




## REPORT

 THE NATIONAL ASSEMBLY PAPERS L AID	
DATE: 15 MAR 2023	DAY:
TABLED BY: Hon. Samuel Chepkoror, MP on behalf of Majority Leader	<b>THE AUDITOR-GENERAL</b>
CLERK-AT THE TABLE: Christine Ndlovu	

ON

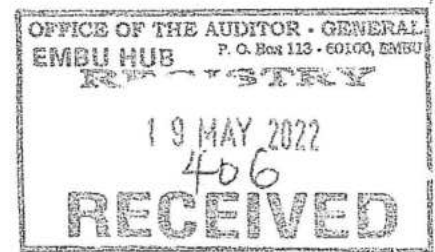
**KAELO TECHNICAL AND VOCATIONAL  
TRAINING COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2021**





Revised Template: 30<sup>th</sup> June 2021



**International Public Sector Accounting Standards (IPSAS)**  
**Annual Financial Reporting Template for**  
*Technical Vocational Education Training (TVET) Institutions, National Polytechnics and  
Teacher Training Colleges*

---

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET),  
NATIONAL POLYTECHNIC OR TEACHER TRAINING COLLEGE**  
*(KAELO TECHNICAL AND VOCATIONAL COLLEGE)*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**  
**30<sup>th</sup> June 2021**

---

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

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>th</sup> June 2021**

---

Table of Contents

I.	KEY ENTITY INFORMATION AND MANAGEMENT .....	ii
II.	THE COUNCIL/BOARD OF GOVERNORS .....	v
III.	MANAGEMENT TEAM .....	viii
IV.	CHAIRMAN'S STATEMENT .....	xi
V.	REPORT OF THE PRINCIPAL.....	xii
VI.	STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES.....	xiii
VII.	CORPORATE GOVERNANCE STATEMENT .....	xiv
VIII.	MANAGEMENT DISCUSSION AND ANALYSIS .....	xv
IX.	ENVIRONMENTAL AND SUSTAINABILITY REPORTING .....	xv
X.	REPORT OF THE COUNCIL/BOARD OF GOVERNORS.....	xvii
XI.	STATEMENT OF BOARD OF GOVERNORS/ COUNCIL MEMBERS' RESPONSIBILITIES .....	xvii
XII.	REPORT OF THE INDEPENDENT AUDITOR ON THE ENTITY KAELO TECHNICAL AND VOCATIONAL COLLEGE .....	xix
XIII.	STATEMENT OF FINANCIAL PERFORMANC FOR THE YEAR ENDED 30 JUNE 2021 ..1	
XIV.	STATEMENT OF FINANCIAL POSITION AS AT 30 <sup>TH</sup> JUNE 2021 .....	2
XV.	STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021 ....	3
XVI.	STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021 .....	4
XVII.	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021 .....	5
<b>XVIII.</b>	<b>NOTES TO THE FINANCIAL STATEMENTS .....</b>	<b>7</b>
	APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS .....	48
	APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY .....	49
	APPENDIX III: INTER-ENTITY TRANSFERS .....	50
	APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES .....	51



**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>th</sup> June 2021**

**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

Kaelo Technical & Vocational College was established by the Government of Kenya through TVET Act 2013 which sought to establish Technical Training Institutes in every Constituency. Kaelo Technical and Vocational College is the only Public Post-Secondary Training Institution in Igembe North Constituency and the first in Igembe region. The college was established at the opportune time when the hands on skills training among the youth in Igembe North and beyond are highly desired. The college opened its doors in September 2019 with 6 trainers and 14 trainees. The college is on a positive growth trajectory having raised its enrolment from 14 trainees in September 2019 to 97 trainees by March 2020 when the progression was adversely affected by the corona virus pandemic. It started in one Storey building that housed all the training areas and administrative offices. The college is located in an approximately 10 acre piece of land. The establishment of the College is in line with Government's initiative of creating an army of one million artisans an ambition captured in Vision 2030 Blue Print. Kaelo Technical and Vocational College is located 0.5km away from Kaelo market in a cool and serene environment of Ntonyiri. The college is in the neighborhood of several High schools with huge student enrolment. It is found in Antuambui location, Laare Divison of Igembe North Sub-County in Meru County. It is the first Post-Secondary training and learning institution in the wider Igembe comprising of three populous Sub-Counties of Igembe North, Igembe Central and Igembe South. The three Sub-Counties have 45% of the Meru County population. The transition rates in the County is approximately 80%, completion rates is 78% while retention rate is 90%

**(b) Key Management**

The principal activity is training

Our vision is "To be a centre of excellence in industrial research, technology and innovation."  
And our mission is "To produce high-quality trainees with the relevant skills in technology, Innovation for sustainable development."

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	-Benjamin Ncebere
2.	Deputy principal Finance	-Tikva Gichogi
3	Deputy principal Academics	-
4	Registrar (s)	-Mark Kajigi
5	Dean of students	-Julia Kageni
6	Head of Finance	-Moses Kainga
7	xxx	-

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2021

*(Include all positions regarded as top management in your organisation).*

**(d) Fiduciary Oversight Arrangements**

- *Audit and risk committee activities*
- *Finance and operations committee composition*
- *Academic committee and human resources*

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>th</sup> June 2021

---

**KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

**(e) Entity Headquarters**

P.O. Box 262 Laare  
Kaelo Mutuati Road  
Meru, KENYA

**(f) Entity Contacts**

Telephone: (254) 759417000  
E-mail: kaelotechnical@gmail.com  
Website: kaelotvc.ac.ke

**(g) Entity Bankers**

Equity Bank  
Meru makutano Branch  
P.O. Box 75104-00200  
Meru, Kenya

Other Commercial Banks  
(List details of other commercial banks)

**(h) Independent Auditors**

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



**(i) Principal Legal Adviser**

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





TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2021

II. THE COUNCIL/BOARD OF GOVERNORS

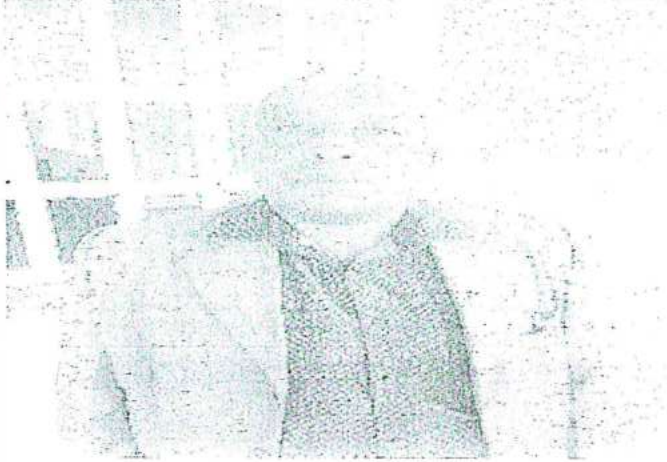


N o.	Member/ Director	Details
1.		<p>Dr. Cyprian Thiakunu                      MBChB(OBS-GYNE)                      BOG chairman</p>
2.		<p>Hillary Jumba                      Masters in ICT                      Audit committee chairman</p>

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2021

3.	 A black and white portrait of Nancy Gitonga, a woman with short hair and glasses, wearing a dark blazer over a light-colored collared shirt.	Nancy Gitonga Bachelor of commerce Finance committee chair person
4.	 A black and white portrait of Stanley Kobia, a man with short hair, wearing a dark suit jacket over a light-colored patterned shirt.	Stanley Kobia B.E.D Member



TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2021

5.		<p>D.O.B 25/05/1962                  Bachelor of technology(Building)                  Diploma in technical education                  Construction Technology 1&amp;2</p> <p>29years teaching experience                  2 Years in industry                  Indicate whether the secretary is a member of ICS as required under the Mwingozo code in addition to their other details.</p>
6.		<p>M.A public policy and administration                  Member</p>
7.		<p>Margret Nduhiu                  Director of education                  Member</p>





TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE

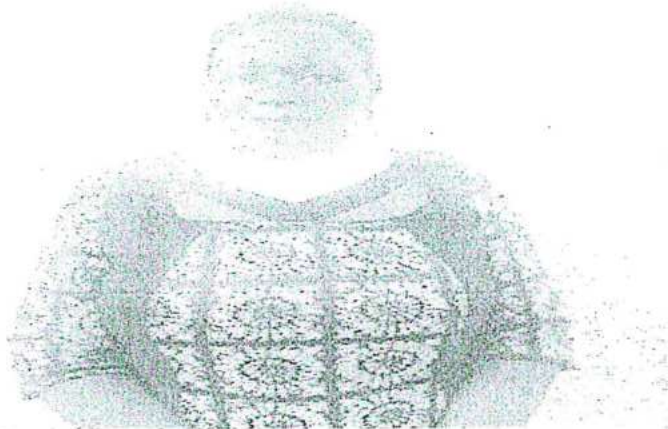

KAELO TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2021

III. MANAGEMENT TEAM

No.	Member/ Director	Details
1.	 <p>Dr Cyprian thiakunu-BOG chairman</p>	<p>Dr. Cyprian Thiakunu MBChB(OBS-GYNE) BOG chairman</p>
2.	 <p>Benjamin ncebere-Principal Bachelor in Building technology</p>	<p>D.O.B 25/05/1962 Bachelor of technology(Building) of Diploma in technical education Construction Technology 1&amp;2  29years teaching experience 2 Years in industry</p>


TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2021

3.	 <p>Tikva Gichohi-Deputy Principal</p>	<p>Tikva Gichohi                  DOB 28/06/1968                  Work experience                  26 years in technical training</p>
4.	 <p>Moses kainga Bachelors of commerce and CPA (K)                  Finance officer</p>	<p>Moses Kainga Thiauri                  DOB 30/06/1980                  More than 10years work                  experience in accounting field</p>

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE

KAELO TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2021

	 <p>Mark</p>	<p>DOB 13/05/1989 Bachelor of technology in ICT 6 years of experience</p>
5.	Kajigi-Registra	Ireen Mwereria
6.	<p><i>Note: The Principal and the Secretary to the Council/ BoG will feature both under the 'Board' and 'Management'.</i></p>	



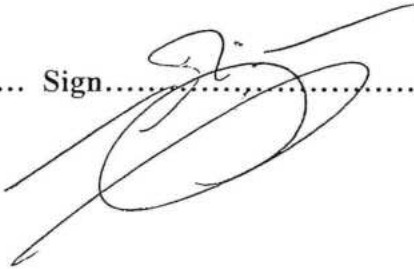
**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2021**

**IV. CHAIRMAN'S STATEMENT**

In the one year Kaelo Technical Vocational College has been in operation, she has exhibited leadership and forward thinking in providing quality technical training to our community and the region. As an organization, we have maintained a steadfast focus on those we serve. This is core to our success. It is our belief that change is the only constant, and the pace of change continues to accelerate in our College. There has never been a more critical time to plan for the future; to lay down an aspiration path that ensures continued success for years to come. We are pleased to introduce you to Kaelo Technical and Vocational College 2020-2025 strategic plan – a bold and clear plan that outlines where we're going, how we'll get there and what it means to you. The seven strategic priorities will keep us focused on our future direction, as well as our day-to-day work. Members of the College community helped to shape this plan. Throughout a robust engagement and planning process, we heard from staff, Board members, trainees and stakeholders from the community around the College. In building this blueprint for the future, we remained true to what we heard and hope you see your contribution reflected here. And, we are committed to receiving your ongoing input and feedback as we journey through this plan and its priorities together. The plan aims at giving Kaelo Technical and Vocational College a competitive edge in the technical education sector. We are aware of the immense resources required to implement this plan. As a Board, we are committed to go to whatever length to mobilize the resources required without reservations. We are appealing to the National Government, the Ministry of Education, Meru County Government, the CDF Igembe North Constituency among other development partners to heed to our clarion call to offer financial and technical support to enable this College realize her vision as outlined in this plan. On behalf of Kaelo Technical and Vocational College, we would like to thank all those who shared their wisdom, thoughts and vision in the development of this strategic plan. We asked challenging questions, you answered and we were inspired. Together, we are creating the Kaelo Technical and Vocational College of tomorrow. God Bless you, God Bless Kaelo, God Bless Kenya

- |                        |                         |
|------------------------|-------------------------|
| 1. Margaret Nduhiu     | Regional TVET Director  |
| 2. Dr Cyprian Thiakunu | BOG Chairman            |
| 3. Nancy Gitonga       | BOG member              |
| 4. Hillary Njumba      | BOG member              |
| 5. Stanley Kobia       | BOG member              |
| 6. Ambrose Kamisa      | BOG member              |
| 7. Ireen Mwereria      | BOG member              |
| 8. Benjamini Ncebere   | Principal/BOG Secretary |

**Dr. Mwirabua Thiakunu**  
**Chairman Board of Governors**

Prepared by Dr Cyprian Thiakunu... Sign..........Date...18/05/2022

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE**

**KAELO TECHNICAL AND VOCATIONAL COLLEGE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2021

**V. REPORT OF THE PRINCIPAL**

I would like to take this opportunity to welcome you all to Kaelo Technical and Vocational College. The College is the first Post-Secondary Institution in the vast Igembe region comprising of three SubCounties: Igembe North, Igembe Central and Igembe South sub-counties of Meru County. The vi Read, Apply and Achieve Innovation for a Better Future College is located in Antuambui Location, Laare Division of Igembe North Sub - County. The College is located 300m from Kaelo Market off Laare – Mutuati Road. Kaelo Technical and Vocational College is a middle level college that offers technical training at Artisan Certificate level, Craft Certificate level and Diploma level. We are also offering Competence Based Education and Training (CBET) in our four academic departments; Information Communication and Technology, Mechanical Engineering, Building and Civil Engineering and Hair dressing and Beauty Therapy Course that is offering great opportunity to the young people. The college offers quality training to equip the youth with hands on skills that are important tools to the realization of Kenya Vision 2030. Your interest in our college generally and in particular in our programmes is most welcome and very much appreciated. We are a College committed to excellence in teaching, research, creativity and innovations in Technical Training equipping our graduates with positive attitudes leading to their employability. Our vision is: To be a center of excellence in industrial research, technology and innovation. The vision is to be actualized through a comprehensive Strategic Plan, upon which our Departments base their strategic operational plans. The development of the website is an endorsement of Kaelo Technical and Vocational College's commitment to ensure renewal and transformation. It is an expression of our shared resolve to adapt and embrace change in a bid to guide and turn our College into a first choice institution for Technical Training in line with our Mission: To produce high-quality trainees with the relevant skills in technology, innovation for sustainable development. We have set competitive standards, insisted on high quality student performance and handson industrial and entrepreneurial experiences to mold a market friendly graduate. We want our students to stand above others through quality, integrity, and professionalism in whatever they undertake to do. Kaelo is a family where the welfare of the trainees comes first in all our engagements. Welcome to Kaelo Technical and Vocational College; the college of choice.

**Mr. Benjamin Ncebere**  
**Principal/ B.O.G Secretary**  
**Kaelo Technical Vocational College**

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2021

**VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES**

*Kaelo technical and vocational college develops its annual work plans based on the above X pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The XXX achieved its performance targets set for the FY 2020/21 period for its xx strategic pillars, as indicated in the diagram below:*

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar / theme / issue 1					
Pillar / theme / issue 2					

*(Under this section therefore, the management should include performance against the strategic objectives of the organisation. The management should outline the strategic Pillars, activities towards their achievement and outputs under each strategic pillar. The organisation should also briefly outline how they have tied achievements to performance contracts)*

## **VII. CORPORATE GOVERNANCE STATEMENT**

As a Board, we believe that a strong corporate governance framework and culture translates to a strong Institute that delivers to its mandate. According to the TVET Act, 2013 members of the board of Governors are appointed by the Cabinet Secretary from the ministry of education from the following Areas;

- a). Leadership
- b). Financial management
- c). Industry
- d). Technology
- e). ICT
- F). Engineering

The board also seeks other committees to carry responsibility required in the governance of the institute. The following committees have been in the institute.

### **Academic**

1. Stanley Kobia
2. Tikva Gichohi
3. Benjamin Ncebere
4. Human resource

### **Finance**

1. Nancy Gitonga- Chairperson
2. Ambrose Kamisa
3. Benjamin Ncebere
4. Moses Kainga

### **Audit and Risk Committee**

1. Hilary jumba- Chairperson
2. Ireen mwereria
3. Internal auditor

The following are Board functions as out lined in the TVECT Act.

1. Overseeing the conduct of education and training in the institutions in accordance with the provisions of TVECT Act.
2. Promoting and maintaining standards quality and relevance in advocating and training in the institution in accordance with the 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 the revenue and expenditure of the institution
6. Receiving on behalf of the institution fees, grants and other monies.
7. Determining fees payable and prescribing conditions under which fees may be remitted in part or whole in accordance with the guideline developed under the provisions of this act.



**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2021**

During the year 2020/2021 the table below shows the number of board and committee meetings held.

Meetings	No of board meetings	Meeting held
Full board	4	3
Academic committee	4	0
Finance /HR Committee	4	0
<b>Total</b>	<b>12</b>	<b>3</b>

### VIII. MANAGEMENT DISCUSSION AND ANALYSIS

During the year the student enrollment increased from student population of 99 to 239 students. The management has recruited additional staff in both academic and support staff to ensure smooth learning of operations.

During the year the management developed a strategic plan to define the direction of the institution for the next five years.

The institute has received a lot of support from the government through the ministry of education by receiving capitation, helb funds and state of the art equipment.

During the year the institute faced the following challenges

1. A, Perimeter wall of the institution is not constructed however, the management is engaging the CDF of igembe north Subcounty to address the issue.
2. There has been inadequate supply of water to the institute and the management has engaged county government of Meru to drill a bore to address the challenge.

### IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

(Two-to-three pages)

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

#### **Sustainability strategy and profile**

*The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.*

#### **Environmental performance**

*Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.*

#### **Employee welfare**

*Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems.*

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2021**

*The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).*

**Market place practices-**

*The organisation should outline its efforts to:*

- a) *Responsible competition practice.  
Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.*
- b) *Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.*
- c) *Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices.*
- d) *Product stewardship- outline efforts to safeguard consumer rights and interests.*

*(The statement may also include how the organisation promotes education, sports, healthcare, labour relations, staff training and development, water and sanitation initiatives)*

**Corporate Social Responsibility / Community Engagements**

*The organisation gives details of CSR activities carried out in the year and the impact to the society. Give evidence of community engagement including charitable giving (cash and material), Corporate Social Investment and other forms of community engagements.*

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2021

**X. REPORT OF THE COUNCIL/BOARD OF GOVERNORS**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of Kaelo Tvc affairs.

**Principal activities**

The principal activities of the entity are training of technical courses.

**Results**

The results of the entity for the year ended June 30 are set out on page ....

**BOARD OF GOVERNORS**

The members of the Board who served during the year are shown on page v. During the year ended 30 June 2021 no director retired/ resigned none was appointed.

**Auditors**

The Auditor General is responsible for the statutory audit of Kaelo Technical Training Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 were nominated by the Auditor General to carry out the audit of Kaelo Technical Training Institute for the year ended June 30, 2021 in accordance to section 23 of the Public Audit Act, 2015.

....

**XI. STATEMENT OF BOARD OF GOVERNORS/ COUNCIL MEMBERS' RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013*) require the board members to prepare financial statements in respect of Kaelo Technical and Vocational College, which give a true and fair view of the state of affairs of Kaelo Technical and Vocational College Institute at the end of the financial year ended June 30, 2021 and the operating results of Kaelo Technical and Vocational College for year ended June 30, 2021. The board members are also required to ensure that Kaelo Technical and Vocational College keeps proper accounting records which disclose with reasonable accuracy the financial position of Kaelo Technical and Vocational College. The board members are also responsible for safeguarding the assets of Kaelo Technical and Vocational College.

The board members are responsible for the preparation and presentation of Kaelo Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of Kaelo Technical and Vocational College for and as at the end of the financial year ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE

KAELO TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2021

(iv) safeguarding the assets of Kaelo Technical and Vocational College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The council members accept responsibility for Kaelo Technical and Vocational College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*). The board members are of the opinion that Kaelo Technical and Vocational College financial statements give a true and fair view of the state of Kaelo Technical and Vocational College transactions during the financial year ended June 30, 2021, and of Kaelo Technical and Vocational College financial position as at that date. The board members further confirm the completeness of the accounting records maintained for Kaelo Technical and Vocational College which have been relied upon in the preparation of Kaelo Technical and Vocational College financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the board members to indicate that Kaelo Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

Kaelo Technical and Vocational College financial statements were approved by the Board on

18/05/2022 And signed on its behalf by:

Name Dr. Thiakunu CRM

Signature [Handwritten Signature]

Chairperson of the Board/Council

Name Benjamin Nkomo

Signature [Handwritten Signature]

Accounting Officer/Principal







# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON KAELO TECHNICAL AND VOCATIONAL TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2021**

---

### **PREAMBLE**

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

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

#### **Disclaimer of Opinion**

I have audited the accompanying financial statements of Kaelo Technical and Vocational College set out on pages 1 to 48, which comprise of the statement of financial position



as at 30 June, 2021, the statement of financial performance, statement of cash flows, statement of changes in net assets 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 do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### **Basis for Disclaimer of Opinion**

#### **1. Inaccuracies in the Financial Statements**

- i) The statement of financial position reflects cash and cash equivalent balance of Kshs.37,540 whereas Note 26 to the financial statements reflects a Nil balance. In addition, Note 26(a) to the financial statements reflects a cash and cash equivalent opening balance of Kshs.73,375 whose source and accuracy could not be established.

Further, the statement of financial position reflects Nil balance for receivables from non-exchange transactions, while the corresponding Note 28 to the financial statements reflects a balance of Kshs.2,835,000.

- ii) The statement of changes in net asset, reflects a balance of Kshs.5,038,775 relating to revaluation reserve and Kshs.73,375 relating to capital fund. However, the source and accuracy of the revaluation reserve and capital fund is unknown as this was the first year of audit.

Further, the totals column was not populated with the relevant balances.

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

#### **2. Unsupported Receivables from Exchange Transactions**

The statement of financial position reflects a current portion of receivables from exchange transactions balance of Kshs.8,385,840. However, Management did not provided for audit the status of the debtors, Debt Management Policy, listing of the student debtors or any other evidence to support the balance.

In the circumstances, the existence and accuracy of the current receivables from exchange transactions balance of Kshs.8,385,840 could not be confirmed.

#### **3. Unsupported Use of Goods and Services Expenditure**

The statement of receipts and payments reflects an amount of Kshs.1,261,245 in respect of use of goods and services as disclosed under Note 15 to the financial statements. The



amount includes local travelling and accommodation amount of Kshs.286,135, out of which a payment Kshs.120,200 did not have supporting documents including authority to use own vehicle where applicable, return to office reports, participation certificates, and attendance registers.

In the circumstances, the accuracy and completeness of use of goods and services amount of Kshs.1,261,245 could not be confirmed.

#### **4. Unsupported Property, Plant and Equipment Balance**

The statement of financial position reflects a Nil balance in respect to property, plant and equipment. The College has two (2) parcels of land measuring ten (10) acres. Further, the College has a building, office furniture and computer acquired from the College's mentoring institution. However, the College has not conducted valuation of the property, plant and equipment for inclusion in the financial statements.

In the circumstances, the accuracy, ownership, completeness and valuation of the Nil balance of property, plant and equipment could not be confirmed.

#### **5. Unsupported Cash and Bank Balance**

The statement of financial position reflects a balance of Kshs.37,540 in respect of cash and cash equivalents as disclosed in Note 26 to the financial statements. However, a board of survey report, cashbook and bank reconciliation statements were not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.37,540 could not be confirmed.

#### **6. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actuals of Kshs.8,378,700 and Kshs.5,277,030 resulting to underfunding of Kshs.3,101,670 or 37% of the budget. Similarly, the College spent Kshs.2,243,515 against a budget of Kshs.8,378,700 resulting to an under expenditure of Kshs.6,135,185 or 73% of the budget.

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

#### **7. Non-Remittance of Statutory Deductions**

The statement of financial performance reflects Kshs.585,180 in respect of compensation of employees. The amount includes, National Social Security Fund (NSSF) statutory deductions for six (6) months equivalent of Kshs.74,232 that had not been remitted. This is contrary to Section 10(2) Part III of the NSSF Act, 2013 which states that every standard contribution shall be paid in the prescribed manner to the Fund within fifteen days after the end of the month in which the last day of the contribution period to which it relates.

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



## **8. Unapproved Budget**

The statement of comparison of budget and actual amounts reflects a revenue budget of Kshs.8,378,700 and an expenditure budget of Kshs.8,378,700. However, the approval by Ministry of Education, Science and Technology was not provided for audit review contrary to Section 22(1) and (2) of the Technical and Vocational Education Training Act, 2013 which states that a Board of Governors of a public institution shall prepare annual estimates of revenue and expenditure for the institution under its charge, in such form and at such times as the Cabinet Secretary may prescribe and the Board of Governors may incur expenditure for the purpose of the institution in accordance with estimates approved by the Cabinet Secretary, and any approved expenditure under any head of the estimates may not be exceeded without the prior written approval of the Cabinet Secretary respectively.

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

## **9. Lack of an Internal Audit Function**

The College has not established an internal audit function. This is contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which stipulates that every National Government entity shall ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board

In the circumstances, the Company did not benefit from the value of the internal audit function and its reports for management effectiveness and improvement.

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

#### **Conclusion**

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion

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

#### **Conclusion**

I do not express a conclusion on the effectiveness of internal controls, risk management and governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

## **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain its services disclosing, as applicable, matters related to sustainability of 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.

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

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

My responsibility is to conduct an audit of the financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, my responsibility is 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. I also consider internal control, risk management and governance processes and systems in order to give an assurance on the effectiveness of internal controls, risk management and governance 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. However, because of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, and Internal Controls, Risk Management and Governance sections of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit conclusion.

I am independent of the Kaelo 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.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

29 September, 2022

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30<sup>th</sup> June 2021

II. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020-2021
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the National Government – grants/ gifts in kind	6	1,040,000
Grants from donors and development partners	7	0
Transfers from other levels of government	8	0
Public contributions and donations	9	0
		1,040,000
<b>Revenue from exchange transactions</b>		
Rendering of services- Fees from students	10	4,118,030
Sale of goods	11	0
Rental revenue from facilities and equipment	12	0
Finance income - external investments	13	0
Other income	14	119,000.00
<b>Revenue from exchange transactions</b>		4,237,030
<b>Total revenue</b>		5,277,030
<b>Expenses</b>		
Use of goods and services	15	1,261,245
Employee costs	16	585,180
Remuneration of directors	17	222,000
Depreciation and amortization expense	18	0
Repairs and maintenance	19	175,090
Contracted services	20	0
Grants and subsidies	21	0
Finance costs	22	0
<b>Total expenses</b>		2,243,515
<b>Other gains/(losses)</b>		
Gain on sale of assets	23	0
Unrealized gain on fair value of investments	24	0
Impairment loss	25	0
<b>Total other gains/(losses)</b>		0
<b>Net Surplus for the year</b>		3,033,515
Attributable to:		
Surplus/(deficit) attributable to minority interest		0
Surplus attributable to owners of the controlling entity		0

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

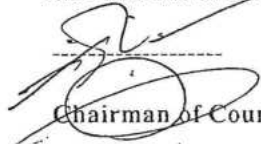


TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

XIV. STATEMENT OF FINANCIAL POSITION AS AT 30<sup>th</sup> June 2021

	Notes	2020-2021 Kshs
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	26	37,540
Current portion of receivables from exchange transactions	27(a)	8,385,840
Receivables from non-exchange transactions	28	0
Inventories	29	0
Investments	30	0
<b>Non-current assets</b>		
Property, plant and equipment	31	0
Investments	30	0
Intangible assets	32	0
Investment property	33	0
Long term receivables from exchange transactions	27(b)	72,480
<b>Total assets</b>		<b>8,495,860</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables from exchange transactions	34	281,195
Refundable deposits from customers	35	69,000
Current Provisions	36	0
Finance lease obligation	37	0
Current portion of borrowings	41	0
Deferred income	38	0
Employee benefit obligation	39	0
Payments received in advance		0
<b>Total Current Liabilities</b>		<b>350,195</b>
<b>Non-current liabilities</b>		
Non-current employee benefit obligation	39	0
Non-current provisions	40	0
Borrowings	41	0
Service concession liability	42	0
Deferred tax liabilities	49	0
<b>Total non current liabilities</b>		
<b>Total liabilities</b>		<b>350,195</b>
<b>Capital and reserves</b>		
Reserves		5,038,77
Accumulated surplus		3,033,51
Capital Fund		73,37
<b>Total capital and reserves</b>		<b>8,145,66</b>
<b>Total net assets and liabilities</b>		<b>8,495,86</b>

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

  
Chairman of Council/Board of Governors

Date: 18/05/2022



Finance Officer  
ICBAT  
TECHNICAL AND VOCATIONAL COLLEGE  
FINANCE OFFICER  
Date: 18/05/2022  
18 MAY 2022  
Email: keeltechnical@gmail.com  
PO. Box 262 - 60601, LAARE



Principal

TECHNICAL AND VOCATIONAL COLLEGE  
Date: 18/05/2022  
18 MAY 2022  
PO Box 262 - 60601, LAARE

COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021

	Revaluation reserve	Fair value adjustment RESERVE	Retained earnings	Capital/ Development Grants/Fund	Total
<b>At July 1, 2020</b>	5,038,775	0	-	73,375	0
Revaluation gain	0	-	-	-	0
Fair value adjustment on quoted investments	-	0	-	-	0
Total comprehensive income	-	-	3,033,515	-	0
Capital/Development grants received during the year	-	-	-	0	0
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
<b>At June 30, 2021</b>	5,038,775		3,033,515	73,375	0

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021**

**XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2020-2021
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from other Government entities/Govt. grants	6	1,040,000
Public contributions and donations		0
Rendering of services- Fees from students	10	4,118,030
Sale of goods		0
Rental revenue from facilities and equipment		0
Finance income	14	119,000.00
Other income		0
<b>Total Receipts</b>		<b>5,277,030</b>
<b>Payments</b>		
Compensation of employees	16	585,180
Use of goods and services	15	1,261,245
Finance cost		0
Rent paid		0
Taxation paid		
Remuneration of directors	17	222,000
Repair and maintainance	19	175,090
Grants and subsidies paid		0
<b>Total Payments</b>		<b>2,243,515</b>
<b>Net cash flows from operating activities</b>		<b>3,033,515</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant, equipment and intangible assets		
Proceeds from sale of property, plant and equipment		
Decrease in non-current receivables	28	(3,033,515)
Increase in investments		0
<b>Net cash flows used in investing activities</b>		<b>(3,033,515)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings		0
Repayment of borrowings		0
Increase in deposits		0
<b>Net cash flows used in financing activities</b>		<b>0</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(35,835)</b>
Cash and cash equivalents at 1 JULY 2020	26	73,375
<b>Cash and cash equivalents at 30 JUNE 2021</b>	<b>26</b>	<b>37,540</b>

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation).

COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilisation Difference
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs	%
<b>Revenue</b>						
Transfers from other Govt entities Govt grants	3,000,000	0	3,000,000	1,040,000	1,960,000	65
Public contributions and donations	0	0	0	0	-	0
Rendering of services- Fees from students	5,378,700	0	5,378,700	4,118,030	1,260,670	23
Sale of goods	0	0	0	0	-	0
Finance Income	0	0	0	0	-	0
Other Income	0	0	0	119,000.00	(119,000)	0
Gains on disposal, rental income and agency fees	0	0	0	0	-	0
<b>Total income</b>	<b>8,378,700</b>	<b>0</b>	<b>8,378,700</b>	<b>5,277,030</b>	<b>3,101,670</b>	<b>37</b>
<b>Expenses</b>						
Compensation of employees	1,821,600	-	1,821,600	585,180	1,236,420	68
Use of Goods and services	5,781,400	0	5,781,400	1,261,245	4,520,155	78
Repair and maintenance	165,700		165,700	175,090	(9,390)	(6)
Finance costs	0	0	0	0	0	0
Rent paid	0	0	0	0	-	0
Remuneration of directors	610,000		610,000.00	222,000	388,000	64
Grants and subsidies paid						
<b>Total expenditure</b>	<b>8,378,700</b>	<b>0</b>	<b>8,378,700</b>	<b>2,243,515</b>	<b>6,135,185</b>	
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,033,515</b>	<b>(3,033,515)</b>	

Budget notes

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14



TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET) INSTITUTIONS COLLEGE  
COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 2021

2. *Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPS:AS 24.29)*
3. *Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.*

**Budget notes**

**1. Transfers from other Govt entities Govt grants**

We didn't receive all capitation and grants from the government as expected and also we didn't meet the number of targeted students in our budget, Due to Covid 19.

**2. Use of Goods and services**

We didn't meet the expected income because of the low number of enrolled students so  
We were not able to meet for all our expenses

**3. Remuneration of directors**

B.O.G didn't meet for the in all quarter because of finances and also the committee's didn't meet at all.

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
2021

**XVIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

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

**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 judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx

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

The 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.

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.

Standard	Impact
Other Improvements to IPSAS	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p><i>(Entity to state the impact of the amendments to the financial statements)</i></p>

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023:</b>                      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:</p> <ul style="list-style-type: none"> <li>•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;</li> <li>•Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>•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.</li> </ul> <p><i>(State the impact of the standard to the entity if relevant)</i></p>
IPSAS 42: Social Benefits	<p><b>Applicable: 1<sup>st</sup> January 2023</b>                      The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ul> <p><i>(State the impact of the standard to the entity if relevant)</i></p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2023:</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> <li>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.</li> </ul>



TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
2021

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2021.

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.

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 Council or Board on xxxx. 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 00 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 xxx of these financial statements.

c) Taxes

*Current income tax*

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

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 ~~xxx~~ 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.

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n 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.



TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 a 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:

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
2021  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

*Financial assets (Continued)*

*Impairment of financial assets (Continued)*

- The debtors or a 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

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
2021

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 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.

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Nature and purpose of reserves

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

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.



TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 June 30, 2021.

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
2021**

**5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION  
UNCERTAINTY**

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

**Estimates and assumptions**

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

**Useful lives and residual values**

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

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

**Provisions**

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

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

*(Include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2020-2021
	KShs
<b>Unconditional grants</b>	
Capitation grants	540,000
Operational grant	500,000
Other grants	0
	<b>1,040,000</b>
<b>Conditional grants</b>	
Library grant	0
Hostels grant	0
Administration block grant	0
Laboratory grant	0
Learning facilities grant	0
Other organizational grants	0
<b>Total government grants and subsidies</b>	<b>1,040,000</b>

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	2020-2021 KShs
Xxx Ministry/State Department	0	0	0	0	0
Xxx Ministry	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0x</b>

*(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 xxx)*

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. GRANTS FROM DONORS AND DEVELOPMENT PARTNERS

Description	2020-2021
	KShs
JICA- Research grant	0
World Bank grants	0
In-kind Donations	0
Other grants	0
<b>Total grants from development partners</b>	<b>0</b>

Reconciliations of grants from donors and development partners

Description	2020-2021
	KShs
<b>Balance unspent at beginning of year</b>	<b>0</b>
Current year receipts	0
Conditions met - transferred to revenue	0
<b>Conditions to be met - remain liabilities</b>	<b>0</b>

(Provide brief explanation for this revenue)

8. TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2020-2021
	KShs
	0
Transfer from County xxx	0
Transfer from xxx University	0
Transfer from xxx institute	0
<b>Total Transfers</b>	<b>0</b>

9. PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2020-2021
	KShs
Public donations	0
Donations from local leadership	0
Donations from religious institutions	0
Donations from alumni	0
Other donations	0
<b>Total donations and sponsorships</b>	<b>0</b>

(Provide brief explanation for this revenue)



TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. RENDERING OF SERVICES

Description	2020-2021
	KShs
Tuition fees	3,626,580
Activity fees	55,200
Student Id	69,000
Examination fees	154,250
Kuccps fee	84,000
Computer packages fee	60,000
Registration fees	69,000
Others ( <i>Specify</i> )	
<b>Total revenue from the rendering of services</b>	<b>4,118,030</b>

(Provide brief explanation for this revenue)

11. SALE OF GOODS

Description	2020-2021	2019-2020
	KShs	KShs
<b>Sale of goods</b>		
Sale of books	0	0
Sale of publications	0	0
Sale of farm produce	0	0
Cafeteria	0	0
Other(include in line with your organisation)	0	0
<b>Total revenue from the sale of goods</b>	<b>0</b>	<b>0</b>

(Provide brief explanation for this revenue)

12. HIRE OF FACILITIES AND EQUIPMENT

Description	2020-2021	2019-2020
	KShs	KShs
Hire of facilities and equipment	0	0
Contingent rental	0	0
operating lease revenue	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

(Provide brief explanation for this revenue)

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
 2021

13. FINANCE INCOME

Description	2020-2021	2019-2020
	KShs	KShs
Cash investments and fixed deposits	0	0
Interest income from Treasury Bills	0	0
Interest income from Treasury Bonds	0	0
Interest from outstanding debtors	0	0
<b>Total finance income</b>	<b>0</b>	<b>0</b>

(Provide brief explanation for this revenue)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. OTHER INCOME

Description	2020-2021
	KShs
Insurance recoveries	0
Consultancy fees	0
Income from sale of tender	119,000
Services concession income	0
Reimbursements and refunds	0
Graduation fees	0
Miscellaneous ( <i>Specify</i> )	0
<b>Total other income</b>	<b>119,000</b>

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified).

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
 2021

15. USE OF GOODS AND SERVICES

Description	2020-2021
	KShs
General expense	9,073
Examination fees	196,000
Electricity	
Stake Holders expense	41,260
Utensils	23,167
Advertising and marketing	122,460
Auditing fee	17,000
Bank charges	9,190
COVID 19 prevention and control	4,000
Water	21,765
Farm expense	25,670
Internet and networking	51,100
Local travel	286,135
Meals and entertainment	31,610
Practical materials	7,600
Security	144,000
Stationary	171,440
Subscriptions	40,000
Telephone and postage	17,775
Training and workshop	42,000
Skills development levies	
Telephone expenses	
Internet expenses	
Training expenses	
Other ( <i>Specify</i> )	0
<b>Total good and services</b>	<b>1,261,245</b>

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. EMPLOYEE COSTS

	2020-2021
	KShs
Salaries and wages	
Employee related costs - contributions to pensions and medical aids	585,180
Travel, motor car, accommodation, subsistence and other allowances	0
Housing benefits and allowances	0
Overtime payments	0
Performance and other bonuses	0
Social contributions	0
<b>Employee costs</b>	<b>585,180</b>

17. REMUNERATION OF DIRECTORS

Description	2020-2021
	KShs
Chairman's Honoraria	0
Directors emoluments	222,000
Other allowances	0
<b>Total director emoluments</b>	<b>222,000</b>

18. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021
	KShs
Property, plant and equipment	0
Intangible assets	0
Investment property carried at cost	0
<b>Total depreciation and amortization</b>	<b>0</b>

19. REPAIRS AND MAINTENANCE

Description	2020-2021
	KShs
Computer repairs	4,000.00
General repair and maintenance	171,090
Equipment and machinery	0
Vehicles	0
Furniture and fittings	
Computers and accessories	
Other	0
<b>Total repairs and maintenance</b>	<b>175,090</b>



TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. CONTRACTED SERVICES

Description	2020-2021
	KShs
Actuarial valuations	0
Investment valuations	0
Property valuations	0
<b>Total contracted services</b>	<b>0</b>

21. GRANTS AND SUBSIDIES

Description	2020-2021
	KShs
Community development	0
Education initiatives and programs	0
Social development	0
Community trust	0
Sporting bodies	0
<b>Total grants and subsidies</b>	<b>0</b>

22. FINANCE COSTS

Description	2020-2021
	KShs
Borrowings (amortized cost)*	0
Finance leases (amortized cost)	0
Unwinding of discount	0
Interest on Bank overdrafts	0
Interest on loans from commercial banks	0
<b>Total finance costs</b>	<b>0</b>

\*Borrowing costs that relate to interest expense on acquisition of non-current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

23. GAIN ON SALE OF ASSETS

Description	2020-2021
	KShs
	0
Property, plant and equipment	0
Intangible assets	0
Other assets not capitalised	0
<b>Total gain on sale of assets</b>	<b>0</b>

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

Description	2020-2021
	KShs
Investments at fair value	0
<b>Total gain</b>	<b>0</b>

25. IMPAIRMENT LOSS

Description	2020-2021
	KShs
Property, plant and equipment	0
Intangible assets	0
<b>Total impairment loss</b>	<b>0</b>

26. CASH AND CASH EQUIVALENTS

Description	2020-2021
	KShs
Current account	0
On - call deposits	0
Fixed deposits account	0
Staff car loan/ mortgage	0
Others(specify)	0
<b>Total cash and cash equivalents</b>	<b>0</b>

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

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	2020-2021
Financial institution	KShs
balance b/d as at 1st July 2020	73,375
a) Current account	
Kenya Commercial bank	
Equity Bank, etc	3,335
Sub- total	0
b) On - call deposits	
Kenya Commercial bank	0
Equity Bank – etc	0
Sub- total	0
c) Fixed deposits account	
Kenya Commercial bank	0
Bank B	0
Sub- total	0
d) Staff car loan/ mortgage	
Kenya Commercial bank	0
Bank B	0
Sub- total	0
e) Others(specify)	0
Cash in transit	0
cash in hand	34,205
Mobile Money account	0
Sub- total	0
Grand total	37,540

27. RECEIVABLES FROM EXCHANGE TRANSACTIONS

27(a) Current Receivables from Exchange Transactions

Description	2020-2021
	KShs
Current receivables	
Student debtors	8,385,840
Rent debtors	0
Consultancy debtors	0
Other exchange debtors	0
Less: impairment allowance	0
Total current receivables	8,385,840



TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 27(b) Long- term Receivables from Exchange Transactions

Description	2020-2021
	KShs
<b>Non-current receivables</b>	
Refundable deposits	69,000
Advance payments	3,480
Public organizations	-
Less: impairment allowance	-
<b>Total</b>	-
Current portion transferred to current receivables	-
<b>Total non-current receivables</b>	-
<b>Total receivables</b>	<b>72,480</b>

27 (c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Description	2020-2021
	KShs
At the beginning of the year	0
Provisions during the year	0
Recovered during the year	0
Write offs during the year	0
At the end of the year	0

28. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2020-2021
	KShs
<b>Current receivables</b>	
capitation grants as at 1st july 2020	5,868,515
Capitation grants*	
Transfers from other govt. entities	
Undisbursed capitation grants as at 30th june 2021	2,835,000
Other debtors (non-exchange transactions)	0
Less: impairment allowance	0
<b>Total current receivables</b>	<b>2,835,000</b>
Decrease in non-current receivables	(3,033,515)

*\*Receivables on capitation grants is recognised for monies received after year end but relating to the year under review.*



TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
 2021

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

Description	2020-2021 KShs
At the beginning of the year	0
Additional provisions during the year	0
Recovered during the year	0
Written off during the year	0
At the end of the year	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29. INVENTORIES

Description	2020-2021 KShs
Consumable stores	0
Maintenance stores	0
Health unit stores	0
Electrical stores	0
Cleaning materials stores	0
Catering stores	0
<b>Total inventories at the lower of cost and net realizable value</b>	<b>0</b>

30. INVESTMENTS

Description	2020-2021 KShs
<b>a) Investment in Treasury bills and bonds</b>	
<b>Financial institution</b>	
CBK	0
CBK	0
<b>Sub- total</b>	<b>0</b>
<b>b) Investment with Financial Institutions/ Banks</b>	
Bank x	0
Bank y	0
<b>Sub- total</b>	<b>0</b>
<b>c) Equity investments (specify)</b>	
Equity/ shares in company xxx	0
<b>Sub- total</b>	<b>0</b>
<b>Grand total</b>	<b>0</b>

**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June  
2021**

**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			
	%	%	%	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	0x
Entity D	0	0	0	0	0	0
	0	0	0	0	0	0

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31. PROPERTY, PLANT AND EQUIPMENT

Cost	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Specify)	Plant and equipment	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2020	0	0	0	0	0	0	0	0
Additions	0	0	0	-	0	-	0	0
Disposals	0	0	-	-	0)	-	0	0
Transfers/adjustments	0	0	0	0	0	-	0	0
At 30 <sup>th</sup> June xxx	0	0	0	0	0	0	0	0
Additions	0	0	0	-	0	0	0	0
Disposals	0	-	-	-	0	-	0	0
Transfer/adjustments	0	0	0	0	0	-	0	0
At 30 <sup>th</sup> June 2021	0	0	0	0	0	0	0	0
Depreciation and impairment								
At 1 July 2020	0	0	0	0	0	-	0	0
Depreciation	0	0	0	0	0	-	0	0
Impairment	0	-	-	-	0	-	-	0
At 30 June 2021	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0)	0	0	0	0
Disposals	0	-	-	-	0	-	0	0
Impairment	0	0	-	-	0	-	-	0
Transfer/adjustment	0	0	0	0	0	-	0	0
At 30 <sup>th</sup> June 2021	0	0	0	0	0	0	0	0
Net book values								
At 30 <sup>th</sup> June 2021	0	0	0	0	0	0	0	0
At 30 <sup>th</sup> June 2021	0	0	0	0	0	0	0	0
[Include brief description of WIP as a footer]								



**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Valuation**

Land and buildings were valued by xxx independent valuer on xxx on xxx basis of valuation. These amounts were adopted on xxx.

**31 (b) Property, Plant and Equipment at Cost**

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

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>NBV</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Land	0	0	0
Buildings	0	0	0
Plant and machinery	0	0	0
Motor vehicles, including motorcycles	0	0	0
Computers and related equipment	0	0	0
Office equipment, furniture, and fittings	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**32. INTANGIBLE ASSETS-SOFTWARE**

<b>Description</b>	<b>2020-2021</b>
	<b>KShs</b>
<b>Cost</b>	
<b>At beginning of the year</b>	0
Additions	0
<b>At end of the year</b>	0
Additions—internal development	0
<b>At end of the year</b>	0
<b>Amortization and impairment</b>	
<b>At beginning of the year</b>	0
Amortization	0
<b>At end of the year</b>	0
Impairment loss	0
<b>At end of the year</b>	0
<b>NBV</b>	<b>0</b>



TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. INVESTMENT PROPERTY

Description	2020-2021
	KShs
At beginning of the year	0
Additions	0
Disposal during the year	0
Depreciation	0
Impairment	0
At end of the year	0

*(This note applies to investment property held at cost. For investment property held at fair value, changes in fair value should go through the statement of financial performance).*

34. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021
	KShs
Trade payables	277,715
Fees paid in advance	3,480
Employee advances	0
Third-party payments	0
Other payables	0
<b>Total trade and other payables</b>	<b>281,195</b>

35. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS

Description	2020-2021
	KShs
Consumer deposits	0
Caution money	69,000
Other refundable deposits	0
<b>Total deposits</b>	<b>69,000</b>

36. CURRENT PROVISIONS

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	KShs	KShs	KShs	KShs	KShs
Balance at the beginning of the year	0	0	0	0	0
Additional Provisions	0	0	0	0	0
Provision utilised	0	0	0	0	0
Change due to discount and time value for money	0	0	0	0	0
Transfers from non-current provisions	0	0	0x	0	0x
<b>Total provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

37. FINANCE LEASE OBLIGATION

Description	2020-2021
	KShs
At the start of the year	0
Discount interest on lease liability	0
Paid during the year	0
At end of the year	0

Maturity Analysis

Period	Amount
Year 1	0
Year 2	0
Year 3	0
Year 4	0
Year 5 and onwards	0
Less: Unearned interest	0
	0

Analysed as:

Description	Amount
Current	0
Non- Current	0
Total	0

38. DEFERRED INCOME

Description	2020-2021
	KShs
National government	0
International funders	0
Public contributions and donations	0
Total deferred income	0



TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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	2020-2021
	KShs	KShs	KShs	KShs
Current benefit obligation	0	0	0	0
Non-current benefit obligation	0	0	0	0
<b>Total employee benefits obligation</b>	0	00	0	0

Retirement benefit Asset/ Liability

The entity operates a defined benefit scheme for all full-time employees from July 1, 2020. The scheme is administered by kaelo technical while none are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at xxx June xxx by xxx actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

	2020-2021
	Kshs
Discount rates	0
Future salary increases	0
Future pension increases	0
Mortality (Pre- retirement)	0
Mortality (Post- retirement)	0
Withdrawals	0
Ill health	0
Retirement	Xx years

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Recognition of Retirement Benefit Asset/ Liability

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

	2020-2021
Description	Kshs
The return on defined plan assets	0
Actuarial gains/ losses arising from changes in demographic assumptions	0
Actuarial gains/ losses arising from 0020 changes in financial assumptions	0
Actuarial gains and losses arising from experience adjustments	0
Others (Specify)	0
Adjustments for restrictions on the defined benefit asset	0
<b>Remeasurement of the net defined benefit liability (asset)</b>	<b>0</b>

b) Amounts recognised in the Statement of Financial Position

	2020-2021
Description	Kshs
Present value of defined benefit obligations(a)	0
Fair value of plan assets(b)	0
Funded Status(=a-b)	0
Restrictions on asset recognised	0
Others	0
<b>Net Asset or liability arising from defined benefit obligation</b>	<b>0</b>

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. XXX per employee per month. Other than NSSF the entity also has a defined contribution scheme operated by XXX Pension Fund. Employees contribute xx% while employers contribute xx% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.



TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

40. NON-CURRENT PROVISIONS

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	KShs		KShs	KShs	KShs
Balance at the beginning of the year	0	0	0	0	0
Additional Provisions	0	0	0	0	0
Provision utilised	0	0	0	0	0
Change due to discount and time value for money	0	0	0	0	0
Less: Current portion	0	0	0	0	0
<b>Total deferred income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 34)

41. BORROWINGS

Description	2020-2021
	KShs
Balance at beginning of the year	0
External borrowings during the year	0
Domestic borrowings during the year	0
Repayments of external borrowings during the year	0
Repayments of domestic borrowings during the year	0
Balance at end of the year	<b>0</b>

41 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS

	2020-2021
	KShs
<b>External Borrowings</b>	
Dollar denominated loan from 'xxx organisation'	0
Sterling Pound denominated loan from 'yyy organisation'	0
Euro denominated loan from 'zzz organisation'	0
<b>Domestic Borrowings</b>	
Kenya Shilling loan from KCB	0
Kenya Shilling loan from Barclays Bank	0
Kenya Shilling loan from Consolidated Bank	0
<b>Total balance at end of the year</b>	<b>0</b>

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Description	2020-2021
	KShs
Short term borrowings(current portion)	0
Long term borrowings	0
<b>Total</b>	<b>0</b>

(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	2020-2021
	KShs
Fair value of service concession assets recognized under PPE	0
Accumulated depreciation to date	(0)
Net carrying amount	<u>0</u>
Service concession liability at beginning of the year	0
Service concession revenue recognized	(0)
Service concession liability at end of the year	<u>0</u>

43. CASH GENERATED FROM OPERATIONS

	2020-2021
	KShs
Surplus for the year before tax	
<b>Adjusted for:</b>	
Depreciation	0
Non-cash grants received	(0)
Contributed assets	(0)
Impairment	0
Gains and losses on disposal of assets	(0)
Contribution to provisions	0
Contribution to impairment allowance	0
Finance income	(0)
Finance cost	0
<b>Working Capital adjustments</b>	
Increase in inventory	(0)
Increase in receivables	(0)
Increase in deferred income	0
Increase in payables	0
Increase in payments received in advance	0
<b>Net cash flow from operating activities</b>	<b>0</b>

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)



TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2020</b>				
Receivables from exchange transactions	0	0	0	0
Receivables from non exchange transactions	0	0	0	0
Bank balances	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 30 June 2021</b>				
Receivables from exchange transactions	0	0	0	0
Receivables from non exchange transactions	0	0	0	0
Bank balances	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)*

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

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 on amounts due from xxxx

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

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the 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
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2020</b>				
Trade payables	0	0	0	xxx
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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 30 June 2021</b>				
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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

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

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2021</b>			
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 from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

44. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 20121</b>			
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
	Kshs	Kshs	Kshs
<b>20xx</b>			
Euro	10%	0	0
USD	10%	0	0
<b>20xx</b>			
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.

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 (2020 – KShs 0)

iv) Capital Risk Management

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

	2020-2021
	Kshs
Members equity	5,038,775
Retained earnings	3,033,515
Capital reserve	73,375
<b>Total funds</b>	<b>8,145,665</b>
Total borrowings	0
Less: cash and bank balances	(37,540)
Net debt/(excess cash and cash equivalents)	0
<b>Gearing</b>	<b>8,108,125</b>

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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) Key management;
- iv) Board of directors;

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

	2020-2021
	Kshs
<b>Transactions with related parties</b>	
<b>a) Sales to related parties</b>	
Sales of electricity to Govt agencies	0
Rent Income from govt. agencies	0
Water sales to Govt. agencies	0
Others (Specify)	0
<b>Total</b>	<b>0</b>
<b>b) Purchases from related parties</b>	
Purchases of electricity from KPLC	0
Purchase of water from govt service providers	0
Rent expenses paid to govt agencies	0
Training and conference fees paid to govt. agencies	0
Others (specify)	0
<b>Total</b>	<b>0</b>
<b>b) Grants /Transfers from the Government</b>	
Grants from National Govt	0
Grants from County Government	0
Donations in kind	0
<b>Total</b>	<b>0</b>
<b>c) Expenses incurred on behalf of related party</b>	
Payments of salaries and wages for xxx employees	0
Payments for goods and services for xxx	0
<b>Total</b>	<b>0</b>
<b>d) Key management compensation</b>	
Directors' emoluments	0
Compensation to key management	0
<b>Total</b>	<b>0</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)



TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

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 Assets

	2020-2021
	Kshs
<b>Contingent assets</b>	
Insurance reimbursements	0
Assets arising from determination of court cases	0
Reimbursable indemnities and guarantees	0
Others (Specify)	0
<b>Total</b>	<b>0</b>

Contingent Liabilities

	2020-2021
	Kshs
<b>Contingent liabilities</b>	0
Court case xxx against the entity	0
Bank guarantees in favour of subsidiary	0
Contingent liabilities arising from contracts including PPPs	0
Others (Specify)	0
<b>Total</b>	<b>0</b>

*(Give details)*

48. CAPITAL COMMITMENTS

Capital commitments	2020-2021
	Kshs
Authorised for	0
Authorised and contracted for	0
<b>Total</b>	<b>0</b>

*(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the entity but at the end of the year had not been contracted or those already contracted for and ongoing)*

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

49. DEFERRED TAX LIABILITY

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

	2020-2021
	Kshs
Accelerated capital allowances	0
Unrealised exchange gains/(losses)	0
Revaluation surplus	0
Tax losses carried forward	0
Provisions for liabilities and charges	0
<b>Net deferred tax liability/(asset)</b>	<b>0</b>
The movement on the deferred tax account is as follows:	
Balance at beginning of the year	0
Credit to revaluation reserve	0
Under provision in prior year	0
Income statement charge/(credit)	0
Balance at end of the year	0

*[In ordinary circumstances public sector entities under IPSAS are not expected to pay taxes. However, in specific cases where this is applicable an organisation is supposed to seek guidance on accounting for income taxes from IAS 12)*

50. EVENTS AFTER THE REPORTING PERIOD

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

51. ULTIMATE AND HOLDING ENTITY

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

52. CURRENCY

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

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

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.

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

*Guidance Notes:*

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

Accounting Officer

Name Benjamin Nesebe

Principal

Signature *[Signature]*

Date 18/05/2022



**TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
POLYTECHNIC/TEACHER TRAINING COLLEGE  
KAELO TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021**

**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**

*(Summarise the status of project completion at the end of each quarter, ie total costs incurred, stage which the project is etc)*

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



TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL  
 POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the State Department of Education				
FY 2020/2021				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		09/03/2021	540,000	FY 2020/2021
		13/03/2021	500,000	FY 2020/2021
			450,000	
		<b>Total</b>	<b>0</b>	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
			0	
		<b>Total</b>	<b>0</b>	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
			0	
		<b>Total</b>	<b>0</b>	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
			0	
			0	
		<b>Total</b>	<b>0</b>	

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

Finance Manager  
 Kaelo technical and Vocational College

Sign



Head of Accounting Unit  
 Ministry of education

Sign-----

TECHNICAL AND VOCATIONAL EDUCATION TRAINING (TVET)/NATIONAL POLYTECHNIC/TEACHER TRAINING COLLEGE  
 KAELO TECHNICAL AND VOCATIONAL COLLEGE  
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> June 2021

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Donor Fund/Other	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	0	Recurrent	0	0	0	0	0	0	0
Ministry of Education	0	Development	0	0	0	0	0	0	0
USAID	0	Donor Fund	0	0	0	0	0	0	0
Ministry of Education	0	Direct Payment	0	0	0	0	0	0	0
			0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

