



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS 1 ATD

REPORT 22 FEB 2023

TABLED HON ONEN BANA, MP

DEPUTY LEADER OF MAJORITY

OF CHROTING MOIRITY

### THE AUDITOR-GENERAL

ON

# ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED 30 JUNE, 2021

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

#### ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE

#### ANNUAL REPORT AND FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED

JUNE 30, 2021

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

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

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### I. KEY ENTITY INFORMATION AND MANAGEMENT

### (a) Background information

Eldama Ravine Technical and Vocational College (ERTVC) is a government middle level Technical and Vocational Training College specializing in training of youth in different fields.

The College's operations are carried out in accordance with the Government policies and procedures as spelt out in official documents and circulars. The college is conscious of the Government's policy of industrialization and the Kenya Vision 2030. It is geared towards playing a significant and leading role in the fulfilment of its mandate.

Eldama Ravine Technical and Vocational College was officially opened on the 19th of May 2018 in Rift Valley Region. It is situated approximately 2 kilometres South-East of Eldama Ravine Town along Maji Mazuri-Makutano road.

The College admits students from all over Kenya and offers full- time courses ranging from Artisan, Certificate and Diploma levels. The courses are offered in 7 departments namely, Agricultural and Mechanical Engineering, Agriculture Education and Extension, Building & Construction, Electrical and Electronics, ICT, Business Studies as well as Hairdressing& Beauty Therapy. The students are examined by KNEC, CDACC, NITA, NTSA, among others.

### (b) Principal Activities

Eldama Ravine Technical and Vocational College's core mandate is to train and assess students on technical skills and knowledge

#### Vision

To be a nationally competitive training Centre for imparting technical knowledge and skills for sustainable development

#### Mission

To create, preserve and transfer knowledge and technology through quality technical training, research and community service

#### Core Values

Team Work

 We work together collaboratively with respect and empathy to ensure we deliver services and products of good quality

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Integrity

 We Value high standards of ethical behavior at all times. We shall uphold honesty and all moral principals in all the Eldama Ravine Technical and Vocational College Activities and decisions

Discipline

- We pursue excellence with commitment and perseverance respecting rules and regulations

Accountability

- We shall be Accountable for our Decisions and Actions

Commitment

- We are committed to providing quality services

Motto Technology for Sustainable Development

#### Objectives of ERTVC

The general Objectives of Eldama Ravine Technical and Vocational College outlined below provide a framework for the achievement of the mandate of the College;

- To provide competent, dependable, innovative and creative human resource for Kenya Vision 2030;
- To impart applied knowledge to trainees in order to gain entrepreneurship and problem-solving skills in the world of work;
- iii. To expand and upgrade the College's infrastructure and equipment to meet the current trends;
- To collaborate with other Colleges, institutions and the community in providing extension services and solutions to emerging issues;
- v. To promote trainee welfare and maintain co-curricular facilities for training and wellness

### (c) Key Management

The College is managed by a 9-member board of governors (BOG) appointed by the Cabinet Secretary for Education in accordance with the TVET Act of 2013. The day to day running of the College is done by the Principal (Secretary to the BOG) assisted by a management team comprising Deputy Principal, Ag. Registrar, Ag. Dean of Students and Accounts Clerk, academic and non-academic heads of department. In total there are 35 members of staff; 26 academic staff and 9 administrative staff.

### (d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Eric K.Tanui
2.	Ag. Registrar (s)	Janet Siren
3	Ag. Dean of students	Eric Mutai

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No.	Designation Name			
4	Assistant accountant	Sheila Toroitich		
5	Performance Contracting Coordinator	Mayrose Chepchirchir		

#### (e) Fiduciary Oversight Arrangements

- Audit and risk committee activities

#### **Auditors Comments**

- Accountant and the procurement officers need to be trained on IPSAS and PPADA respectively.
- · Principal also should be trained in areas of governance and management
- The Finance committee of the board should keep on monitoring compliance in financial reporting and other areas of compliance.
- · The institution should benchmark with established TVET institutions.
- · The committee should request quarterly reports from time to time
- We recommend for the institution to acquire ERP system to ease preparations of financial statements and minimize errors and inconsistencies.
- The institutions should adopt a better salary scale to minimize staff turnover especially non-teaching staff
- Finance and operations committee activities
- · Extending contract period from 3 months to 1 year
- Improving salary from an average of Ksh 6000 to Ksh 7700
- · Paying NHIF for the staff members.
- · Provision of better working conditions.
- Academic committee activities
- · Guidance and counselling
  - -Peer counselling was proposed by the members to the students
  - -Capacity building of the deans and peer counsellors
- Marking class registers
  - follow up absent students immediately
  - -student who doesn't attend classes will not be registered for exams
  - -implement academic policy to the later
- Weak trainees to be assisted at individual level
- Equipping the library
  - -Booklist to be prepared and forward to Baringo county governor
- Career guidance
  - -students to be advised on choice of courses before selection/admission to minimize wrong choice of course.

## ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS

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- The registry to consider course requirements before admissions Strictly enforce admission requirements
- Equipping the workshops
   Prepare a supplementary budget so as to equip the workshops -especially electrical engineering workshop
- Timely provision of practical materials for technical courses

   Provision of practical materials for technical courses
  - Procurement department to be asked to find ways of availing training materials without much delay
  - -TD Equipment to be made in the institution and issued to students during the lesson
  - -instructors to role models by using TD equipment during lessons
- Equipping computer lab with at least 7 more computers/desktops; budget for the computers
   -advising ICT students to purchase laptops
  - -computer lab to be restricted to ICT students to enhance accessibility to ICT students
  - -proper time tabling of the computer lab
  - -install relevant software's in the computers

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

#### KEY ENTITY INFORMATION AND MANAGEMENT

P.O. Box 560-20103, Along Maji Mazuri-Makutano Road Eldama Ravine, Baringo County, Kenya

Cell: 0713 546595

Email: principal@ertvc.ac.ke Website: www.ertvc.ac.ke

#### BANKERS

Equity Bank
 Eldama Ravine Branch
 O Box 75104
 Eldama Ravine

Kenya Commercial Bank
 P.O. Box 415-20103
 Eldama Ravine

#### Independent/Internal

Mr. Zacharia Koech (Internal Auditor, Eldoret National Polytechnic)

#### **External Auditor**

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

### Principal Legal Adviser

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

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#### II.THE BOARD OF GOVERNORS

Member's photo and name	Member's brief
1. CHAIRMAN, BOARD OF GOVERNORS Prof. Ronald Kiprop Chepkilot PHD-HRM (SA), MS-EdTD (UK), BA HONS (UoN)	PhD. In Human Resource Management- South Africa Master's Degree of Education in Training and Development- University of Manchester, UK Bachelor of Arts (Honors) – University of Nairobi Currently, Professor of Human Resource Management at Kabarak University Previously, Associate Professor of Human Resource Management at Kabarak University CHAIRMAN,BOARD OF GOVERNORS
2.MEMBER, BOARD OF GOVERNORS Michael Ngulat BCOM -Accounting Option (UON), CPA, DTec. Ed (KTTC)	Bachelor of Commerce (Accounting Option), - University of Nairobi, Kenya. Diploma in Technical Education Certified Public Accountant Currently, Branch Manager at Agricultural Finance Corporation- Eldama Ravine. Previously, Senior Credit Officer at Agricultural Finance Corporation- Eldama Ravine. CHAIRMAN-FINANCE COMMITTEE
3.MEMBER, BOARD OF GOVERNORS Moses Mwangi Thiga PhD Information Systems -Kabarak University, KE M.Sc. Information Systems Management – Liverpool University, UK B.Sc. Computer Science – Egerton University, KE	PhD in Information Systems Master of Science in Information Systems Management Master of Science in Statistics Bachelor of Science in Computer Science Currently, Director- Research and Lecturer Computer Science and Information Technology at Kabarak University Previously, Research Associate at Kenya Education Network (KENET) Nairobi CHAIRMAN,ACADEMIC COMMITTEE
Member's photo and name	Member's brief

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



4.MEMBER, BOARD OF GOVERNORS Dr. Emily Jepyegon Chemoiwa

PhD. Philosophy in Animal Ecology – University of Eldoret, KE Master of Philosophy in Zoology (Ecology) – Moi University, KE Bachelor of Education Science- Maseno University, KE PhD. Philosophy in Animal Ecology – University of Eldoret, KE

Master of Philosophy in Zoology (Ecology) - Moi University, KE

Bachelor of Education Science- Maseno University, KE

Currently, Lecturer- Animal Ecology and

Examinations Coordinator-Zoology at University of Eldoret

Previously, Senior Graduate Teacher – Biology at Eldoret GK, Magereza Sec. School, Eldoret MEMBER



5.MEMBER, BOARD OF GOVERNORS Yunus Issa Aljab

MA Religious Studies- UoN, ke B. Ed –International University of Africa, Khartoum Sudan Master of Arts Religious Studies- University of Nairobi, KE

Bachelor of Education -International University of Africa, Khartoum Sudan

Currently, Director at Education for Africa Charity Organization

Previously, Principal at Highlands High School, Limuru MEMBER



6.MEMBER, BOARD OF GOVERNORS Dr. Joyce Jepkorir Kiplimo Bett

PhD. In Chemistry- University of KwaZulu Natal, SA

MSc. Chemistry- Egerton University, KE B. Ed (Science)- Egerton University, KE Doctor of Philosophy in Chemistry- University of KwaZulu Natal, South Africa

Master of Science in Chemistry- Egerton University, KE

Bachelor of Education Science- Egerton University, KE

Currently, Head of Department, Physical Sciences and Senior Lecturer at Kabianga University Previously, Acting Dean, School of Science and Technology at Kabianga University CHAIRMAN AUDIT AND RISK MANAGEMENT

CHAIRMAN, AUDIT AND RISK MANAGEMENT COMMITTEE

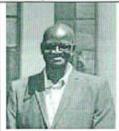
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7.MEMBER, BOARD OF GOVERNORS Peter Cheruiyot

Ag.Director-TVET Nakuru-Baringo
County and CD-TVET Kericho-Bomet
County

He is a civil servant currently serving as the Acting Nakuru-Baringo County DirectorTVET and CD-TVET Kericho-Bomet County. He represents the Principal Secretary, State Department of Vocational & Technical Training in the Board of Governors DIRECTOR -TVET



8.MEMBER, BOARD OF GOVERNORS Philip Odiwuor Nyabanda

B. Sc Civil Engineering- JKUAT, KE
Cert Tender/Bid Prep, Claims Prep and
Contract Mgmnt- EU
HND Construction Engineering- Kenya
Polytechnic University College

Bachelor of Science Civil Engineering- Jomo Kenyatta University of Agriculture and Technology, KE.

Certificate in Tender/ Bid preparation, Claims Preparation and Contract Management-EU Higher National Diploma in Construction (Structures) Engineering-Kenya Polytechnic University College, KE

National Diploma in Building Construction, Kenya Polytechnic University College, KE Currently, The Technical Director of Kenya Federation of Master Builders and Neo Build Ltd MEMBER



SECRETARY, BOARD OF GOVERNORS

Eric K. Tanui
M.Sc Pure Mathematics – Kenyatta
University, KE
B. Ed Egerton University, KE

Master of Science in pure mathematics- Kenyatta University, KE

Bachelor of Education Egerton University, KE Currently, Principal and Secretary to the Board of Governors

Previously, Principal, Kipsoen Technical and vocational College and trainer Eldoret National Polytechnic

SECRETARY, BOARD OF GOVERNORS

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#### III. MANAGEMENT TEAM

Name	Passport	Designation	Qualification	The main area of responsibility
Eric K. Tanui		Principal	Masters in- pure mathematics	He is the chief executive officer of the college serving as the principal and secretary to the board of governors.
Janet Siren		Registrar	MSC in agriculture extension	She is registrar of the college and trainer of General Agriculture
Erick Mutai		DOS	DIPLOMA in Agricultural Engineering	He is the Dean of students and trainer of Agricultural Engineering.
Sheila Toroitich		Assistant Account	CPA K finalised	She is the Accountant of the college.

#### ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

#### KEY RESPONSIBILITIES OF THE MANAGEMENT TEAM

Name Designation		The main area of responsibility		
Eric K Tanui	Principal	He is the chief executive officer of the college serving as the principal and secretary to the board of governors.		
Janet Siren	Registrar	She is registrar of the college and trainer of General Agriculture		
Erick Mutai	DOS	He is the Dean of students and trainer of Agricultural Engineering.		
Sheila Toroitich	Assistant Account	She is the Accountant of the college.		
	× 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1			

NB The Deputy Principal of the college is yet to be deployed by PSC as at the date this statement if prepared.

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

#### IV.CHAIRMAN'S STATEMENT

I have the pleasure to present an overview of the Eldama Ravine Technical and Vocational College performance for the year ended 30<sup>th</sup> June 2021 Eldama Ravine Technical and Vocational College endevours to continually improve on the implementation of its mission and Objectives

#### Governance

We have focused to promote highly and advanced technical trained manpower in the various fields as part of the college's contribution towards the achievement of Vision 2030 by providing quality technical training for self-reliance and economic empowerment for sustainable development.

It has 13 public service trainers and 13 BOG trainers thus it is able meet its mandate of training.

The college faces the challenge of fee payment by trainees. Lack of enough public service trainers to cut cost on payment of BOG trainers

Eldama Ravine Technical and Vocational College is planning to improve trainee population and engage stakeholders to improve on infrastructure e.g. more lecture rooms and dining hall.

#### **Financial Policies**

During the year ended 30<sup>th</sup> June 2021, Eldama Ravine Technical and Vocational College was mainly funded through the Government capitation and appropriation in Aid (A-I-A) for its recurrent expenditure.

I wish to finally thank the government of Kenya, Board of Governance, Management and staff for their dedication and participation over the year in striving to make Eldama Ravine Technical and Vocational College achieve its desire in producing a more skilled and trained workforce for our country

Prof. Ronald K. Chepkilot

CHAIRMAN, BOARD OF GOVERNORS

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#### V.REPORT OF THE PRINCIPAL

I am delighted to have the opportunity to give a report on Technical Training in Eldama Ravine Technical and Vocational College and financial statement of the institution. I am honoured and humbled to be the first principal to be deployed by the government of Kenya to this college. I thank God and appreciate the MOE for giving me the opportunity to serve in this capacity.

I want to share with you my Vision for the future of Eldama Ravine Technical and Vocational College. Very simply put, my vision is all about fulfilling Dreams. Fulfilling our students' dreams is at the core of everything we do. But what exactly are our students' dreams? And what must we do to help these dreams come true?

The dreams of our students fall into three major categories.

- Many of our student's dream of completing an artisan, craft or Diploma course and applying the skills attained in self-employment.
- ii. Many others dream of earning a credential that leads to a good paying job.
- A few dream of simply taking customized/short training courses that will help them advance in their career.

Our staffs are committed to helping our students realize their dreams. Their dreams can't come true by them simply "walking in our doors." Thus, we help the students take responsibility in their college career by ensuring that they do practical work and make sure their tuition fee is paid on time; and by emphasizing to them that they must commit to the learning process, show up for classes, complete all class assignments, and ultimately pass the course. We also provide a conducive learning environment that enables students to be successful.

Our vision is for Eldama Ravine Technical and Vocational College to be the students' Dream-Catcher":

- 1. We work with all our stakeholders so that our students come to us better prepared for college.
- We aim to increase access to quality of our programs by organizing outreach programs in high schools so that our potential students get a head start on a college certificate.
- 3. We are there for our students when they first come in our doors, reinforcing that they can and will be successful.
- We always advise our students that their goal is not to go or come to college but rather to successfully complete College.
- We help our students better understand the financial aid and loan process that the government has provided.
- 6. For Eldama Ravine Technical and Vocational College to be a Premier college our staff are encouraged to have passion for hard work, they are also engaged in the planning and decision making process. Their voices are heard. Our students' accomplishments are directly related to the daily efforts of the staff. That is why as the first principal, I encouraged staff input from the very beginning in the development of the 2021-2025 Eldama Ravine Technical and Vocational College Strategic Plan.

Technical Education is constantly evolving. New initiatives or advances in technology require staff to conduct business differently. The management will advocate for targeted professional development and as the Principal, I will continue to invest in employee professional development.

Our local communities and our people as a whole will be the ultimate beneficiaries of our dream. We

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envision a future where all of our communities have a college-educated workforce, ready and able to fill the needs of local business and industry.

Finally, we acknowledge that Eldama Ravine Technical and Vocational College is deserving investment and we appeal for continued financial support from the government so as to actualize our dreams.

God Bless Eldama Ravine Technical and Vocational College

Eric K. Tanui

PRINCIPAL/SECRETARY BOG

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

ERTVC has 8 (Eight) Strategic Themes and Objectives within the current Strategic Plan for the FY 2020-

FY 2025. These Strategic Themes are as follows:

Theme 1: Academic and Student Welfare

Theme 2: College Leadership and Governance

Theme 3: Human Resource Development

Theme 4: ICT Integration, Equipment and Technology

Theme 5: Financial Stability

Theme 6: Partnerships, Collaboration and Linkages

Theme 7: Cross Cutting

Theme 8: Corporate Image

ERTVC Develops its annual work plans based on the above 8 themes. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The ERTVC Achieved its performance targets set for the FY 2020/21 period for its 8 strategic pillars as indicated in the table below:

Strategic Theme		Objective	Key Performan ce Indicators	Activities	Achievemen ts
1. Academic and Student Welfare	Academic program mes Library Lecture Rooms Worksho ps Student Welfare	To increase student enrolment from 280 to 370 and progression rates	Admission Lists Increase in enrolment Courses rolled out Lecture rooms in place Lecture chairs Equipped Workshop s	Aggressively market the courses offered at the college Initiate Market driven	Objective achieved and surpassed
2: College Leadership and Governance		To Establish structures that ensure smooth running of the College	Governan ce Quality Assurance	Hold Meetings Implement Performance Contract	Governance policies established and implemente d

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3. Human Resource Development	To recruit, motivate, retain and enhance competent human resource	Scheme of Service TNA Reports Award System	Job Scale Drawn Capacity Building Implement Award Scheme	Competent human resource retained Motivated Staff
ICT Integration, Equipment and Technology	To enhance information and communicat ion technology systems for efficient operations and training	ICT Equipmen t Procured	ICT Integration in Training and Service Delivery	ICT Equipment procured and in use. ICT Integration established Improved Service Delivery
Financial Stability	To Establish, improve and diversify income generating activities for the financial stability of the College	Increase in income Dairy unit and No. of dairy cows in place No. of students enrolled to the short courses	Increased Milk Production Students trained in the short courses	2 Income Generating Activities established and operationali zed
Partnerships, Collaboration and Linkages	To enhance relevant quality practical skills through partnerships and collaboratio n with industry and other training institutions	No. of students placed for attachmen t No. of industries in partnershi p and collaborati on with ERTVC MoU	Students placed on attachment Collaboratio n	Collaboration and linkages with 2 industries Established and Students sent for attachments
Cross cutting	HIV/AI DS COVID- 19	Reports sent to relevant authorities Policies in	Implementat ion of the policies	Cross cutting issues mainstream ed within

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	Gender and Disabilit y Alcohol, drugs and Substanc e abuse National Values, Cohesio n and Integrati on Road Safety Mainstreami	Place		the College
Corporate Image	To uphold and enhance the positive corporate image of ERTVC and improve visibility	Increased enrolment Service Charter CSR (Market Cleaning, ERTVC Farm Demonstrati on day)	Marketing Improved service delivery Market Cleaning Farming Demonstrati on	Eldama Ravine Technical and Vocational College corporate image enhanced

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#### VII. CORPORATE GOVERNANCE STATEMENT

The Eldama Ravine Technical and Vocational College is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholders, strengthens board of governors and management accountability and helps build public trust in the college.

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

The BOG has established Corporate Governance Guidelines which provide a framework for the effective governance of the College. The guidelines address matters such as the colleges' Vision and mission, overall strategy, members' responsibilities, BOG committee structure, recommendation of the Chief Executive Officer, Over-sighting the performance and evaluation of management. The BOG regularly reviews developments in corporate governance and updates the Corporate Governance Guidelines and other governance materials as it deems necessary and appropriate.

The college's corporate governance materials, including the Corporate Governance Guidelines, the College's legal order, the terms and reference for each BOG committee, the College's Codes of Business Conduct, information about how to report concerns about the college and the College's public policy engagement and technological contributions policy, can be accessed by visiting the college's website: <a href="https://www.ertvc.ac.ke">www.ertvc.ac.ke</a>.

The BOG members agreed in their meeting the BOG Chairman are paid sitting allowances of Ksh 13,000 and the ther members Ksh 8,000. In all their sittings there has been no conflict of interest.

The BOG contacts internal audit by engaging internal auditor of Eldoret National Polytechicals and gives maximum support and corperation Office of the Auditor General when it's conducting its functions in the institution.

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#### VIII.MANAGEMENT DISCUSSION AND ANALYSIS

1

The BOG submited their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the *college's* affairs.

The key project undertaken by the college is contract farming and farm and machinery day which are still in the pilot stage before they are fully implements as major sources of income in the college.

There is no major risk faced by the institution at the moment. The college ensures that their staffs contributes to the statutory deductions such as HELB, NHIF, NSSF etc The college ensure that all statutory deductions are remitted before 9th of the following month.

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#### IX.ENVIRONMENTAL AND SUSTAINABILITY REPORTING

ERTVC Observes the annual tree planting day by planting and taking care of trees within the institution. Every government guest is always accorded an opportunity to plant a tree

#### Environmental performance

ERTVC Observes the annual tree planting day by planting and taking care of trees within the institution. Every government guest is always accorded an opportunity to plant a tree

#### Employee welfare

Eldama Ravine Technical and Vocational College uses the Human Resource Document customized from the PSC Human Resource Policy to guide in the hiring process Eldama Ravine Technical and Vocational College Undertakes skills gap analysis/TNA and capacity builds employees based on the results. The management conducts employee appraisal and rewards. Eldama Ravine Technical and Vocational College Implements Health and safety rules and regulations as guided by the Ministry of Health and conduct annual public health inspection and implements the recommendations proposed immediately.

#### Market place practices-

- a) Eldama Ravine Technical and Vocational College ensures responsible competition practices by participating in Sports and Games organized by TVET, sending quarterly reports to EACC, Participating in internal departmental competitions fairly with respect to all competitors
- b) ERTVC advertises using posters, brochures, local media houses, public barazas, for a and online platforms like WhatsApp and Facebook and ensures to maintain ethical marketing practices.
- c) Eldama Ravine Technical and Vocational College students are guaranteed quality training from professional trainers and are assured of acquiring the right skills and knowledge on a timely basis.

#### Corporate Social Responsibility / Community Engagements

The college plans to carry out the following social responsibilities:

- a) Cleaning the Eldama Ravine Market on Scheduled Dates
- b) Conduct Farmers Demonstration Day on a scheduled date.

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

#### X.REPORT OF THE 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 the Eldama Ravine Technical and Vocational College's affairs.

#### Principal activities

The principal activities of the Eldama Ravine Technical and Vocational College are (continue to be) training and assessment of trainees.

#### Results

The results of the Eldama Ravine Technical and Vocational College for the year ended June 30 are set out on page 1 to 5

#### Auditors

The Auditor General is responsible for the statutory audit of the Eldama Ravine Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2021.

By Order of the Board

Eric K. Tanui

BOG Secretary Eldama Ravine

Date: 27/09/2021

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

#### XI.STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act,2013 require the Board members to prepare financial statements in respect of that Eldama Ravine Technical and Vocational College which give a true and fair view of the state of affairs of the Eldama Ravine Technical and vocational College at the end of the financial year/period and the operating results of the Eldama Ravine Technical and Vocational Institute for the year 2020/2021. The Board Members are also required to ensure that the Eldama Ravine Technical and Vocational College keeps proper accounting records which disclose with reasonable accuracy the financial position of the Eldama Ravine Technical and Vocational College. The Board members are also responsible for safeguarding the assets of the Eldama Ravine Technical and Vocational College.

The Board members are responsible for the preparation and presentation of the Eldama Ravine Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of the Eldama Ravine Technical and Vocational College for and as at the end of the financial year (period) 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; (iv) safeguarding the assets of the Eldama Ravine Technical and Vocational College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

Nothing has come to the attention of the Board members to indicate that Eldama Ravine 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

The Eldama Ravine Technical and Vocational College financial statements were approved by the Board on

and signed on its behalf by;

Signature

Signatura

Accounting Officer/Principal

Chairperson of the Board



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#### REPUBLIC OF KENYA

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NAIROBI

# REPORT OF THE AUDITOR-GENERAL ON ELDAMA RAVINE TECHNICAL AND VOCATIONAL 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 the 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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Eldama Ravine Technical and Vocational College set out on pages 1 to 53, which comprise of the statement of financial

position as at 30 June, 2021 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Eldama Ravine Technical and Vocational College as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational, Education and Training Act, 2013 and Public Finance Management Act, 2012.

#### **Basis for Qualified Opinion**

#### 1. Inaccuracies in the Financial Statements

#### 1.1 Inaccuracies in the Use of Goods and Services

The statement of financial performance reflects use of goods and services totalling Kshs.5,792,277 as reflected in Note 15 to the financial statements. However, the amount differs with the recomputed amount of Kshs.5,751,124. The resultant variance of Kshs.41,153 has not been explained or reconciled. Further, the statement of cash flows reflects use of goods and services amount of Kshs.6,215,277 while the amount disclosed in the statement of financial performance is Kshs.5,792,277 resulting to an unreconciled and unexplained variance of Kshs.423,000.

#### 1.2 Inaccuracies in the Current Portion of Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.6,994,809 which include student debtors balance of Kshs.6,869,809 as reflected in Note 27(a) to the financial statements. However, supporting documents such as student ledgers, invoices and statements were not provided for audit. Further, the aging analysis of the current portion of receivables from exchange transactions was not provided for audit.

### 1.3 Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.105,000. However, the balance does not include the value of land, buildings and one motor vehicle owned by the College. Further, ownership documents for the land and the motor vehicle were not provided for audit.

#### 1.4 Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects rendering services - student fees amount of Kshs.2,943,416 which vary with the amount of Kshs.4,297,710 reflected in the statement of financial performance resulting to an unreconciled and unexplained variance of Kshs.1,354,294.

Further the statement reflects property, plant, equipment and intangible assets balance of Kshs.105,000 which varies with the computed increase in property, plant and equipment and intangible assets balance of Kshs.30,000. The resultant variance of Kshs.75,000 has not been explained or reconciled.

#### 1.5 Inaccuracies in the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects total income performance difference of negative Kshs.2,713,170 instead of positive Kshs.2,713,170.

Further, the statement reflects total expenditure performance difference of negative Kshs.8,938,529 which varies with the computed difference of positive Kshs.8,515,529.

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

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

#### **Key Audit Matters**

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

#### Other Matter

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.11,252,880 and Kshs.8,539,710 and respectively resulting to an under-funding of Kshs.2,713,170 or 76% of the budget. Similarly, the College expended Kshs.9,130,857 against an approved budget of Kshs.17,646,386 resulting to an under-expenditure of Kshs.8,515,529 or 52% of the budget.

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

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

#### Conclusion

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

#### Basis for Conclusion

#### Failure to Deduct PAYE from Directors' Emoluments

The statement of financial performance reflects remuneration of Directors totalling Kshs.423,000 as disclosed in Note 17 to financial statements. However, Pay As You Earn (PAYE) was not deducted and remitted to the Kenya Revenue Authority contrary to Section 37 of the Income Tax Act CAP 470.

In addition, the Principal was irregularly paid sitting allowances totalling Kshs.16,000. This is contrary to Section 10(1) of the State Corporation Act CAP 446 which provides that the Chairman and members of a Board, other than the Chief Executive, shall be paid out of the funds of the State Corporation such sitting allowances or other remuneration as the Board may, within the scales of remuneration specified from time to time.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

#### Conclusion

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

#### **Basis for Conclusion**

#### 1. Lack of Internal Audit Function and Audit Committee

The College does not have a functional internal audit department and audit committee. Therefore, Management lacks complete and objective insight into the effectiveness of

their risk management, internal controls and governance processes as well as their evaluation and improvement thereof.

In the circumstances, the errors, mistakes and internal controls weaknesses will not be detected on time.

#### 2. Lack of Policy Documents

#### 2.1 Risk Management Policy

The College does not have in place a customized Risk Management Policy. There are no approved processes and guidelines on how to mitigate operational, legal and financial risks. Therefore, Management cannot identify significance of business risks and likelihood of their occurrence.

#### 2.2 Data Recovery Plan

The Management does not have a data recovery plan in place. The College handles crucial students and staff documents whose safety may not be guaranteed in case of a disaster.

#### 2.3 Operational Manuals

The College does not have manuals in place to help guide its operations on revenue, expenditure, assets, inventories, cash and liabilities.

#### 2.4 Lack of Integrated Enterprise Resource Planning System

The College also lacks an integrated system to help generate reports and to be able to link various Departments.

In the circumstances, the absence of strong internal controls is a risk to the proper management of resources of the College.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

#### Responsibilities of Management and Board of Governors

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

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.

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal controls that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

CPA Nancy Gathungu, CBS AUDITOR-GENERAL

Nairobi

09 September, 2022

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

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

	Notes	2020-2021	2018-2020
	1980 F20 T80 D	Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government - grants/ gifts in kind	6	4,085,000	500,000
Grants from donors and development partners	7	0	0
Transfers from other levels of government	8	0	0
Public contributions and donations	9	0	0
		4,085,000	500,000
Revenue from exchange transactions			
Rendering of services- Fees from students	10	4,297,710	17,846,900
Sale of goods	11	157,000	0
Rental revenue from facilities and equipment	12	0	0
Finance income - external investments	13	0	0
Other income	14	0	0
Revenue from exchange transactions		4,454,710	17,846,900
Total revenue		8,539,710	18,346,900
Expenses			
Use of goods and services	15	5,792,277	4,293,548
Employee costs	16	2,503,195	4,031,250
Remuneration of directors	17	423,000	421,9000
Depreciation and amortization expense	18	0	0
Repairs and maintenance	19	412,385	334,595
Contracted services	20	0	0
Grants and subsidies	21	0	0
Finance costs	22	0	0
Total expenses		9,130,857	9,081,293
Other gains/(losses)			
Gain on sale of assets	23	0	0
Unrealized gain on fair value of investments	24	0	0
Impairment loss	25	0	0
Total other gains/(losses)		0	0
Net Deficit for the year		(591,147)	9,265,607
Attributable to:		***************************************	
Surplus/(deficit) attributable to minority interest		0	0
Surplus attributable to owners of the controlling entity		0	0
		0	0

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

#### XIV.STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2021

THE REAL PROPERTY OF THE PARTY	Notes	2020-2021	2018-2020
MINISTER FRANCISCO EN EN MARIA DE MARIE	THE RESERVE OF THE PARTY OF THE	Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	26	1774451	3,738,140
Current portion of receivables from exchange transactions	27(a)	6,994,809	5,764,971
Investments	30	0	0
		8,769,260	9,503,111
Non-current assets			=
Property, plant and equipment	31	105,000	75,000
Investments	30	0	
Intangible assets	32	0	0
Investment property	33	0	0
Long term receivables from exchange transactions	27(b)	0	0
		0	0
Total assets		8,874,260	9,578,111
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	34	0	0
Refundable deposits from customers	35	199,800	82,900
Current Provisions	36	0	0
Finance lease obligation	37	-	0
Bank overdraft			610
Current portion of borrowings	41	0	0
Deferred income	38	0	0
Employee benefit obligation	39	0	0
Payments received in advance		0	228994
		199,800	312,504
Non-current liabilities			
Non-current employee benefit obligation	39	0	0
Non-current provisions	40	0	0
Borrowings	41	0	0
Service concession liability	42	0	0
Deferred tax liabilities	49	0	0
		0	0
Total liabilities		199,800	312,504
Net assets		8,674,460	9,265,607
Reserves		0	0
Accumulated surplus		8,674,460	9,265,607
Capital Fund		0	0
Total net assets and liabilities		8,874,260	9578111

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

Chairman of Council/Board of Governors

Finance Officer

Principal

ICPAK No 27292

Date ......25 07 2022

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

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

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	De Gr
At July 1, 2018	-	-	9,265,607	
Revaluation gain	-	-	-	
Fair value adjustment on quoted investments	-	-	-	
Total comprehensive income	-	-	-	
Capital/Development grants received during the year	-	-	-	
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	
At June 30, 2020	-	-	9,265,607	
At July 1, 2020	-	-	9,265,607	
Revaluation gain	-	-	-	
Fair value adjustment on quoted investments	-	-	-	
Total comprehensive income	-	-	(591,147)	
Capital/Development grants received during the year	-	-	-	
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	
At June 30, 2021	-	-	8,674,460	

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

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

		2020-2021	2018-2020
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants		4,085,000	500,000
Public contributions and donations		-	-
Rendering of services- Fees from students		2,943,416	13,932,700
Sale of goods		-	190
Rental revenue from facilities and equipment		-	5.53
Finance income			-
Other income		-	-
Total Receipts		7,028,416	14,432,700
Payments			
Employees cost		2,503,195	4,031,250
Use of goods and services		6,215,277	4,715,448
Finance cost		-	-
Repair and maintenance		412,385	334,595
Taxation paid		-	-
Other payments		-	×#.
Grants and subsidies paid		-	-
Total Payments		9130857	9,081,293
Net cash flows from operating activities	43	(2,102,441)	5,351,407
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	S	105,000	75,000
Proceeds from sale of property, plant and equipment			
Decrease in non-current receivables		-	
Increase in investments		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	_
Increase in deposits		-	-
Net cash flows used in financing activities			-
Net increase/(decrease) in cash and cash equivalents		(3,257,406)	5,276,407
Cash and cash equivalents at 1 JULY	26	3,738,140	3,738,140
Cash and cash equivalents at 30 JUNE	26	1,774,451	3,738,140

(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).

### ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

XVII.STATEMENT OF COMPARISON OF	BUDGET AND	ACTUAL.	AMOUNTS F	OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021	ED 30 JUNE	2021
	Original backet justments	justineuts	Final budget	Actual on comparable Performane basis e difference	Performanc e difference	Utilisation Difference
	2020-20212020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from Govt grants	2,000,000		2,000,000	4,085,000	2,085,000	104%
Public contributions and donations	1		1	1	0	
Rendering of services- Fees from students	9,252,880	1.	9,252,880	4,297,710	-4,955,170	-54%
Sale of goods		,	1	157,000	157,000	
Finance Income		•	1	L		
Other Income	1	•	1			1
Gains on disposal, rental income and agency fees	1.	•	1			
Total income	11,252,880	,	11,252,880	8,539,710	-2,713,170	-24%
Expenses						
Employees cost	3,332,400		3,332,400	2,503,195	-829,205	-25%
Use of Goods and services	13,292,986	10	13,292,986	5,792,277	-7,500,709	-56%
Repair and maintenance	1,021,000	•	1,021,000	412,385	-608,615	%09-
Remuneration of directors	-	*	1	423,000	0	t
Grants and subsidies paid					0	1
Total expenditure	17,646,386.00	10	17,646,386	9,130,857	-8,938,529	-51%
Surplus for the period	-6,393,506		-6,393,506	-591,147	6,225,359	

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

### XVIII. NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

- Eldama Ravine Technical and Vocational College is established by and derives its authority and accountability from PFM Act, the State Corporations Act and the TVET Act.
- 3.
- The Eldama Ravine Technical and Vocational College's principal activity is to provide quality training in technical, industrial, vocational and entrepreneurship.

### 5. 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 Eldama Ravine Technical and Vocational College 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 5

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Eldama Ravine Technical and Vocational College.

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

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. ADOPTION OF NEW AND REVISED STANDARDS

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

Standard	Impact
Other Improvements to IPSAS	Applicable: 1st January 2021:  a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.
	b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.
	c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.
	d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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	Applicable: 1st January 2023: 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:
	<ul> <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> </ul>
	•Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
	<ul> <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>
IPSAS 42: Social Benefits	Applicable: 1st January 2023  The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:  (a) The nature of such social benefits provided by the entity;  (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<ul> <li>Applicable: 1st January 2023:</li> <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>

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

### iii. Early adoption of standards

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

### 7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Revenue recognition

### 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.

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

### Dividends

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

### 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 2020/2021 was approved by the Board on 30/06/2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The Eldama Ravine Technical and Vocational College'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 13 of financial provisions of TVET Act no .29 of 2013 of these financial statements.

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### c) Taxes

### Current income tax

Eldama Ravine Technical and Vocational College is exempted from paying taxes as per 1st schedule subsection (a) and (b) of the income tax Act 2010.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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.

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### f) Leases

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

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

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

### g) Intangible assets

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

### h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period

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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.

### 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:

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### 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

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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.

### I) 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

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construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

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### 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.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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 mate

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6(a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2020-2021	2018-2020
	KShs	KShs
Unconditional grants		
Capitation grants	2,585,000	-
Operational grant	1,500,000	500,000
Other grants	-	
	4,085,000	500,000

### (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.	Total grant income during the year	2020-2021 KShs
Education Ministry/State Department			KSIIS	Kolis	KSIIS
Education Ministry	4,085,000	0	0	4,085,000	500000
Total	4,085,000	0	0	4,085,000	500000

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. GRANTS FROM DONORS AND DEVELOPMENT PARTNERS

Description	2020-2021	2018-2020
	KShs	KShs
ЛСА- Research grant	xxx	xxx
World Bank grants	xxx	XXX
In-kind Donations	XXX	XXX
Other grants	XXX	XXX
Total grants from development partners	xxx	xxx

### Reconciliations of grants from donors and development partners

Description	2020-2021	2018-2020
	KShs	KShs
Balance unspent at beginning of year	xxx	xxx

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Current year receipts	xxx	XXX
Conditions met - transferred to revenue	xxx	XXX
Conditions to be met - remain liabilities	xxx	xxx

### 8. TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2020-2021	2018-2020
	KShs	KShs
	xxx	XXX
Transfer from County xxx		
Transfer from xxx University	xxx	XXX
Transfer from xxx institute	xxx	XXX
Total Transfers	xxx	xxx

### 9. PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2020-2021	2018-2020
	KShs	KShs
Public donations	xxx	XXX
Donations from local leadership	xxx	XXX
Donations from religious institutions	xxx	XXX
Donations from alumni	xxx	XXX
Other donations	xxx	XXX
Total donations and sponsorships	xxx	xxx

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10. REVENUE FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2018-2020
	K8hs	KShs
Tuition fees	3,210,500	10,02,6930
COMPUTER PACKAGES	0	59,500
DRIVING	0	2,652,000
Examination fees	684,010	788,970
TVET CDACC	0	178,400
NITA	0	3,231,700
Admission Fees	403,200	909,400
Farm income	157,000	0
Total revenue from the rendering of services	4,454,710	17,846,900

### 11. SALE OF GOODS

Description	2020-2021	2018-2020
	KShs	KShs
Sale of goods		
Sale of books	xxx	XXX
Sale of publications	xxx	XXX
Sale of farm produce	xxx	xxx
Cafeteria	xxx	XXX
Other(include in line with your organisation)	xxx	XXX
Total revenue from the sale of goods	xxx	xxx

### 12. HIRE OF FACILITIES AND EQUIPMENT

Description	2020-2021	2018-2020
	KShs	KShs
Hire of facilities and equipment		
Contingent rental	xxx	XXX
operating lease revenue		
Total	xxx	xxx

### 13. FINANCE INCOME

Description	2020-2021	2018-2020
	KShs	KShs
Cash investments and fixed deposits	xxx	XXX
Interest income from Treasury Bills	XXX	XXX
Interest income from Treasury Bonds	XXX	XXX
Interest from outstanding debtors	XXX	XXX
Total finance income	xxx	XXX

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 14. OTHER INCOME

Description	2020-2021	2018-2020
	KShs	KShs
Insurance recoveries	xxx	XXX
Consultancy fees	xxx	xxx
Income from sale of tender	xxx	XXX
Services concession income	xxx	XXX
Reimbursements and refunds	xxx	XXX
Graduation fees	xxx	xxx
Miscellaneous (Specify)	xxx	XXX
Total other income	xxx	xxx

### 15. USE OF GOODS AND SERVICES

Description	3020-2021	2018-2020
	KShs	KShs
Electricity water &conservation	236,030	100,414
Stationary	547390	577,657
Examination fees	2,029,340	387,076
Travelling and accommodation	1,079,557	473,300
Insurance	11,792	0
Development	120,000	1,491,220
Attachment	102,200	2,600
Tender	11,500	0
Student ID	25,000	0
Student welfare	145,000	0
Farm expenses	70,485	267,30
Administrative cost	756,460	876,246
Performance Contracting	133,270	
Strategic Plan	306,000	
Marketing	163,100	61,500
Bank charges	14,000	9,565
Office expenses	0	211170
Activity	0	31,300
Driving	0	6,500
Total good and services	5,792,277	4,293,548

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 16. EMPLOYEE COSTS

	2020-2021	2018-2020
	KShs	KShs
Salaries and wages	2,503,195	4,031,250
Employee related costs - contributions to pensions and medical aids	0	0
Employee costs	2,503,195	4,031,250

### 17. REMUNERATION OF DIRECTORS

Description	2020-2021	2018-2020
	KShs	KShx
Chairman's Honoraria	0	0
Directors emoluments	423,000	421,900
Other allowances	0	0
Total director emoluments	423,000	421,900

### 18. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2018-2020
	KShs William	KSlis
Property, plant and equipment	xxx	XXX
Intangible assets	xxx	XXX
Investment property carried at cost	xxx	XXX
Total depreciation and amortization	xxx	xxx

### 19. REPAIRS AND MAINTENANCE

Description	2020-2021	2018-2020
	KNhs	KShs
Property	412,385	334,595
Investment property – earning rentals	0	0
Total repairs and maintenance	412,385	334,595

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 20. CONTRACTED SERVICES

Description	2020-2021	2018-2020
<b>多类型型为企业的工作的企业</b>	KShs	KShs
Actuarial valuations	xxx	xxx
Investment valuations	xxx	xxx
Property valuations	xxx	XXX
Total contracted services	xxx	xxx

### 21. GRANTS AND SUBSIDIES

Description	2020-2021	2018-2020
	KShs	KShs
Community development	xxx	xxx
Education initiatives and programs	xxx	xxx
Social development	xxx	xxx
Community trust	xxx	XXX
Sporting bodies	xxx	xxx
Total grants and subsidies	xxx	xxx

### 22. FINANCE COSTS

Description	2020-2021	2018-2020	
	KShs	KShs	
Borrowings (amortized cost)*	xxx	XXX	
Finance leases (amortized cost)	xxx	xxx	
Unwinding of discount	xxx	XXX	
Interest on Bank overdrafts	xxx	XXX	
Interest on loans from commercial banks	xxx	XXX	
Total finance costs	xxx	xxx	

### 23. GAIN ON SALE OF ASSETS

Description	2020-2021	2018-2020
Linear Control of the Spirit o	KShs	KShs
	xxx	XXX
Property, plant and equipment	xxx	xxx
Intangible assets	xxx	xxx
Other assets not capitalised	xxx	XXX
Total gain on sale of assets	xxx	xxx

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 24. UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

Total gain	XXX	XXX
Investments at fair value	xxx	XXX
	KShs	KShs
Description	2020-2021	2018-2020

### 25. IMPAIRMENT LOSS

Description	2020-2021	2018-2020	
	KShs	KShs	
Property, plant and equipment	xxx	Xxx	
Intangible assets	xxx	Xxx	
Total impairment loss	xxx	Xxx	

### 26. CASH AND CASH EQUIVALENTS

Description	2020-2021	2018-2020
PERSONAL BUILDINGS AND SEAL SHAPE OF THE SEAL SH	KShs	KShs
Current account	2,943,416	3,738,140.00
On - call deposits	0	0
Total cash and cash equivalents	2,943,416	3,738,140.00

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

		2020-2021	2018-2020
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1285703464	523,454	0
Equity Bank, etc	1310276606399	1,201,851	3,185,760
Access bank	0280100000080	17,593	522,640
Access bank	0280230001084	0	(610)
Sub- total		1,742,898	3,707,790
cash in hand		31,553	29,740
Sub- total		31,553	29,740
Grand total		1,774,451	3,738,140

### 27. RECEIVABLES FROM EXCHANGE TRANSACTIONS

### 27(a) Current Receivables from Exchange Transactions

Description	2020-2021	2018-2020
	KShs	KShy
Current receivables		
Student debtors	6,869,809	5,599,971
Other receivables; salary advance (within 1 year)	125,000	165,000
Total current receivables	6,994,809	5,764,971

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 27(b) Long-term Receivables from Exchange Transactions

Description	2020-2021	2018-2020	
	KShs	KShs	
Non-current receivables			
Refundable deposits	199,800	82,900	
Advance payments	0	228,994	
Total receivables	199,800	311,894	

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

Description	2020-2021	2018-2020	
	KShs	KShs	
At the beginning of the year	xxx	XXX	
Provisions during the year	xxx	xxx	
Recovered during the year	(xxx)	(xxx)	
Write offs during the year	(xxx)	(xxx)	
At the end of the year	xxx	XXX	

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 29. INVENTORIES

Description	2020-2021	2018-2020	
	KShx	KSbs	
Consumable stores	xxx	XXX	
Maintenance stores	XXX	xxx	
Health unit stores	xxx	XXX	
Electrical stores	xxx	XXX	
Cleaning materials stores	xxx	XXX	
Catering stores	xxx	XXX	
Total inventories at the lower of cost and net realizable value	xxx	xxx	

### 30. INVESTMENTS

De	scription	2020-2021	2018-2020
		KShs	KShs
a)	Investment in Treasury bills and bonds		
	Financial institution		
	CBK	xxx	xxx
	CBK	xxx	xxx
	Sub- total	xxx	xxx
b)	Investment with Financial Institutions/ Banks		
	Bank x	xxx	xxx
	Bank y	xxx	xxx
	Sub- total	xxx	Xxx
c)	Equity investments (specify)		
,,,,	Equity/ shares in company xxx	xxx	Xxx
	Sub- total	xxx	Xxx
	Grand total	xxx	Xxx

### d) Shareholding in other entities

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

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

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

	xxx	xxx	xxx	XXX	XXX	XXX
Entity D	XXX	xxx	xxx	XXX	XXX	XXX
Entity C	XXX	xxx	XXX	XXX	XXX	XXX

## ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 31. PROPERTY, PLANT AND EQUIPMENT

	Biological
Cost	Sus
At 1July 2018	75,000
Additions	0
Disposals	0
Transfers/adjustments	0
At 30th June 2020	75,000
Additions	30,000
Disposals	
Transfer/adjustments	
At 30th June 2021	105,000
Depreciation and impairment	0
At 1July 2020	0
Depreciation	0
Impairment	0
At 30 June 2021	0
Depreciation	0
Disposals	•
Impairment	1
Transfer/adjustment	•
At 30th June 2021	105,000
Net book values	
At 30 June 2021	105,000
At 30 June 2020	75,000

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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:

	Cost	Accumulated	NBV
		Depreciation	
	Kshs	Kshs	Kshs
Land	XXX	XXX	XXX
Buildings	XXX	XXX	XXX
Plant and machinery	XXX	XXX	XXX
Motor vehicles, including motorcycles	XXX	XXX	XXX
Computers and related equipment	XXX	XXX	XXX
Office equipment, furniture, and fittings	XXX	XXX	XXX
Total	XXX	XXX	XXX

### 32. INTANGIBLE ASSETS-SOFTWARE

Description	2020-2021	2018-2020	
	KShs	KShs	
Cost			
At beginning of the year	xxx	xxx	
Additions	xxx	xxx	
At end of the year	xxx	XXX	
Additions-internal development	xxx	xxx	
At end of the year	xxx	XXX	
Amortization and impairment			
At beginning of the year	xxx	xxx	
Amortization	xxx	xxx	
At end of the year	xxx	xxx	
Impairment loss	xxx	xxx	
At end of the year	xxx	xxx	
NBV	xxx	XXX	

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 33. INVESTMENT PROPERTY

Description	2020-2021	2018-2020
	KShs	KShs
At beginning of the year	xxx	xxx
Additions	xxx	XXX
Disposal during the year	(xxx)	(xxx)
Depreciation	(xxx)	(xxx)
Impairment	(xxx)	(xxx)
At end of the year	xxx	xxx

### 34. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	201,8-2020
	KShs	KShs
Trade payables	xxx	XXX
Fees paid in advance	xxx	XXX
Employee advances	xxx	XXX
Third-party payments	XXX	XXX
Other payables	xxx	XXX
Total trade and other payables	xxx	xxx

### 35. REFUNDABLE DEPOSITS FROM CUSTOMERS/PAYMENT RECEIVED IN ADVANCE

Description	2020-2021	2018-2020	
	KShs	KShs	
Fees received in advance	0	228,994	
Caution money	199,800	82,900	
Total deposits	199,800	311,894	

### 36. CURRENT PROVISIONS

Description	Leave provision	Bonus	Gratuity Provisions	Other	Total
	KShs	KShs	KShs	KSbs	KShs
Balance at the beginning of the year	xxx	xxx	xxx	Xxx	xxx
Additional Provisions	xxx	XXX	xxx	Xxx	xxx
Provision utilised	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Change due to discount and time value for money	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Transfers from non -current provisions	xxx	xxx	xxx	Xxx	XXX

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

Total provisions	xxx	xxx	xxx	Xxx	xxx
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### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 38. FINANCE LEASE OBLIGATION

Description	2020-2021	2018-2020
THE STATE OF THE S	KShs	KShs
At the start of the year	xxx	Xxx
Discount interest on lease liability	xxx	Xxx
Paid during the year	(xxx)	(xxx)
At end of the year	xxx	Xxx

### **Maturity Analysis**

Period	Amount
Year 1	xxx
Year 2	xxx
Year 3	xxx
Year 4	xxx
Year 5 and onwards	xxx
Less: Unearned interest	(xxx)
	xxx

### Analysed as:

Description	Amount
Current	XXX
Non- Current	xxx
Total	xxx

### 38. DEFERRED INCOME

Description	2020-2021	2018-2020
	KShs	KShs
National government	xxx	XXX
International funders	xxx	xxx
Public contributions and donations	xxx	xxx
Total deferred income	xxx	xxx

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

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### The deferred income movement is as follows:

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

### 39. EMPLOYEE BENEFIT OBLIGATIONS

Description	Defined benefit plan	Post- employment medical benefits	Other Provisions	2020- 2021	2018-2020
	KShs	KShs	KShs	KShs	KShs
Current benefit obligation	xxx	XXX	XXX	XXX	xxx
Non-current benefit obligation	xxx	xxx	xxx	xxx	xxx
Total employee benefits obligation	xxx	xxx	xxx	xxx	xxx

### Retirement benefit Asset/ Liability

The entity operates a defined benefit scheme for all full-time employees from July 1, 20XX. The scheme is administered by xxx while xxx 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:

	20xx-20xx	20xx-20xx
	Kshs	Kshs
Discount rates	X%	X%
Future salary increases	X%	X%
Future pension increases	X%	X%
Mortality (Pre- retirement)	X%	X%
Mortality (Post- retirement)	X%	X%
Withdrawals	xx	Xx

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

Ill health	xx	xx
Retirement	Xx years	Xx years

### 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	2018-2020
Description	Kshs	Kshs
The return on defined plan assets	XXX	XXX
Actuarial gains/ losses arising from changes in demographic assumptions	XXX	XXX
Actuarial gains/ losses arising from changes in financial assumptions	XXX	XXX
Actuarial gains and losses arising from experience adjustments	XXX	XXX
Others (Specify)	XXX	XXX
Adjustments for restrictions on the defined benefit asset	XXX	XXX
Remeasurement of the net defined benefit liability (asset)	XXX	XXX

### b) Amounts recognised in the Statement of Financial Position

	2020-2021	2018-2020
Description	Kshs	Kshs
Present value of defined benefit obligations(a)	XXX	XXX
Fair value of plan assets(b)	(XXX)	(XXX)
Funded Status(=a-b)	XXX	XXX
Restrictions on asset recognised	XXX	XXX
Others	XXX	XXX
Net Asset or liability arising from defined benefit obligation	XXX	XXX

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.

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 40. NON-CURRENT PROVISIONS

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
West to Estate 105 mark	KShs		KShs	KShs	KShs
Balance at the beginning of the year	xxx	XXX	xxx	xxx	XXX
Additional Provisions	XXX	XXX	XXX	xxx	XXX
Provision utilised	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Change due to discount and time value for money	xxx	xxx	xxx	xxx	Xxx
Less: Current portion	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Total deferred income	XXX	XXX	XXX	xxx	Xxx

### 41. BORROWINGS

Description	2020-2021	2018-2020
	KShs	KShs
Balance at beginning of the year	XXX	XXX
External borrowings during the year	XXX	XXX
Domestic borrowings during the year	XXX	XXX
Repayments of external borrowings during the year	(xxx)	(xxx)
Repayments of domestic borrowings during the year	(xxx)	(xxx)
Balance at end of the year	xxx	xxx

### 41 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS

	2020-2021	2018-2020
	KShs	KShs
External Borrowings		
Dollar denominated loan from 'xxx organisation'	xxx	XXX
Sterling Pound denominated loan from 'yyy organisation'	xxx	xxx
Euro denominated loan from zzz organisation'	xxx	XXX
Domestic Borrowings		
Kenya Shilling loan from KCB	xxx	XXX
Kenya Shilling loan from Barclays Bank	xxx	XXX
Kenya Shilling loan from Consolidated Bank	xxx	XXX
Total balance at end of the year	xxx	xxx

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



### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Description	2020-2021	2018-2020
Control of the Contro	KShs	KShs
Short term borrowings(current portion)	xxx	XXX
Long term borrowings	xxx	XXX
Total	xxx	xxx

### 42. SERVICE CONCESSION ARRANGEMENTS

Description	2020-2021	2018-2020
	KShs	KShs
Fair value of service concession assets recognized under PPE	xxx	xxx
Accumulated depreciation to date	(xxx)	xxx
Net carrying amount	xxx	xxx
Service concession liability at beginning of the year	xxx	XXX
Service concession revenue recognized	(xxx)	(xxx)
Service concession liability at end of the year	xxx	xxx

### 43. CASH GENERATED FROM OPERATIONS

	2020-2021	2018-2020
Surplus for the year before tax	KShs	KShs
Adjusted for:		
Depreciation	xxx	xxx
Non-cash grants received	(xxx)	(xxx)
Contributed assets	(xxx)	(xxx)
Impairment	xxx	xxx
Gains and losses on disposal of assets	(xxx)	(xxx)
Contribution to provisions	XXX	xxx
Contribution to impairment allowance	xxx	xxx
Finance income	(xxx)	(xxx)
Finance cost	xxx	xxx
Working Capital adjustments		
Increase in inventory	(xxx)	(xxx)
Increase in receivables	(xxx)	(xxx)
Increase in deferred income	XXX	XXX
Increase in payables	xxx	XXX
Increase in payments received in advance	xxx	xxx
Net cash flow from operating activities	xxx	xxx

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 8. 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
At 30 June 2020	ALC TO DESCRIP			
Receivables from exchange transactions	17,846,900	17,846,900	0	0
Receivables from non-exchange transactions	500,000	500,000	0	0
Bank balances	3,737,530	3,737,530	0	0
Total	22,084,430	22,084,430	xxx	xxx
At 30 June 2021				-
Receivables from exchange transactions	4,454,710	4,454,710	xxx	xxx
Receivables from non-exchange transactions	4,085,000	4,085,000	xxx	xxx
Bank balances	1,774,451	1,774,451	xxx	XXX
Total	10,314,161	10,314,161	xxx	xxx

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

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Trade payables	xxx	xxx	xxx	XXX
Current portion of borrowings	xxx	xxx	xxx	XXX
Provisions	xxx	xxx	xxx	XXX
Deferred income	xxx	xxx	xxx	XXX
Employee benefit obligation	xxx	xxx	xxx	XXX
Total	xxx	xxx	xxx	xxx
At 30 June 2021				
Trade payables	XXX	XXX	XXX	XXX
Current portion of borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	XXX
Deferred income	XXX	XXX	xxx	XXX
Employee benefit obligation	XXX	XXX	XXX	XXX
Total	xxx	xxx	xxx	xxx

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued) 44. FINANCIAL RISK MANAGEMENT (Continued)

### (iii) Market risk

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

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

### a) Foreign currency risk

The college 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
At 30 June 2021			
Financial assets (investments, cash, debtors)	xxx	xxx	xxx
Liabilities			
Trade and other payables	XXX	xxx	XXX
Borrowings	xxx	xxx	XXX
Net foreign currency asset/(liability)	xxx	xxx	XXX

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

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

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 44. FINANCIAL RISK MANAGEMENT (Continued)

- (iii) Market risk (Continued)
  - a) Foreign currency risk (Continued)

	Ksh	sh Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2021			
Financial assets(investments, cash ,debtors)	xxx	xxx	XXX
Liabilities			
Trade and other payables	XXX	xxx	XXX
Borrowings	XXX	xxx	XXX
Net foreign currency asset/(liability)	xxx	xxx	XXX

### 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
2020			
Euro	10%	xxx	Xxx
USD	10%	xxx	Xxx
2021			
Euro	10%	xxx	Xxx
USD	10%	xxx	Xxx

### 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.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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 xxx (2016: KShs xxx ). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (2020 – KShs xxx)

### 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	2018-2020
	Kshs	Kshs
Revaluation reserve	xxx	Xxx
Retained earnings	xxx	Xxx
Capital reserve	xxx	Xxx
Total funds	xxx	Xxx
Total borrowings	xxx	Xxx
Less: cash and bank balances	(xxx)	(xxx)
Net debt/(excess cash and cash equivalents)	xxx	Xxx
Gearing	xx%	xx%

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 9. 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 *collgss* 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) Xxx;
- iv) Xxx;
- v) Xxx;
- vi) Key management;
- vii) Board of directors;

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

	2020-2021	2018-2020
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to Govt agencies	XXX	XXX
Rent Income from govt. agencies	XXX	XXX
Water sales to Govt. agencies	XXX	XXX
Others (Specify)	XXX	XXX
Total	XXX	XXX
b) Purchases from related parties		
Purchases of electricity from KPLC	XXX	XXX
Purchase of water from govt service providers	XXX	XXX
Rent expenses paid to govt agencies	XXX	XXX
Training and conference fees paid to govt. agencies	XXX	XXX
Others (specify)	XXX	XXX
Total	XXX	XXX
b) Grants/Transfers from the Government		
Grants from National Govt	XXX	XXX
Grants from County Government	XXX	XXX
Donations in kind	XXX	XXX
Total	XXX	XXX
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	XXX	XXX
Payments for goods and services for xxx	XXX	XXX
Total		
d) Key management compensation		

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	2020-2021	2018-2020
	Kshs	Kshs
Directors' emoluments	XXX	XXX
Compensation to key management	XXX	XXX
Total	XXX	XXX

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 10. SEGMENT INFORMATION

### 11. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

### **Contingent Assets**

	2020-2021	2018-2020
	Kshs	Kshs
Contingent assets		
Insurance reimbursements	xxx	XXX
Assets arising from determination of court cases	xxx	Xxx
Reimbursable indemnities and guarantees	XXX	Xxx
Others (Specify)	XXX	XXX
Total	xxx	Xxx

### **Contingent Liabilities**

	2020-2021 Kshs	2019-2020
是Constitution和Amenatal Experience		Kshs
Contingent liabilities	xxx	Xxx
Court case xxx against the entity	xxx	Xxx
Bank guarantees in favour of subsidiary	xxx	Xxx
Contingent liabilities arising from contracts including PPPs	xxx	Xxx
Others (Specify)	xxx	Xxx
Total	xxx	Xxx

### 12. CAPITAL COMMITMENTS

Capital commitments	2020-2021	2019-2020
	Kshs	Kshs
Authorised for	xxx	xxx
Authorised and contracted for	xxx	xxx
Total	xxx	xxx

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

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 13. 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	2019-2020
Constitution of the Consti	Kshs	Kshs
Accelerated capital allowances	XXX	XXX
Unrealised exchange gains/(losses)	XXX	XXX
Revaluation surplus	XXX	XXX
Tax losses carried forward	(XXX)	(XXX)
Provisions for liabilities and charges	(XXX)	(XXX)
Net deferred tax liability/(asset)	XXX	XXX
The movement on the deferred tax account is as follows:		
Balance at beginning of the year	XXX	XXX
Credit to revaluation reserve	(XXX)	(XXX)
Under provision in prior year	XXX	XXX
Income statement charge/(credit)	XXX	XXX
Balance at end of the year	XXX	XXX

### EVENTS AFTER THE REPORTING PERIOD

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

### 14. 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.

### 15. CURRENCY

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



ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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)

Accounting Officer

Name .

Edama Ravine Technical and Vocational College

ne K. Tanni

Signature

Date.



ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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

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

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

### APPENDIX III: INTER-ENTITY TRANSFERS

	ENTITY NAME:			
	Break down of Tran	sfers from the State D	epartment of M.o.E	
	FY 2020/2021			5.0
				SE Se
a.	Recurrent Grants			
		Bank Statement	Amount (Kshs)	Indicate the FY to which the amounts relate
		27/11/2020	500,000	2019/2020
		16/12/2020	727,500	2019/2020
		25/2/2021	725,500	2020/2021
		5/3/2021	500,000	2020/2021
		21/6/2021	630,000	2020/2021
		21/6/2021	500,000	2020/2021
		Total	4,085,000	

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

Finance Manager
Eldama Ravine TVC

Head of Accounting Unit Education Ministry

Sign Total

Sign-----

# ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

# APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

100	Date received				Where F	Where Recorded/recognized	gnized		
Name of the MDA/Donor Transferring the funds	as per bank statement	Nature: Recurrent/Develo pment/Others	Total Amount	Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	Transfers during the Year
Ministry of Education	27/11/2020	Operation a/c	200,000	,	r.	i.	•	r	500,000
Ministry of Education	16/12/2020	Operation a/c	727,500		ř	1		r	727,500
Ministry of Education	25/2/2021	Operation a/c	725,500	•		1	1	T	725,500
Ministry of Education	5/3/2021	Operation a/c	200,000	•	310	1	•	1	500,000
Ministry of Education	21/6/2021	Operation a/c	630,000	1	-		1		630,000
Ministry of Education	21/6/2021	Operation a/c	500,000	•		1	•	•	500,000
Total	Total		4,085,000	1	10	T.	ř.	10	4,085,000