions of this Act and any other written law.
2. Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law.
3. Administering and managing the property of the institution.
4. Developing and implementing the institutions' Strategic Plan.
5. Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institution.
6. Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons.
7. 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.
8. Mobilization resources for the institution.
9. Developing and reviewing programmes for training and to make representations thereon to the Board.
10. Regulating the admission and exclusion of students from the institution, subject to a qualifications framework and the provisions of this Act.
11. Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the board.
12. Recruiting and appointing trainers from among qualified professionals and practicing trades persons in relevant sectors of industry.
13. Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institution, in consultation with the Authority.
14. Making regulations governing organization, conduct and discipline of the staff and students.
15. Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the Board.
16. Providing for the welfare of the students and staff of the institution.
17. Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institution.
18. Discharging all other functions conferred upon it by this Act or any other written law.

8. MANAGEMENT DISCUSSION AND ANALYSIS

During the financial year under review, the following provides highlights of performance at TTVC.

Statement of Financial Performance.

For the year ended 30 June 2020, Revenue from non-exchange received is Ksh 6,360,000 from National Government in form of capitation. The 1st and 2nd Quarters of Ksh 3, 285,000 for 438 students and 3,075,000 for 410 students respectively. The 3rd Quarter capitation was disbursed in the 2020/2021 financial while 4th Quarter disbursement was not received at all.

Statement of Financial Position.

TTVC is single storey building comprising of offices, classrooms and twin workshop constructed by the Government of Kenya at a cost of Ksh 52,008,412. Further, Furniture and Fittings were obtained from the Government of at a cost of Ksh 2,500,000 and plant and Equipment for the workshops worth Ksh. 127,280,000 during the financial period under review.

Statements for changes in net assets.

Being the first financial year in operation of the institution, the institution had no revaluation gain and fair value adjustments to report.

Statement of Cash Flow

Total receipts for the financial period 2019-2020 as at 30 June 2020 was Ksh. 20,912,190 against an expenditure of Ksh. 30,699,295 giving rise to net loss of Ksh. (9,787,105) This was due to the fact that the 3rd Quarter capitation was disbursed in the next financial period and the 4th capitation was not received at all.

Statement of Budget Vs Actual

The statement showed a favourable performance reflected in a net income of Ksh 3,859,570 on the actual Vs final values. There was a net reduction of actual expenditure against the budgeted by Ksh 3,119,668 giving rise to a surplus of Ksh 739,902.

PPE Schedule (Property Plant and Equipment)

The opening of PPE was Ksh 188,788,412 and the college had an addition on the assets of Ksh 1, 525,250 from furniture and computers giving rise to net assets of Ksh 190,313,662. Depreciation at the various class rates had a depreciation value of Ksh 17,806,991 leaving a net value of the total assets at Ksh 172,506,671.

In conclusion, there were no projects undertaken at TTVC and therefore non is ongoing. TTVC is duly registered by the Kenya Government with its course duly approved by the regulatory body TVETA. Also, the centre is an approved KNEC assessment centre.

Since the college is just starting, the major risk posed to the institution is stagnation. With the pandemic ravaging the land, it was not possible to attract any new intakes hence the growth prospects of the college was missed.

The college currently has no arrears in statutory and financial obligations.

9. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

TTVC exists to transform lives through training in TVET. This is our mission and purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, as will be articulated in the TTVC strategic plan currently under development. For the year under review therefore, it is not possible to highlight of our achievements in any of the envisaged pillars. However, it is worth mentioning that during this inaugural year, it was important that the college engages with the community in which it

exists. Indeed, we understand that it is not possible to flourish without the support of the community. Towards this end, the following is notable:

Community Engagements-

With support from the support from the Lake Victoria South Water Works Development Agency, the institute allowed its farm to host a water borehole and connected it to electricity to supply water to the college, the neighbouring Primary Schools and the community at large. This has been a very life changing project in that it has saved the community from travelling up to five kilometres in search of the all-essential commodity. Currently the college meets all the maintenance and utility bills of the facility.

10. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended 30 June, 2020 which show the state of the TTVC's affairs.

Principal activities

The principal activities of the TTVC are to train in Technical and Vocational Education During the year under review we had our first cohort of 473 trainees during the year with the support of the NG-CDF, and a further 30 trainees from sponsored by the office of the affirmative action fund and a handful self-sponsored trainees. We deployed considerable resources towards marketing strategies with a view of attracting and retaining more trainees and staff from other regions. Sadly, most of our efforts during the year were watered down by the pandemic. We however remain committed to pursuit of our vision to be the top rated TVET college. This we will do by ensuring quality delivery of our services especially curriculum implementation.

Results

The results of the TTVC for the year ended 30 June, 2020 are set out on page 1-45

BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page iv and v of this document. During the year none of the Board members retired/ resigned.

Auditors

The Auditor General is responsible for the statutory audit of the TTVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

ABDI TIONY,
PRINCIPAL/SECRETARY TO THE BOARD,

Date .....

TINDIRET TECHNICAL AND VOCATIONAL COLLEGE
PRINCIPAL
07 MAY 2021
P.O.Box 126-40110,SONGHOR

11. STATEMENT OF BOARD OF GOVERNORS MEMBERS' RESPONSIBILITIES

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

The BOG members are responsible for the preparation and presentation of TTVC's financial statements, which give a true and fair view of the state of affairs of TTVC for and as at the end of the financial year (period) ended on 30 June, 2020. 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 TTVC ; (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 TTVC; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Governors members accept responsibility for TTVC's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The Board of Governors members are of the opinion that the TTVC's financial statements give a true and fair view of the state of TTVC's transactions during the financial year ended 30 June, 2020, and of the TTVC's financial position as at that date. The Board of Governors members further confirm the completeness of the accounting records maintained for the TTVC, which have been relied upon in the preparation of the TTVC's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board of Governors members to indicate that the TTVC 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 Tindiret Technical and Vocational College financial statements were approved post facto by the Board on 9th October 2020 and signed on its behalf by:

....

Chairperson of the Board of Governors

Accounting officer/Principal

TINDIRET TECHNICAL AND VOCATIONAL COLLEGE
PRINCIPAL
07 MAY 2021
P.O.Box 126-40110,SONGHOR

REPUBLIC OF KENYA

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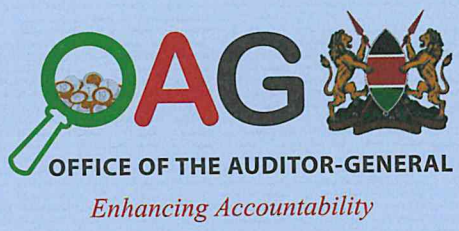

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON TINDIRET TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Tindiret Technical and Vocational College set out on pages 1 to 42, which comprise the statement of financial position as at 30 June, 2020, statement of statement of financial performance, , statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Tindiret Technical and Vocational College as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Presentation, Accuracy and Completeness of the financial statements

1.1 Presentation of the Financial Statements

The financial statements did not conform to the template issued by the Public Sector Accounting Standards Board vide The National Treasury and Planning letter reference No. AG.4/16/3 Vol.1(9) dated 24 June, 2020. The following anomalies were noted;

i. The ICPAK Number of the Finance Officer has not been indicated against the signature of the statement of financial position.

ii. Payments of salaries and wages have not been disclosed under related party transactions.

iii. Appendix III to the financial statements reflect inter entity transfers. However, this schedule has not been countersigned by the Head of Accounting unit in the issuing Ministry as required by the financial reporting template.

1.2 Statement of Cash Flows

The statement of cashflows reflect under cash flows from operating activities, Kshs.16,130,430 in respect to receipt from rendering of services - fees from students which differs with the corresponding balance of Kshs.14,552,190 disclosed in the statement of financial performance. The resulting variance of Kshs.1,578,240 has not been explained.

Consequently, the accuracy and validity of the cash and cash equivalents balance of Kshs.8,072,876 as at 30 June, 2020 could not be confirmed.

1.3 Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects under final budget, balances which vary from the approved budget as detailed below:

Component	Final Budget as per Statement of Comparison of Budget and Actual Amounts (Kshs.)	Approved Budget (Kshs.)	Variances (Kshs.)
Revenue			
Transfers from Other Government Entities - Government Grants	13,140,000	15,000,000	(1,860,000)
Rendering of Services - Fees from Students	13,210,000	15,240,000	(2,030,000)
Expenses			
Compensation of employees	2,522,889	5,760,000	(3,237,111)
Use of Goods and Services	11,629,492	-	11,629,492
Operating Expenses	-	5,174,000	(5,174,000)
Repairs and Maintenance	525,600	821,250	(295,650)

The variances have not been reconciled.

The statement of comparison of budget and actual amounts reflect under actual on comparable basis column, balances which varies from those shown in the statement of financial performance as detailed below;

Component	Actual on Comparable Basis as per Statement of Comparison of Budget and Actual Amounts (Kshs.)	Statement of Financial Performance (Kshs.)	Difference (Kshs.)
Revenues			
Fees from Students	16,130,430	14,552,190	1,578,240
Expenses			-
Depreciation and Amortization Expenses	-	17,806,991	(17,806,991)

The differences have not been reconciled.

In the circumstances, the correctness of the financial statements as at 30 June, 2020 could not be confirmed.

1.4 Revenue from Exchange Transactions

The statement of financial performance for the year ended 30 June, 2020 reflects revenue from exchange transactions being rendering of services - fees from students figure of Kshs.14,552,190 while the supporting schedule shows Kshs.15,115,840 resulting to unreconciled variance of Kshs.563,650.

Consequently, the accuracy, completeness and validity of the revenue from exchange transactions figure of Kshs.14,552,190 could not be confirmed.

2.0 Cash and Cash Equivalents

The statement of financial position reflects a balance of Kshs.8,072,876 in respect to cash and cash equivalents. However, the balance excluded two (2) bank accounts with a total balance of Kshs.804,124.

Although Management has explained that the bank accounts are under the control of their mentor, Kaiboi Technical Training Institute, who have disclosed the same in their financial statements, no reason has been provided as to why the bank accounts have not been handed over to the College.

Consequently, the accuracy, existence and completeness of the cash and cash equivalent balance of Kshs.8,072,876 as at 30 June, 2020 could not be confirmed.

3.0 Receivables from Exchange and Non-Exchange Transactions

The statement of financial position reflects balances Kshs.612,471 and Kshs.6,780,000 in respect of current portion of receivables from exchange transactions and receivables from non - exchange transactions respectively. However, the current portion of receivables from exchange transactions balance being student debtors, have not been analysed.

Further, no documentary evidence has been provided for audit to confirm that Management assessed the credit quality of each customer, taking into account their financial position, past experience and other factors. Further, that individual risk limits were set based on internal or external assessment in accordance with limits set by the directors and that the amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the college's management based on prior experience and their assessment of the current economic environment. In addition, that the receivables have not been analysed as fully performing, past due and impaired as stated by Management under Note. 44(i) to the financial statements.

Consequently, the accuracy, completeness, validity and collectability of the current portion of receivables from exchange transactions and receivables from non-exchange transactions totalling to Kshs.7,392,471 as at 30 June, 2020, could not be confirmed.

4.0 Inventory

As disclosed under Note 30 to the financial statements, the statement of financial position reflects Kshs.4,509 in respect to inventories. However, a physical stock take report and certificate of stock balances as at 30 June, 2020 were not provided for audit confirmation.

Further, no documentary evidence was provided to confirm that the inventory was valued at the lower of cost or market value as required under paragraph 15 of International Public Sector Accounting standards No.12 - Inventories.

In the circumstances, the accuracy, completeness and existence of inventory balance of Kshs.4,509 as at 30 June, 2020 could not be confirmed.

5.0 Property, Plant and Equipment

As disclosed under Note 31 to the financial statements, the statement of financial position reflects Kshs.172,506,671 in respect to property, plant and equipment which includes Kshs.7,000,000 in respect to land. However, title deed for the land was not provided for audit verification.

Consequently, the accuracy, completeness and ownership of the College's land worth Kshs.7,000,000 as at 30 June, 2020 could not be ascertained.

6.0 Trade and Other Payables from Exchange Transactions

The statement of financial position reflects Kshs.2,116,050 in respect to trade and other payables from exchange transactions. However, an aging analysis schedule and creditors policy were not provided for audit verification.

Under the circumstances, the accuracy, completeness and existence of other payables from exchange transactions of Kshs.2,116,050 as at 30 June, 2020 could not be confirmed.

7.0 Deferred Income

The statement of financial position reflects a balance of Kshs.6,421,170 in respect to deferred income which differs from the nil balance disclosed under Note 38 to the financial statements.

Consequently, the accuracy, validity and completeness of the deferred income of Kshs.6,421,170 as at 30 June, 2020 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

1.0 Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.26,350,000 and Kshs.22,490,430 respectively

resulting to an under-funding of Kshs.3,859,570 or 15% of the budget. Similarly, the Institute spent Kshs.12,892,304 against an approved budget of Kshs.16,011,972 resulting to an under-expenditure of Kshs.3,119,668 or 15 % of the approved budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the citizens.

2.0 Budget Approval

Contrary to Section 22 of the Second Schedule to the Technical and Vocational Education and Training Act, 2013 that Board of Governors may incur expenditure for the purpose of the institution in accordance with estimates approved by the Cabinet Secretary, Management did not provided documentary evidence to show that the budget was approved by the Cabinet Secretary.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Ethnic Balance

During the year under review, the total number of employees in the college were seventy four (74) out of which seventy (70) or 95% of the total number were members of the dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

The Management is therefore in breach of the law.

2.0 Remuneration of Directors

The statement of financial performance reflects Kshs.1,073,000 in respect to remuneration of directors. However, no documentary evidence was provided to confirm that the Board sitting allowances were approved by the Board of Governors and the Cabinet Secretary as required under Section 17 of the Second schedule to the Technical and Vocational Education and Training Act, 2013.

Consequently, the lawfulness and propriety of expenditure of Kshs.1,073,000 could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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 matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Internal Audit Function

The College had not established an internal audit function to oversee the governance mechanism and promote transparency and accountability in the management of resources. This is contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which stipulates that every national government entity shall have appropriate arrangements in place for conducting internal audit according to the guidelines of the Public Sector Accounting Standards Board.

In the circumstances, the College lacks internal structures, which could provide advice and assurance to the Management regarding effectiveness of the College's internal controls risk management and overall governance.

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 control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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 control, risk management and governance.

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

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

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

Board of Governors are responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how the entity 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 February, 2022

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2019-2020	2018-2019
		Ksh	Ksh
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	6	6,360,000	0
Grants from donors and development partners	7	0	0
Transfers from other levels of government	8	0	0
Public contributions and donations	9	0	0
		6,360,000	**0**
Revenue from exchange transactions			
Rendering of services- Fees from students	10	14,552,190	0
Sale of goods	11	0	0
Rental revenue from facilities and equipment	12	0	0
Finance income - external investments	13	0	0
Other income	14	0	0
Revenue from exchange transactions		**14,552,190**	**0**
Total revenue		**20,912,190**	**0**
Expenses			
Use of goods and services	15	7,330,184	0
Employee costs	16	3,554,942	0
Remuneration of directors	17	1,073,000	0
Depreciation and amortization expense	18	17,806,991	0
Repairs and maintenance	19	928,560	0
Contracted services	20	0	0
Grants and subsidies	21	0	0
Finance costs	22	5,618	0
Total expenses		**30,699,295**	**0**
Other gains/(losses)			
Gain on sale of assets	23	0	0
Unrealized gain on fair value of investments	24	0	0
Impairment loss	25	0	(0)
Total other gains/(losses)		**0**	**0**
Net Surplus/Deficit for the year		**(9,787,105)**	**0**
Attributable to:			
Surplus/(deficit) attributable to minority interest		0	(0)
Surplus attributable to owners of the controlling entity		0	0
		(9,787,105)	**0**

The notes set out on pages 6 to 49 form an integral part of the Annual Financial Statements.

14. STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE 2020

	Notes	2019-2020 Ksh	2018-2019 Ksh
Assets			
Current assets			
Cash and cash equivalents	26	8,072,876	0
Current portion of receivables from exchange transactions	27(a)	612,471	0
Receivables from non-exchange transactions	28	6,780,000	0
Inventories	29	4,509	0
Investments	30	0	0
		15,469,856	**0**
Non-current assets			
Property, plant and equipment	31	172,506,671	0
Investments		0	-
Intangible assets	32	0	0
Investment property	33	0	0
Long term receivables from exchange transactions	27(b)	0	0
		172,506,671	0
Total assets		**187,976,527**	**0**
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	34	2,116,050	0
Refundable deposits from customers	35	438,000	0
Provisions	36	0	0
Finance lease obligation	37	-	0
Current portion of borrowings		0	0
Deferred income	38	6,421,170	0
Employee benefit obligation	39	0	0
		8,975,220	**0**
Non-current liabilities			
Non-current employee benefit obligation		0	0
Non-current provisions	40	0	0
Borrowings	41	0	0
Service concession liability	42	0	0
Deferred tax liabilities		0	0
		0	**0**
Total liabilities		**8,975,220**	**0**
Net assets		**179,001,307**	**0**
Reserves		0	0
Accumulated surplus/loss		(9,787,105)	0
Capital Fund		188,788,412	0
Total net assets and liabilities		**179,001,307**	**0**

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Institute Council/ Board of Governors by:

Chairperson Board of Governors
Date 5/5/21

Finance Officer
ICPAK No
Date 07/05/2021

Principal
Date

TINDIRET TECHNICAL AND VOCATIONAL COLLEGE PRINCIPAL 07 MAY 2021 P.O Box 126-40110, SONGHOR

15. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2020

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2019	**0**	**0**	**0**	**0**	**0**
Revaluation gain	0	-	-	-	0
Fair value adjustment on quoted investments	-	0	-	-	0
Total comprehensive income	-	-	0	0	0
Capital/Development grants received during the year	-	-	-	0	0
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	0	0	-
At 30 June, 2020	**0**	**0**	**0**	**0**	**0**
At July 1, 2020	**0**	**0**	**0**	**188,788,412**	**188,788,412**
Revaluation gain	**0**	**0**	**0**	**0**	**0**
Fair value adjustment on quoted investments	0	-	-	0	0
Total comprehensive income	-	0	(9,787,105)	0	(9,787,105)
Capital/Development grants received during the year	-	-	0	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	0	0	0	0
At 30 June, 2020	**0**	**0**	**(9,787,105)**	**188,788,412**	**179,001,307**

Note:

1. *The institution being in its first year of operation had no revaluation gains.*
2. *There was no fair value adjustment on quoted investments*

16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2019-2020 Ksh	2018-2019 Ksh
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6	6,360,000	0
Public contributions and donations		0	0
Rendering of services- Fees from students		16,130,430	0
Sale of goods		0	0
Rental revenue from facilities and equipment		0	0
Finance income		0	0
Other income		0	0
Total Receipts		**22,490,430**	**0**
Payments			
Compensation of employees	16	(3,554,942)	0
Use of goods and services	15	(7,330,184)	0
Finance cost	22	(5,618)	0
Repairs and Maintenance	19	(928,560)	0
Taxation paid		0	0
Remuneration of Directors	17	(1,073,000)	0
Grants and subsidies paid		0	0
Total Payments		**(12,892,304)**	**0**
Net cash flows from operating activities		**9,598,126**	**0**
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	31	(1,525,250)	0
Proceeds from sale of property, plant and equipment			
Decrease in non-current receivables		0	0
Increase in investments		0	0
Net cash flows used in investing activities		**(1,525,250)**	**0**
Cash flows from financing activities			
Proceeds from borrowings		0	0
Repayment of borrowings		0	0
Increase in deposits		0	0
Net cash flows used in financing activities		**0**	**0**
Net increase/(decrease) in cash and cash equivalents		**8,072,876**	**0**
Cash and cash equivalents at 1 JULY 2019	26		0
Cash and cash equivalents at 30 JUNE 2020	26	**8,072,876**	**0**

(As per IPSAS 2 Tindiret Technical and Vocational College has presented the cash flow statement using the direct method of cash flow preparation).

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2019-2020	2019-2020	2019-2020	2019-2020	2019-2020
Revenue	Ksh	Ksh	Ksh	Ksh	Ksh
Transfers from other Govt entities Govt grants	13,140,000	0	13,140,000	6,360,000	6,780,000
Public contributions and donations	0	0	0	0	0
Rendering of services- Fees from students	13,210,000	0	13,210,000	16,130,430	(2,920,430)
Sale of goods	0	-	0	0	0
Finance Income	0	-	0	0	0
Other Income	0	-	0	0	0
Gains on disposal, rental income and agency fees	0	0	0	0	0
Total income	**26,350,000**	**0**	**26,350,000**	**22,490,430**	**3,859,570**
Expenses					
Compensation of employees	2,522,880	-	2,522,880	3,554,942	(1,032,062)
Use of Goods and services	11,629,492	0	11,629,492	7,330,184	4,299,308
Finance costs	0	0	0	5,618	(5,618)
Repairs and Maintenance	525,600	0	525,600	928,560	(402,960)
Remuneration of directors	1,334,000	0	1,334,000	1,073,000	261,000
Grants and subsidies paid	0	-	0	0	-
Total expenditure	**16,011,972**	**0**	**16,011,972**	**12,892,304**	**3,119,668**
Surplus for the period	**10,388,028**	**0**	**10,388,028**	**9,598,126**	**739,902**

18. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Tindiret Technical and Vocational College entity is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to Train Technical and Vocational students.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 6-49

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, *(include any other applicable legislation),* and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Standard	Impact
IPSAS 40: Public Sector Combinations	**Applicable: 1st January 2019** The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3(applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	**Applicable: 1st January 2022:** The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	**Applicable: 1st January 2022** The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	**Applicable: 1st January 2022:** a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other Improvements to IPSAS	**Applicable: 1st January 2021:** a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved **c)** IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

Dividends

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

Rental income

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

b) Budget information

The original budget for FY 2019/2020 was approved by the Board on 9th October 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of ***16,011,972*** on the FY 2019/2020 budget following the Council/ Board's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section ***29*** of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule ***2*** of the ***2013*** Act.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

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 a period of ***40*** years.

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

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

e) Property, plant and equipment

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases

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

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

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

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

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

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

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

i) Inventories

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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

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

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

j) Provisions

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

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

The entity has used the following rates of depreciation

I. Building 2.5%
II. Furniture and fittings 12.5%
III. Computer 30%
IV. Plant and equipment 12.5%
V. Motor Vehicle 25%

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

Contingent liabilities

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

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become

virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.*(This is obtainable from the initial assets acquisition at cost price)*

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

n) Foreign currency transactions

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

o) 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.

p) Related parties

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

q) Service concession arrangements

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

r) 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.

s) Comparative figures

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

t) 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 30 June, 2020.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

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

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.

(The entity being at its first year of operation the management is yet to come up with appropriate provisions in subsequent years based on operation activities)

6 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2019-2020	2018-2019
	Ksh	Ksh
Unconditional grants		
Operational grant	6,360,000	0
Other grants	0	0
	6,360,000	**0**
Conditional grants		
Library grant	0	0
Hostels grant	0	0
Administration block grant	0	0
Laboratory grant	0	0
Learning facilities grant	0	0
Other organizational grants	0	0
Total government grants and subsidies	**6,360,000**	**0**

6b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income Ksh	Amount deferred under deferred income Ksh	Amount recognised in capital fund.	Total grant income during the year	2019-2020
			Ksh	Ksh	Ksh
Ministry/State Department	6,360,000	0	0	0	0
Ministry	0	0	0	0	0
Total	**6,360,000**	**0**	**0**	**0**	**0**

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

7 GRANTS FROM DONORS AND DEVELOPMENT PARTNERS

Description	2019-2020	2018-2019
	Ksh	Ksh
JICA- Research grant	0	0
World Bank grants	0	0
Other grants	0	0
Total grants from development partners	**0**	**0**

Reconciliations of grants from donors and development partners

Description	2019-2020	2018-2019
	Ksh	Ksh
Balance unspent at beginning of year	**0**	**0**
Current year receipts	0	0
Conditions met - transferred to revenue	0	0
Conditions to be met - remain liabilities	**0**	**0**

(There were no grants from donors and development partners received for the period under review)

8 TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2019-2020	2018-2019
	Ksh	Ksh
Transfer from other County	0	0
Transfer from other University	0	0
Transfer from other institute	0	0
Total Transfers	**0**	**0**

9 PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2019-2020	2018-2019
	Ksh	Ksh
Public donations	0	0
Donations from local leadership	0	0
Donations from religious institutions	0	0
Donations from alumni	0	0
Other donations	0	0
Total donations and sponsorships	**0**	**0**

(There was no contribution and donations from the Public)

10 RENDERING OF SERVICE

Description	2019-2020	2018-2019
	Ksh	Ksh
Tuition fees	4,627,908	0
Activity fees	788,400	0
Examination fees	2,454,630	0
Library fees	332,442	0
Personal Emoluments	2,522,880	0
Electricity water conservancy	394,200	0
Contingencies	256,230	0
Local transport and travel	657,000	0
Repair maintenance	525,600	0
Medical	197,100	0
ICT Fees	262,800	0
Attachment	876,000	0
Caution Money	438,000	0
Registration fees	219,000	0
Total revenue from the rendering of services	**14,552,190**	**0**

(This is revenue earned from students as per the fees structure)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 SALE OF GOODS

Description	2019-2020	2018-2019
	Ksh	Ksh
Sale of goods		
Sale of books	0	0
Sale of publications	0	0
Sale of farm produce	0	0
Other (include in line with your organisation)		
Total revenue from the sale of goods	**0**	**0**

(There were no items sold by the entity)

12 RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

Description	2019-2020	2018-2019
	Ksh	Ksh
Straight-lined operating lease receipts	0	0
Contingent rentals	0	0
Total rentals	**0**	**0**

(The entity had no rental revenue)

13 FINANCE INCOME

Description	2019-2020	2018-2019
	Ksh	Ksh
Cash investments and fixed deposits	0	0
Interest income from Treasury Bills	0	0
Interest income from Treasury Bonds	0	0
Interest from outstanding debtors	0	0
Total finance income	**0**	**0**

(There were no Finance incomes)

14 OTHER INCOME

Description	2019-2020	2018-2019
	Ksh	Ksh
Insurance recoveries	0	0
Consultancy fees	0	0
Income from sale of tender	0	0
Services concession income	0	0
Skills development levy	0	0
Income from disposal of assets	0	0
Total other income	**0**	**0**

(NB: There was no income from other sources named above).

15 USE OF GOODS AND SERVICES

Description	2019-2020	2018-2019
	Ksh	Ksh
Electricity	169,570	0
Local transport and travel	125,100	0
Activity Expenses	979,385	0
Medical	5,500	0
Subscriptions		0
Advertising		0
Admin Expenses	2,618,804	0
Audit fees	0	0
Conferences and delegations		0
Consulting fees		0
Refreshments	114,965	0
Fuel and oil		0
Insurance		0
Student Union	48,450	0
Examination	2,454,630	0
Postage		0
Printing and stationery		0
Hire charges		0
Rent expenses		0
Security costs		0
ICT	114,880	0
Sanitation	53,900	0
Stationery	472,250	0
Telecommunication		0
Teaching Materials	172,750	0
Other		0
Total good and services	**7,330,184**	**0**

16 EMPLOYEE COSTS

	2019-2020	2018-2019
	Ksh	Ksh
Salaries and wages	3,288,310	0
Employee related costs - contributions to pensions and medical aids	266,632	0
Travel, motor car, accommodation, subsistence and other allowances	0	0
Housing benefits and allowances	0	0
Overtime payments	0	0
Performance and other bonuses	0	0
Social contributions	0	0
Employee costs	**3,554,942**	**0**

17 REMUNERATION OF DIRECTORS

Description	2019-2020	2018-2019
	Ksh	Ksh
Chairman's Honoraria	0	0
Directors emoluments	1,073,000	0
Other allowances		0
Total director emoluments	**1,073,000**	**0**

18 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2019-2020	2018-2019
	Ksh	Ksh
Property, plant and equipment	15,910,000	0
Building	1,300,210	0
Furniture and fittings	436,281	0
Computers	160,500	0
Total depreciation and amortization	**17,806,991**	**0**

19 REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2019
	Ksh	Ksh
Property	928,560	0
Investment property – earning rentals	0	0
Equipment and machinery	0	0
Vehicles	0	0
Furniture and fittings	0	0
Computers and accessories	0	0
Other	0	0
Total repairs and maintenance	**928,560**	**0**

20 CONTRACTED SERVICES

Description	2019-2020	2018-2019
	Ksh	Ksh
Actuarial valuations	0	0
Investment valuations	0	0
Property valuations	0	0
Total contracted services	**0**	**0**

21 GRANTS AND SUBSIDIES

Description	2019-2020	2018-2019
	Ksh	Ksh
Community development	0	0
Education initiatives and programs	0	0
Social development	0	0
Community trust	0	0
Sporting bodies	0	0
Total grants and subsidies	**0**	**0**

22 FINANCE COSTS

Description	2019-2020	2018-2019
	Ksh	Ksh
Bank charges	5,618	0
Borrowings (amortized cost) *		0
Finance leases (amortized cost)	0	0
Unwinding of discount	0	0
Interest on Bank overdrafts	0	0
Interest on loans from commercial banks	0	0
Total finance costs	**5,618**	**0**

23 GAIN ON SALE OF ASSETS

Description	2019-2020	2018-2019
	Ksh	Ksh
	0	0
Property, plant and equipment	0	0
Intangible assets	0	0
Other assets not capitalised	0	0
Total gain on sale of assets	**0**	**0**

24 UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

Description		2019-2020	2018-2019
		Ksh	Ksh
Investments at fair value		0	0
Total gain		**0**	**0**

25 IMPAIRMENT LOSS

Description		2019-2020	2018-2019
		Ksh	Ksh
Property, plant and equipment		0	0
Intangible assets		0	0
Total impairment loss		**0**	**0**

26 CASH AND CASH EQUIVALENTS

Description		2019-2020	2018-2019
		Ksh	Ksh
Current account		8,072,876	0
On - call deposits		0	0
Fixed deposits account		0	0
Staff car loan/ mortgage		0	0
Others(specify)		0	0
Total cash and cash equivalents		**8,072,876**	**0**

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

26 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2019-2020	2018-2019
		Ksh	Ksh
a) **Current account**			
Kenya Commercial bank		8,072,876	0
Equity Bank,		0	0
Sub- total		**8,072,876**	**0**
b) On - call deposits			
Kenya Commercial bank		0	0
Equity Bank – etc.		0	0
Sub- total		**0**	**0**
c) Fixed deposits account			
Kenya Commercial bank		0	0
Bank B		0	0
Sub- total		**0**	**0**
d) Staff car loan/ mortgage			
Kenya Commercial bank		0	0

Bank B		0	0
Sub- total		**0**	**0**
e) Others(specify)		0	0
Cash in transit		0	0
cash in hand		0	0
M pesa		0	0
Sub- total		**0**	**0**
Grand total		**8,072,876**	**0**

27 RECEIVABLES FROM EXCHANGE TRANSACTIONS

27(a)

Description	2019-2020	2018-2019
	Ksh	Ksh
Current receivables		
Student debtors	612,471	0
Rent debtors	0	0
Consultancy debtors	0	0
Other exchange debtors	0	0
Less: impairment allowance	(0)	(0)
Total current receivables	**612,471**	**0**

27(b)

Description	2019-2020	2018-2019
	Ksh	Ksh
Non-current receivables		
Refundable deposits	0	0
Advance payments	0	0
Public organizations	0	0
Less: impairment allowance	(0)	(0)
Total	**0**	**0**
Current portion transferred to current receivables	(0)	(0)
Total non-current receivables	**0**	**0**
Total receivables	**0**	**0**

28 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	Ksh	Ksh
Current receivables		
Transfers from other govt. entities	6,780,000	0
Undisbursed donor funds	0	0
Other debtors (non-exchange transactions)	0	0
Less: impairment allowance	(0)	(0)
Total current receivables	**6,780,000**	**0**

29 INVENTORIES

Description	2019-2020	2018-2019
	Ksh	Ksh
Consumable stores	4,509	0
Maintenance stores	0	0
Health Unit stores	0	0
Electrical stores	0	0
Cleaning materials stores	0	0
Catering stores	0	0
Total inventories at the lower of cost and net realizable value	**4,509**	**0**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30 INVESTMENTS

Description	2019-2020	2018-2019
	Ksh	Ksh
a) Investment in Treasury bills and bonds		
Financial institution		
CBK	0	0
CBK	0	0
Sub- total	**0**	**0**
b) Investment with Financial Institutions/ Banks		
Bank x	0	0
Bank y	0	0
Sub- total	**0**	**0**
c) Equity investments (specify)		
Equity/ shares in company	0	0
Sub- total	**0**	**0**
Grand total	**0**	**0**

d) Shareholding in other entities

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

Name of entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Prior year
	%	%	%	Shs	Shs	Shs
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
Entity C	0	0	0	0	0	0
Entity D	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31 PROPERTY, PLANT AND EQUIPMENT

Cost	Land KShs	Buildings KShs	Furniture and fittings KShs	Computers KShs	Motor Vehicles KShs	Plant and equipment KShs	Capital Work in progress KShs	Total Ksh
At 1st July 2019	**7,000,000**	**52,008,412**	**2,500,000**	**0**	**0**	**127,280,000**	**0**	**188,788,412**
Additions	0	0	990,250	**535,000**	**0**	**0**	**0**	**1,525,250**
Disposals	(0)	(0)	**(0)**	**(0)**	(0)	**(0)**	(0)	**(0)**
Transfers/adjustments	0	(0)	**0**	(0)	(0)	-	**0**	**(0)**
At 30 June 2020	**7,000,000**	**52,008,412**	**3,490,250**	**535,000**	**0**	**127,280,000**	**0**	**190,313,662**
Depreciation and impairment								
At 1st July 2019	(0)	(0)	(0)	(0)	(0)	-	(0)	**(0)**
Depreciation	(0)	(1,300,210)	(436,281)	(160,500)	(0)	(15,910,000)	(0)	**(17,806,991)**
Impairment	(0)	-	-	-	(0)	-	-	**(0)**
At 30 June 2020	**7,000,000**	**50,708,202**	**3,053,969**	**374,500**	**0**	**111,370,000**	**0**	**172,506,671**
Net book values	7,000,000	50,708,202	3,053,969	374,500	0	111,370,000	0	172,506,671
At 30 June 2020	**7,000,000**	**50,708,202**	**3,053,969**	**374,500**	**0**	**111,370,000**	**0**	**172,506,671**

32 INTANGIBLE ASSETS-SOFTWARE

Description	2019-2020	2018-2019
	Ksh	Ksh
Cost		
At beginning of the year	0	0
Additions	0	0
At end of the year	0	0
Additions–internal development	0	0
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization	0	0
At end of the year	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0	0

33 INVESTMENT PROPERTY

Description	2019-2020	2018-2019
	Ksh	Ksh
At beginning of the year	**0**	**0**
Additions	0	0
Fair value gain	0	0
Depreciation (where investment property is at cost)	(0)	(0)
At end of the year	**0**	**0**

34 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	Ksh	Ksh
Trade payables	2,116,050	0
Fees paid in advance	0	0
Employee advances	0	0
Third-party payments	0	0
Other payables	0	0
Total trade and other payables	**2,116,050**	**0**

35 REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description		2019-2020	2018-2019
		Ksh	Ksh
Consumer deposits		0	0
Caution money		438,000	0
Other refundable deposits		0	0
Total deposits		**438,000**	**0**

36 CURRENT PROVISIONS

Description	Leave provision	Bonus provision	Other provision	Total
	Ksh	Ksh	Ksh	Ksh
Balance at the beginning of the year	**0**	**0**	**0**	**0**
Additional Provisions	0	0	0	0
Provision utilised	(0)	(0)	(0)	(0)
Change due to discount and time value for money	(0)	(0)	(0)	(0)
Transfers from non -current provisions	0	0	0	0
Total provisions	**0**	**0**	**0**	**0**

37 FINANCE LEASE OBLIGATION

Description	Minimum lease payments	Future finance charges	Present value of minimum lease payments	2019-2020
	Ksh	Ksh	Ksh	Ksh
Within current year	0	0	0	0
Long term portion of lease payments	0	0	0	0
Total provisions	**0**	**0**	**0**	**0**

38 DEFERRED INCOME

Description		2019-2020	2018-2019
		Ksh	Ksh
National government		0	0
International funders		0	0
Public contributions and donations		0	0
Total deferred income		0	0

The deferred income movement is as follows:

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

39 EMPLOYEE BENEFIT OBLIGATIONS

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2019-2020	2018-2019
	Ksh	Ksh	Ksh	Ksh	Ksh
Current benefit obligation	0	0	0	0	0
Non-current benefit obligation	0	0	0	0	0
Total employee benefits obligation	0	0	0	0	0

The entity operates a defined benefit scheme for all full-time employees from July 1, 2019. The scheme is based on 0 percentage of salary of an employee at the time of retirement. During the year, TTVC actuarial valuers were engaged to value the scheme. The liability at the end of the year is as follows:

	2019-2020	2018-2019
	Ksh	Ksh
Valuation at the beginning of the year	0	0
Changes in valuation during the year	0	0
Valuation at end of the year	0	0

The company also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 0 per employee per month.

40 NON-CURRENT PROVISIONS

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

(NB: The current portion deducted in this note should tie to line on current portion transferred from non- current provisions under note 37)

41 BORROWINGS

Description	2019-2020	2018-2019
	Ksh	Ksh
Balance at beginning of the period	0	0
External borrowings during the year	0	0
Domestic borrowings during the year	0	0
Repayments of external borrowings during the year	(0)	(0)
Repayments of domestics borrowings during the year	(0)	(0)
Balance at end of the period	**0**	**0**

41 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS

	2019-2020	2018-2019
	Ksh	Ksh
External Borrowings		
Dollar denominated loan from 'organization'	0	0
Sterling Pound denominated loan from organization'	0	0
Euro denominated loan from organization'	0	0
Domestic Borrowings		
Kenya Shilling loan from KCB	0	0
Kenya Shilling loan from Barclays Bank	0	0
Kenya Shilling loan from Consolidated Bank	0	0
Total balance at end of the year	**0**	**0**

41 b) BREAKDOWN OF LONG- AND SHORT-TERM BORROWINGS

Description	2019-2020	2018-2019
	Ksh	Ksh
Short term borrowings (current portion)	0	0
Long term borrowings	0	0
Total	**0**	**0**

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

42 SERVICE CONCESSION ARRANGEMENTS

Description	2019-2020	2018-2019
	Ksh	Ksh
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	(0)	0
Net carrying amount	**0**	**0**
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	(0)	(0)
Service concession liability at end of the year	**0**	**0**

43 CASH GENERATED FROM OPERATIONS

	2019-2020	2018-2019
Surplus for the year before tax	Ksh	Ksh
Adjusted for:		
Depreciation	0	0
Non-cash grants received	(0)	(0)
Contributed assets	(0)	(0)
Impairment	0	0
Gains and losses on disposal of assets	(0)	(0)
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
Finance income	(0)	(0)
Finance cost	0	0
Working Capital adjustments		
Increase in inventory	(0)	(0)
Increase in receivables	(0)	(0)
Increase in deferred income	0	0
Increase in payables	0	0
Increase in payments received in advance	0	0
Net cash flow from operating activities	**0**	**0**

(The entity uses the direct method of cash flow presentation)

44 FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

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

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

	Total amount Ksh	Fully performing Ksh	Past due Ksh	Impaired Ksh
As at 30 June 2019				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	**0**	**0**	**0**	**0**
As at 30 June 2020				
Receivables from exchange transactions	612,471	0	0	612,471
Receivables from non-exchange transactions	6,780,000	0	0	6,780,000
Bank balances	8,072,876	0	0	8,072,876
Total	**15,465,347**	**0**	**0**	**15,465,347**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. FINANCIAL RISK MANAGEMENT (Continued)

(i) Credit risk (continued)

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

The entity has significant concentration of credit risk

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

(ii) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Ksh	Ksh	Ksh	Ksh
At 30 June 2019				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	**0**	**0**	**0**	**0**
At 30 June 2020				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	**0**	**0**	**0**	**0**

44. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Ksh	Other currencies	Total
	Ksh	Ksh	Ksh
At 30 June 2020			
Financial assets (investments, cash, debtors)	0	0	0
Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	**0**	**0**	**0**

The entity 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

	Ksh	Other currencies	Total
	Ksh	Ksh	Ksh
At 30 June 2020			
Financial assets (investments, cash, debtors)	0	0	0
Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	**0**	**0**	**0**

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
	Ksh	Ksh	Ksh
2019			
Euro	10%	0	0
USD	10%	0	0
2020			
Euro	10%	0	0
USD	10%	0	0

b) Interest rate risk

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

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

44 FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (Continued)

b) Interest rate risk(continued)

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs 0 (2016: KShs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs 0 (2012 – KShs 0)

iv) Capital Risk Management

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

	2019-2020	2018-2019
	KShs	KShs
Revaluation reserve	0	0
Retained earnings	0	0
Capital reserve	0	0
Total funds	**0**	**0**
Total borrowings	0	0
Less: cash and bank balances	(0)	(0)
Net debt/ (excess cash and cash equivalents)	0	0
Gearing	0%	0%

45 RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

i) The National Government;
ii) The Parent Ministry;
iii) 0;
iv) 0;
v) 0;
vi) Key management;
vii) Board of directors;

	2019-2020	2018-20190
	KShs	KShs
Transactions with related parties		
a) Sales to related parties		
Sales of goods	0	0
Sales of services	0	0
Total	**0**	**0**
b) Grants from the Government		
Grants from National Govt	6,360,000	0
Grants from County Govt	0	0
Donation in Kind	0	0
Total	**6,360,000**	**0**
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	0	0
Payments for goods and services	0	0
Total	**0**	**0**
d) Key management compensation		
Directors' emoluments	1,073,000	0
Compensation to the CEO	0	0
Compensation to key management	0	0
Total	**1,073,000**	**0**

46 SEGMENT INFORMATION

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

47 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent liabilities	2019-2020	2018-2020
	KShs	KShs
Court case against the company	0	0
Bank guarantees in favour of subsidiary	0	0
Total	**0**	**0**

(Give details)

48 CAPITAL COMMITMENTS

Capital commitments	2019-2020	2018-2019
	KShs	KShs
Authorised for	0	0
Authorised and contracted for	0	0
Total	**0**	**0**

(As at the end of the financial year the entity had no capital commitments authorized by the board)

49 EVENTS AFTER THE REPORTING PERIOD

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

50 ULTIMATE AND HOLDING ENTITY

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

51 Currency

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

19. APPENDICES

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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

Guidance Notes:

(i) Use the same reference numbers as contained in the external audit report;

(ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;

(iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;

(iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Principal ..... Date 7/5/21

Chairman of the Board ..... Date 8/5/21

TINDIRET TECHNICAL AND VOCATIONAL COLLEGE PRINCIPAL 07 MAY 2021 P.O.Box 126-40110, SONGHOR

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

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

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

Status of Projects completion

(The entity had no projects ongoing as at the end of the financial period)

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

APPENDIX III: INTER-ENTITY TRANSFERS

	ENTITY NAME:			
	Break down of Transfers from the State Department of TTVC			
	FY 2019/2020			
a.	Recurrent Grants			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	CAPITATION	30.10.2019	3,285,000	2019-2020
		21.05.2020	3,075,000	2019-2020
		Total	**6,360,000**	
b.	Development Grants			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			0	
			0	
			0	
		Total	**0**	
c.	Direct Payments			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			0	
			0	
			0	
		Total	**0**	
d.	Donor Receipts			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
			0	
			0	
			0	
		Total	**0**	

The above amounts have been communicated to and reconciled with the parent Ministry

Finance Manager
Tindiret Technical and Vocational College

Sign ---------- 07/05/2021

Head of Accounting Unit
Principal

Sign----------

TINDIRET TECHNICAL AND VOCATIONAL COLLEGE PRINCIPAL 07 MAY 2021 P.O.Box 126-40110,SONGHOR

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received			Where Recorded/recognized					
	as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	Total Transfers during the Year
Ministry of Education	0	Recurrent	0	0	0	0	0	0	0
Ministry of Education	0	Development	0	0	0	0	0	0	0
NG CDF	19.02.2020	Direct payment	7,587,500	0	7,587,500	0	0	0	7,587,500
Women Rep Affirmative Action	15.01.2020	Direct Payment	450,000	0	450,000	0	0	0	450,000
			0	0	0	0	0	0	0
Total			8,037,500	0	8,037,500	0	0	0	8,037,500