


REPUBLIC OF KENYA



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CLERK-AT THE-TABLE:	VIVIAN KAMBU	

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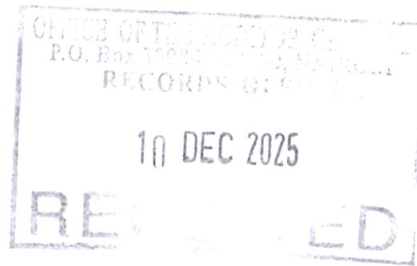
OF

THE AUDITOR-GENERAL

ON

**NDARAGWA TECHNICAL AND VOCATIONAL
COLLEGE**

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



NDARAGWA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
P.E	Personal Emolument
LTT	Local Transport & Travel
EWC	Electricity, Water & Conservancy
RMI	Repairs, Maintenance and Improvement
NHIF	National Hospital Insurance Fund
NSSF	National Social Security Fund
KUCCPS	Kenya Universities and Colleges Central Placement Service
TVET	Technical Vocational Education and Training

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Ndaragwa Technical and Vocational College is located in Leshau Pondo ward, Nyandarua North sub-county in Nyandarua County. The college is situated along Nyeri-Nyahururu road near Kamukunji Trading Centre approximately 80km from Nyeri or 20km from Nyahururu. The college was established under the TVET Act 2013 and started operations in January 2021. The college is domiciled in Kenya and has no branches. The College is under the Ministry of Education.

(b) Principal Activities

The principal activity of Ndaragwa TVC is to equip learners with knowledge and skills in vocational training to enable them become self - reliant and active participants in the country's economic growth.

i. Vision

To be a centre that delivers relevant technological training, enables innovation, and contributes to Kenya's industrial development.

ii. Mission

To be a “factory” of young graduates who build and apply technology to build things that Kenyans need.

iii. Strategic Objectives

- To produce competent and competitive workforce
- To provide adequate infrastructure for quality service delivery
- To develop innovative products that will meet the needs of the community.
- To enhance trainee welfare
- To improve organizational performance

(c) Key Management

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

- Board of Governors
- Accounting officer/ Principal
- Management

Key Entity Information and Management (Continued)

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Margaret Muthoni Njega
2.	Deputy Principal-Academics	Nahashon Chege Kanyi
3	Deputy Principal-Administration	Rose Njeri Ngatia
4	Registrar	George Gachuho Mugambi
5	Dean	Joshua Mwaura Kamau
6	Accountant	Samuel Macharia Kariuki

(e) Fiduciary Oversight Arrangements

Academic & Infrastructure Board Committee:

The Committee monitor the curriculum implementation and academic performance of the College and the infrastructural needs of the college.

Finance, Planning and Human Resource Board Committee:

The Committee is appointed by the Board to oversee the formulation and implementation of the budget, strategic plan and the human resource management matters including recruitment and discipline of staff.

Risk, Audit and Risk Management Committee:

The committee monitor the integrity of the financial statements of the College, review the College's internal financial controls systems and oversee the internal audit function.

Senior Management:

Senior management comprise of Principal, Deputy Principal, Registrar and the Accountant. The senior management is appointed by the Principal in consultation with the Board and are responsible in the overall running of the College.

Middle Level Management:

The middle level management report direct to the senior management. They comprise of Head of Departments and Head of Clubs such as Drama and football. The management is responsible in day to day running of their departments and sections.

Key Entity Information and Management (Continued)

(f) Entity Headquarters

P.O. Box 5-20306
Nyeri-Nyahururu Road
NDARAGWA, KENYA

(g) Entity Contacts

Telephone: (254) 798042246
E-mail: ndaragwatvc2@gmail.com
Website: www.ndaragwatvc.ac.ke

(h) Entity Bankers

Kenya Commercial Bank
P.O. Box 164-20300
Nyahururu

(i) Independent Auditors




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

(j) Principal Legal Adviser



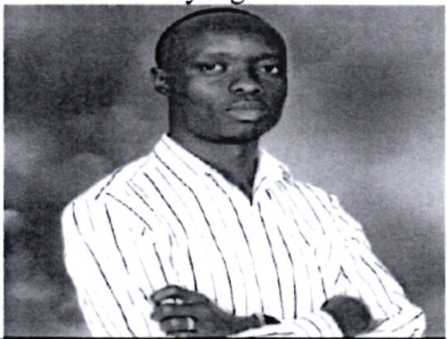

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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3.The Board of Governors

<i>SN.</i>	<i>Member</i>	<i>Details</i>
1.	<p>Ignatius Wambugu Thige</p> 	<ul style="list-style-type: none"> ➤ He is the chairman to the board ➤ Date of birth 26th September, 1972 ➤ Highest Qualification - MBA ➤ Work Experience – CEO at Fast mobile connections (K) Ltd.
2.	<p>Jane Wangari Wanjeru</p> 	<ul style="list-style-type: none"> ➤ She is the chairperson to the Finance, HR and planning committee. ➤ Date of birth: 15th May, 1986 ➤ Highest Qualification – MBA-Accounting, CPA ➤ Work Experience –16 years’ experience in accounting and finance in different institutions public and private, knbs, Amica Sacco, Tambulika Sacco, partner of Njoroge Njeri Mwangi and associate, conduct private consultancy at Learn together financial consultant.
3.	<p>Richard Mwangi Gatembu</p> 	<ul style="list-style-type: none"> ➤ He is the chairman of Academic & Infrastructure committee ➤ Date of birth 30th September, 1970 ➤ Highest Qualification - Masters in Sociology Education ➤ Work Experience - Administration and management of TVET programs as well as professional programs in the Institute of Technical and Professional Studies, Dedan Kimathi University of Technology.
4.	<p>Peter Munyiri Wothaya</p>	<ul style="list-style-type: none"> ➤ He is the chairman of Audit and Risk Management committee ➤ Date of birth 24th July, 1995

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		<ul style="list-style-type: none"> ➤ Highest Qualification – BA - Economics ➤ Work Experience – 5yrs
5.	<p>James Kibet Arap Too</p> 	<ul style="list-style-type: none"> ➤ He is a member of the Finance, HR and Planning committee ➤ Date of birth 21st January, 1966 ➤ Highest Qualification - BSc Agricultural Engineering ➤ Work Experience – He is an executive director , Bilat Fodder Masters (BFM)
6.	<p>Felix Juma Onyango</p> 	<ul style="list-style-type: none"> ➤ He is a member of the Finance, HR and planning committee. ➤ Date of birth 16th July, 1989 ➤ Highest Qualification -Bsc Software Engineering. ➤ Work Experience – He is an IT Consultant at M-Shamba Mobile Limited (STL)
7.	<p>Diana Waithanji</p> 	<ul style="list-style-type: none"> ➤ She is a member of Audit and Risk Management committee ➤ Date of birth - 12th January, 1996 ➤ Highest Qualification – Bachelor’s Degree in IT ➤ Work Experience – 8 yrs
8.	<p>Peter Kaume</p>	<ul style="list-style-type: none"> ➤ He is the Nyandarua County Director TVET ➤ He is a member of the Academic & Infrastructure committee ➤ Date of birth: 1972

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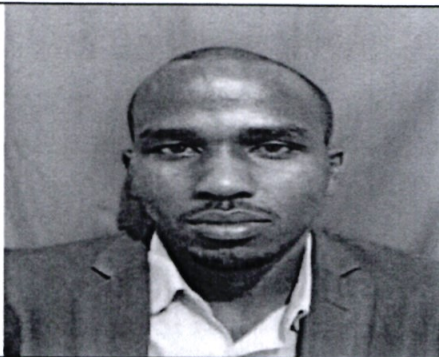


		<ul style="list-style-type: none">➤ Highest Qualification – Masters in Education➤ Work Experience _25 yrs
9.	<p>Margaret Muthoni Njega</p> 	<ul style="list-style-type: none">➤ She is the Secretary to the Board/ Principal➤ Date of birth 2nd February 1966➤ Highest Qualification – MBA➤ Work Experience – She is the principal, Ndaragwa Technical and Vocational College.

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4. Key Management Team

SN	Member	Details
1.	Margaret Muthoni Njega 	<ul style="list-style-type: none"> ➤ She is the Secretary to the Board/ Principal
2.	Nahashon Chege Kanyi 	<ul style="list-style-type: none"> ➤ He is the Deputy Principal-Academics
3.	Rose Njeri Ngatia 	<ul style="list-style-type: none"> ➤ She is the Deputy principal-Administration
4.	George Gachuho Mugambi	<ul style="list-style-type: none"> ➤ He is the Registrar

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5.	Joshua Mwaura Kamau 	➤ He is the Dean of students
6.	Samuel Macharia Kariuki 	➤ He is the Accountant

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5. Chairman's Statement

I am honoured to report on the FY 2024/2025 as the Chairman Board of Governors for Ndaragwa Technical and Vocational College. I am proud to note that the college has made great strides in becoming a premier TVET institution. The college has a new Board of Governors which was inaugurated on 27th May 2025 and it continues to strengthen her corporate governance environment by instituting sound policies.

During the year under review, the college managed to construct a Modern Ablution block and workshops for the trainees and acquire additional lecture chairs and training materials and tools in hairdressing and beauty therapy department, Building and Electrical departments. Training materials and equipment for Automotive and Hospitality departments which were introduced in May 2024 have been acquired to ensure quality training. I take note that students' population has grown tremendously over the year due to an aggressive marketing strategy adopted throughout the year.

I take note that the College received capitation for the financial year under review and scholarship for the previous year from the Government through the Ministry of Education. I take this opportunity to thank the Government for the support both financial and policy direction. I also note that the funds together with the fees collected directly from the trainees was prudently utilised as it is evidenced in the financial statements in this report. The college continues to endeavour to maximize output with the limited resources but the missing out on scholarship grants for the current financial year really hampered the operations. I urge the Ministry to look into ways of supporting the college to enable it expand the much needed infrastructure in the FY 2025-2026.

Finally, I wish to note that the Board of Governors was instrumental in the realization of the achievements made by the College during the year. I wish to sincerely thank all the members of the Board for their oversight role and visionary guidance as we steer the college to even greater heights.

SIGN



Chairman, Board of Governors

Date: 28/11/2025

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6. Report of the Senior Principal

The College is in her fifth year of existence and I am happy to report that the College has recorded growth in trainee population, programmes as well as the training facilities. During the year under review, the College like all other organizations and sectors operated under very difficult socio-economic circumstances which saw funding decrease while the cost of operations continued to increase. However, I wish to note that the College was able to manage its programs in a way that did not compromise service delivery. The first batch of students was admitted in March 2021. Since then the enrolment has grown to 760 as at 30th June 2025.

The College presented 10 candidates for the November/December 2024 KNEC examination and registered 90% pass. The college also presented 32 candidates for the March/April 2025 examinations which registered 62.5% pass for the KNEC candidates. The college registered 31 candidates for the July 2025 CDACC examinations. I express my heartfelt gratitude to the training and administrative staff for their selfless efforts in ensuring that training and the overall curriculum implementation was successful. During the year under review, the college had 10 PSC trainers and 12 trainers under BOG terms of engagement. On this note, I sincerely thank the Government through the Ministry of Education for the relentless efforts in ensuring that the College is staffed while at the same time request for more staff to reduce the wage bill that is becoming unsustainable.

During the FY 2024/2025, the college managed to procure additional tools, materials and equipment in Hairdressing and Beauty Therapy, Plumbing, Electrical, Fashion & Design, Hospitality and Automotive departments. The College also procured additional 200 lecture chairs.

On repairs and improvement, I wish to report that the College constructed temporary Workshops for the Automotive, Building, Hospitality and Cosmetology departments. The college also constructed a Modern Ablution Block for trainees and Water harvesting structures.

During the year under review, the College received capitation from the Government through the Ministry of Education though not in full. I take this opportunity to thank the Government for the support both financial and policy direction. I also note that the funds together with the fees collected directly from the trainees was prudently utilized as it is evidenced in the financial statements in this report.

The institution faces several challenges including lack of student accommodation facilities, high rate of student drop out, poor road infrastructure thereby not breaking even. There is delayed disbursement of scholarship, lack of training equipment and tools especially in the newly introduced courses, and staffing challenges- lack of adequate government trainers.

The management intends to introduce more market driven courses and engage financing agencies such as the National Government-Constituency Development Fund for infrastructural development funding. Plans are underway to start income generating activities to boost the financial base of the college.

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Annual Report and Financial Statements for the year ended 30th June 2025

Finally, I wish to sincerely thank the Chairman Board of Governors and the members for their oversight and guiding role in steering the College in the right direction.

SIGN


.....
Principal/Secretary BOG

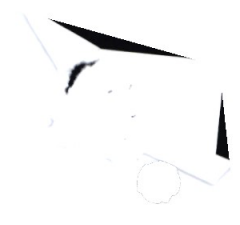
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7. Statement of Performance against Predetermined Objectives

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
<u>Pillar 1</u> Competent and Competitive workforce	To produce competent and competitive workforce	-New Courses attracted trainees -additional training tools and equipment	-Marketing of courses -acquire training tools and equipment	-Automotive level 4,5&6 -Building level 4,5&6 -Food production(culinary arts) levels 4 &5
<u>Pillar 2</u> Infrastructural Development	To provide adequate infrastructure for quality service delivery	-Workshops -200 lecture chairs acquired -Modern Ablution block -Equipment and tools in plumbing, hair dressing, electrical, Automotive, Hospitality and building were procured as per requisitions from departments	-Enhance quality of training -Enhance health and sanitation of trainees -Enhance the quality of training through provision of practical materials -Avail training equipment, tools and materials	-Temporary workshops constructed -Water harvesting structures established -Modern Ablution block for trainees constructed -Additional 200 lecture chairs acquired -Equipment and tools for Automotive and Hospitality departments acquired
<u>Pillar 3</u> Innovation and community service	To develop innovative products that will meet the needs of the community	No major achievement in this area Hoping to focus more on it in future	N/A	N/A
<u>Pillar 4</u> Trainees Welfare	To enhance trainee welfare	-Suggestion box -Participation in Athletics up to National level -Students clubs	-Appoint and train guidance and counselling coordinator -Elections for	-Drama club established -Sports club -CU club -Scouts club

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		-Ndaragwa Technical Students Union(NTSU) formed through elections	Students Council -Organize guidance and counselling forums	-NTSU council elected
Pillar 5 Organizational Capacity	To improve organizational performance	- Organizational structure in place -BOG Staff Salary scale -Academic policy -HR policy -Finance policy -Annual financial report submitted on time - Remittance of statutory dues	-Establish organizational structure - Enhance efficiency -Determine staff establishment -Develop institutional policies -Engage competent trainers -Compliance with statutes	-Academic, Finance, Risk management and HR policies in place -Career progression in place -Staff code of conduct -Strategic plan -Disciplinary procedure and rules and regulations in place -Trainers competitively recruited



8. Corporate Governance Statement

The Board of Governors of Ndaragwa TVC consists of eight members appointed by the Cabinet Secretary, Ministry of Education and comprise a Chairman, a representative of Principal Secretary, Ministry of Education, and six other persons appointed on the basis of their knowledge and experience. The Principal of Ndaragwa TVC is the Secretary to the Board and the Board met twice during the year.

The Board of Governors has three sub-committees, these are, Academic & Infrastructure, Finance, HR and planning committee and Audit & Risk management Committee.

Functions of the Board of Governors include:

- The Board Discuss and approves the budget for each financial year. The Board approves financial reports for every year. The Board negotiates and approves performance contracts for each year;
- The Board administer and manage property of the Institution;
- The Board develop and implement the College Strategic Plan;
- The Board determine the fees payable and method of payment;
- Receive on behalf of the Institution, fees, grants, subscriptions, donations, bursaries;
- Recruit and appoint trainers from among qualified professionals;
- Determine suitable terms and conditions of service for support staff, trainers and remunerate staff of the College;
- Provide the welfare of the students and staff of the College;
- Prepare annual financial statements and submit to the relevant authority

The Board had developed a board charter to guide its operations and spell out the terms of reference for the three committees. The Board was inaugurated and remuneration was set as reimbursement of transport during the first full board meeting where the chairman was to be reimbursed Kshs. 25,000 and members Kshs. 20,000 for each meeting attended. The board is committed to high level of integrity and is in the process of developing a code of conduct and ethics

9. Management Discussion and Analysis

Section A

The entity's operational and financial performance

The students' population stood at 760 students as at 30th June 2025 as represented by each department;

- i. Building & Civil Engineering Department – 227 students
- ii. Electrical and Electronics Dept. - 182 students
- iii. Cosmetology Dept. - 116 students
- iv. Fashion & Design Dept.- 90 students
- v. ICT Dept. - 50 students
- vi. Automotive Dept. – 50 students
- vii. Hospitality Dept. – 45 students

Section B

Entity's compliance with statutory requirements

The College has complied with the statutory requirements. The College is fully accredited with TVETA. All statutory remittances are paid to the respective authorities in due time.

Section C

Key projects and investment decisions the entity is planning/ implementing.

The college constructed a Modern Ablution block for the trainees and Water harvesting structures. The college procured additional 200 lecture chairs due to the increased student population. The college also constructed temporary workshops for the Automotive, Building, Hospitality and Cosmetology and there is also a plan to construct an Ablution block due to the growing student population. The college is also planning to start an income generating project in Clothing Technology.

The above projects will be financed by savings realized through prudent financial management of internal funds.

Section D

Major risks facing the entity

The College has not managed to enrol students to its full capacity due to the fact that accompanying amenities need to be established which has not been possible due to the low enrolment and undisbursed Scholarship funds for FY 2024-2025. In addition, the receivables amounting to Kshs. 27,548,072 is a risk in case they are not recovered since it would affect the operations. The College has not managed to employ an internal auditor and Human Resource Officer to carry out the respective functions as recommended by law.

Management Discussion and Analysis (Continued)

Section E

Material arrears in statutory/financial obligations

The College has no major pending supplier payments. The staff salary deductions are remitted to the respective institutions as they fall due.

Section F

The entity's financial probity and serious governance issues

The College has no governance issue.

10. Environmental and Sustainability Reporting Statement

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

Sustainability strategy and profile

The vision of the College is to be a centre that delivers relevant technological training, enables innovation and contributes to Kenya's Industrial development. To ensure sustainability of adequate reliable water supply and save on water bill, the college have constructed water harvesting structures to collect rain water from all the college buildings.

Environmental performance

The college engaged the community on a tree planting exercise during different times in the year and donated tree seedlings to the neighbouring community. Tree nursery seedbeds have been prepared and are being nurtured to support the Governments Agenda in Greening TVETs. The college manages its waste by disposing as recommended by the relevant authority.

Employee welfare

The College has developed BOG staff salary scale, staff code of conduct and Disciplinary procedures and is in the process of developing Human Resource Manual, Career progression guidelines and scheme of service for the management of employee welfare.

Market place practices-

The College engage in fair competition while marketing its training courses. Trainers and trainees are engaged in meetings held by local administration (chief barazas) to market the college. The College is involved in TVET Institutions sports and athletics activities and have managed to procure some sport items and The College suppliers are fairly treated and payments for goods and services supplied are paid within the contract terms as funds become available.

Corporate Social Responsibility / Community Engagements

The College engaged trainers, trainees and the community on a tree s planting exercise during different times of the year and donates tree seedlings to the community as part of its corporate social responsibility during the financial year.

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Annual Report and Financial Statements for the year ended 30th June 2025

11. Report of the Board of Governors

The Board of Governors submit their report together with the financial statements for the year ended 30th June, 2025, which shows the state of Ndaragwa TVC affairs.

Principal activities

The principal activities' of Ndaragwa TVC is to provide Technical and Vocational Education and Training.

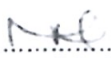
Board of Governors

The members of the Board who served during the year are shown on page vi.

Auditors

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

By Order of the Board


.....
Secretary of the Board
Nairobi
Date: 28/11/2025

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

12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 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 Ndaragwa TVC, which give a true and fair view of the state of affairs of the TVC at the end of the financial year and the operating results of Ndaragwa TVC for that year. The Board members are also required to ensure that the TVC keeps proper accounting records which disclose with reasonable accuracy the financial position of Ndaragwa TVC. The Board members are also responsible for safeguarding the assets of Ndaragwa TVC.


The Board members are responsible for the preparation and presentation of Ndaragwa TVC financial statements, which give a true and fair view of the state of affairs of the TVC for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Ndaragwa TVC; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Ndaragwa TVC; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Ndaragwa TVC financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act 2013). The Board members are of the opinion that Ndaragwa TVC financial statements give a true and fair view of the state of the TVC transactions during the financial year ended June 30, 2025, and of Ndaragwa TVC financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Ndaragwa TVC, which have been relied upon in the preparation of Ndaragwa TVC 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 Ndaragwa TVC will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Ndaragwa TVC financial statements were approved by the Board on 20th August 2025 and signed on its behalf by:



Name: Ignatius Wambugu Thige
Chairperson of the Board



Name: Margaret Muthoni Njega
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Ndaragwa Technical and Vocational College set out on pages 1 to 23 which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of

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

In my opinion, except for the 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 Ndaragwa Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion.

Long Outstanding Current Portion of Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.27,548,072 as disclosed in Note 14 to the financial statements. However, included in the balance are receivables amounting to Kshs.8,211,738 which had been outstanding for more than one (1) year.

In the circumstances, the completeness, accuracy and recoverability of the receivables from exchange transactions balance totaling Kshs.8,211,738 could not be confirmed

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, a number of paragraphs were raised. However, Management has not resolved the prior year matters and has not explained the delay in resolving the issues as at 30 June, 2025.

Other Information

The Management is responsible for the Other Information set out on page ii to xxi which comprise of Key Entity Information and Overall Performance, Statement of Governance, Statement of the Chairperson, Statement of the Senior Principal, Management Discussion and Analysis, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Management responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and

Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective

Basis for Conclusion

1. Failure to Tag the Assets

The statement of financial position reflects property, plant and equipment balance amounting to Kshs.99,898,258 as disclosed under Note 15 to the financial statements. However, the assets were not tagged for ease of monitoring and control on their usage.

In the circumstances, the existence of effective internal control system on management of fixed assets could not be confirmed.

2. Lack of Functional Internal Audit Function and Audit Committee

Review of documents revealed that the College had not established Internal Audit Function and the Audit Committee. This was contrary to the provisions of the Regulation 174(1) of the Public Finance Management (National Government) Regulations, 2015 which provides for the establishment of Internal Audit Function. As such the College did not benefit from the Internal Audit Function.

In the circumstances, the effectiveness of internal control system could not be confirmed

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 December, 2025

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

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

	Notes	Period ended 30 th June 2025	Period ended 30 th June 2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	2,246,810	3,497,828
		2,246,810	3,497,828
Revenue from Exchange transactions			
Rendering of services- fees from students	7	44,168,366	20,246,201
Revenue from Exchange transactions		44,168,366	20,246,201
Total Revenue		46,415,176	23,744,029
Expenses			
Use of goods and services	8	21,873,991	9,762,321
Employee costs	9	3,360,682	1,966,006
Board Expenses	10	300,698	433,530
Depreciation Expense	11	23,417,048	12,537,617
Repairs and maintenance	12	512,910	2,814,025
Total Expenses		49,465,329	27,513,499
Net deficit for the year		-3,050,153	-3,769,470

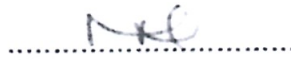
(The notes set out on pages 6 to 22 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 5 were signed by:



Chairman of Board

Date 28/11/2025



Principal

Date 28/11/2025



Finance Officer

ICPAK No
Date 28/11/2025

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

15. Statement of Financial Position As At 30th June 2025

Description	Notes	Period ended 30 th June 2025	Period ended 30 th June 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	13	141,572	2,803,339
Current portion of receivables from exchange transactions	14	27,548,072	8,211,738
Total Current Assets		27,689,644	11,015,077
Non-Current Assets			
Property, plant, and equipment	15	99,898,258	93,899,736
Total Non-Current Assets		99,898,258	93,899,736
Total Assets (A)		127,587,902	104,914,813
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	16	2,334,445	66,000
Refundable deposits from students	17	324,575	225,075
Payments received in advance	18	1,993,541	672,975
Total Current Liabilities		4,652,561	964,050
Total Liabilities (B)		4,652,561	964,050
Net Assets (A-B)		122,935,341	103,950,763
Represented By:			
Accumulated deficit		(3,050,153)	(3,769,470)
Capital Fund		125,985,494	107,720,233
Net Assets		122,935,341	103,950,763

The Financial Statements set out on pages 1 to 5 were signed by:



Chairman of Board

Date: 28/11/2025



Principal

Date: 28/11/2025



Finance Officer

ICPAK No
Date: 28/11/2025

16. Statement of Changes in Net Asset For The Year Ended 30 June 2025

Description	Accumulated Fund/Surplus	Capital Grants/Fund	Total
At July 1, 2023	-7,607,848	92,573,445	100,181,293
Revaluation gain	-	-	-
Surplus/(deficit) for the year	(3,769,470)	-	(3,769,470)
Capital grants received during the year	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-
At June 30, 2024	(3,769,470)	107,720,233	103,950,763
At July 1, 2024	(3,769,470)	107,720,233	103,950,763
Revaluation gain	-	-	-
Surplus/(deficit) for the year	(3,050,153)	-	(3,050,153)
Capital grants received during the year	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-
At June 30, 2025	(3,050,153)	125,985,494	122,935,341

Ndaragwa Technical and Vocational College
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17. Statement of Cash Flows For The Year Ended 30 June 2025

Description		Period ended 30 th June 2025	Period ended 30 th June 2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		2,246,810	3,497,828
Rendering of services- fees from students		21,139,704	13,553,713
Total Receipts		23,386,514	17,051,541
Payments			
Use of goods and services		11,996,308	9,762,321
Employee costs		3,360,682	1,966,006
Board Expenses		300,698	433,530
Repairs and maintenance		512,910	2,814,025
Total Payments		16,170,598	14,975,882
Net Cash Flows from operating activities	19	7,215,916	2,075,659
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(9,877,683)	(660,000)
Net cash flows used in investing activities		(9,877,683)	(660,000)
Cash flows from financing activities			
Net Increase/(Decrease) in Cash and Cash equivalents		2,661,767	2,735,659
Cash and Cash equivalents at 1 JULY 24		2,803,339	67,680
Cash and Cash equivalents at 30 JUNE 25	13	141,572	2,803,339

(PSASB has prescribed the direct method of cash flow preparation and presentation for all public sector entities reporting under the IPSAS Accrual basis of accounting)

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference	Notes
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100	
Budget carryovers from the previous year*	-	-	-	-	-	-	
Transfers from other National Government entities	3,605,000	0	3,605,000	2,246,810	1,358,190	62%	(a)
Rendering of services- fees from students	74,663,683	0	74,663,683	21,139,704	53,523,979	28%	(b)
Total Income	78,268,683	0	78,268,683	23,386,514	54,882,169	30%	
Expenses							
Use of goods and services	40,294,065	0	40,294,065	21,873,991	28,297,757	30%	(c)
Employee costs	8,520,000	0	8,520,000	3,360,682	5,159,318	39%	(d)
Board Expenses	1,300,000	0	1,300,000	300,698	999,302	23%	(e)
Repairs and maintenance	28,154,618	0	28,154,618	512,910	17,764,025	37%	(f)
Total Expenditure	78,268,683	0	78,268,683	26,048,281	52,220,402	33%	
Surplus For the Period	0	0	0	(2,661,767)			

(Budget notes)

(a) Re-current grants and capitation was not received in full for the four quarters.

(b) Scholarship for the new funding model trainees was not received for all the batches that Helb funds were disbursed to the college.

(c) The college spent more on rendering of services to cater for increased student enrolment.

(d) The College did not employ BOG trainers and other support staff at the beginning of the financial year as earlier budgeted due to limited resources.

(e) The Board did not meet as earlier planned due to the limited resources.

(f) The income generating and other development projects were not carried out as planned due to the limited resources.

19. Notes to the Financial Statements

1. General Information

Ndaragwa Technical and Vocational College is established by and derives its authority and accountability from TVET Act 2013. Ndaragwa TVC is wholly owned by the Government of Kenya and is domiciled in Kenya. Ndaragwa TVC's principal activity is training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis and in conformity with International Public Sector Accounting Standards (IPSAS) which allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the College accounting policies.

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

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025

There are no new standards in the year ended 30th June 2025

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

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

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<p>IPSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026 This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p>Applicable 1st January 2026 The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p>Applicable 1st January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
<p>IPSAS 50: Exploration For & Evaluation of</p>	<p>Applicable 1st January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p>

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Mineral Resources	<ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on **5th July 2024**. There were no subsequent revisions or additional appropriations to the original budget. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

Summary of Significant Accounting Policies (continued)

Budget information (continued)

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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.

c) Taxes

Current income tax

The college is exempt from paying taxes.

d) Property, plant and equipment

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

The entity applies the **straight-line method** of depreciation, as it best reflects the pattern of the asset's consumption of its future economic benefits or service potential. Depreciation begins when the asset is available for use and ceases at the earlier of the date the asset is classified as held for sale or the date of DE recognition.

The depreciable amount is the cost of the asset less its residual value. The residual value and the useful life of an asset are reviewed at least at each annual reporting date. The table below indicates the various classes of assets and the depreciation rates.

PPE Item	Depreciation Rate
Buildings	2%
Furniture and fittings	20%
Computers & ICT Equipment	33.3%
Plant & Equipment	20%

Summary of Significant Accounting Policies (continued)

e) Research and development costs

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

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

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

f) Changes in accounting policies and estimates

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

g) 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.

h) Related parties

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

i) 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 Kenya Commercial Bank, Nyahururu at the end of the financial year.

Summary of Significant Accounting Policies (continued)

j) Comparative figures

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

k) 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, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the college 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

Notes to the Financial Statements (continued)

6. Transfers from other National Government entities

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	1,247,155	1,497,828
Operational/Re-current Grants	999,655	2,000,000
Total unconditional Grants	2,246,810	3,497,828
Conditional Grants amortised/ recognised in revenue		
Total Government Grants and Subsidies	2,246,810	3,497,828

7. Rendering of Services

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Tuition fees	33,352,781	12,449,286
Activity fees	1,106,366	659,928
Examination fees	2,525,867	1,241,563
Registration fees	173,308	191,486
Administration fees	23,869	299,822
Personal Emolument fees	3,143,759	2,103,072
Local Transport & Travel fees	968,701	679,632
Electricity, Water and Conservancy fees	1,001,388	749,352
Repair, Maintenance & Improvement fees	771,573	463,020
Insurance fees	198,807	269,901
Attachment fees	590,596	314,700
Practical fees	15,351	124,364
Trainee ID fees	103,000	179,000
Caution money fees	99,500	194,575
KUCCPS Placement fees	-	175,500
TVETA Registration fees	93,500	151,000
Total Revenue from The Rendering of Services	44,168,366	20,246,201

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Notes to the Financial Statements (continued)

8. Use of Goods and Services

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Teaching and learning materials	2,795,085	1,515,020
Industrial attachment costs	140,989	18,970
Electricity	252,050	162,000
Water	61,690	11,300
Security	624,600	396,000
Advertising	384,950	382,960
Examination fees	2,449,650	955,450
Catering, Conferences, and delegations (Hospitality)	150,792	135,574
Printing and stationery	431,410	208,430
Finance Cost (Bank & Transaction charges)	17,749	14,069
Postage	7,775	15,830
Telephone expenses (Airtime)	240,000	120,500
Internet expenses	112,295	109,571
Cleaning expenses	2,400	10,650
Licenses and permits	167,001	-
KUCCPS Placement fees	-	165,000
Other Administration expenses	100,149	819,679
Travelling and accommodation expenses	1,174,050	1,316,600
Insurance expenses	65,250	16,000
Activity expenses	1,005,170	1,036,152
Practical expenses	614,353	616,966
Trainee ID expenses	15,400	179,100
Training, Seminars & Workshops expenses	1,183,500	896,500
Furniture's	1,117,600	660,000
Temporary Workshops	3,825,740	-
Modern Ablution Block	3,790,805	-
Water Harvesting Structures	1,143,538	-
Total good and services	21,873,991	9,762,321

9. Employee Costs

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Salaries and wages	2,857,770	1,708,224
Employee related costs - contributions to pensions and medical aids	416,662	257,782
Social contributions	86,250	-
Employee Costs	3,360,682	1,966,006

Notes to the Financial Statements (continued)

10. Board Expenses

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Chairman's Honoraria	45,000	172,500
Directors Emoluments	230,000	220,000
Other Board Expenses (Meals)	25,698	41,030
Total	300,698	433,530

11. Depreciation Expense

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Property, Plant and Equipment	23,417,048	12,537,887
Total	23,417,048	12,537,887

12. Repairs and Maintenance

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Fencing	-	1,107,250
Landscaping	6,000	676,680
Software Installation	-	348,000
CCTV Installation	-	400,000
General Maintenance	506,910	282,095
Total Repairs and Maintenance	512,910	2,814,025

13. Cash and Cash Equivalents

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Current Account	131,176	2,742,182
Cash in Hand	10,396	61,157
Total Cash and Cash Equivalents	141,572	2,803,339

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Notes to the Financial Statements (continued)

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

Financial Institution	Account number	Period ended 30 th June 2025	Period ended 30 th June 2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1289932131	131,176	2,742,182
Sub- Total		131,176	2,742,182
b) Others			
Cash in Hand		10,396	61,157
Sub- Total		10,396	61,157
Grand Total		141,572	2,803,339

14. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Current Receivables		
Student Debtors	27,548,072	8,211,738
Total Current Receivables	27,548,072	8,211,738

(b) Ageing Analysis of Receivables from Exchange transactions

Description	Period June 30 2025		Period ended 30 th June 2024	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of the total
Less than 1 year	25,442,722	92%	6,692,488	81%
Between 1- 2 years	2,105,350	8%	1,519,250	19%
Total	27,548,072	100%	8,211,738	100%

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Notes to the Financial Statements (continued)

15. Property, Plant and Equipment

Cost	Land	Building	Office Equipment	Furniture and fittings	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2023	-	60,039,364	94,172	459,323	45,184,764	105,777,623
Additions	-	-	60,000	600,000	-	660,000
At 30th June 2024	-	60,039,364	154,172	1,059,323	45,184,764	106,437,623
Additions	7,000,000	8,760,083	-	1,117,600	-	16,877,683
At 30th June 2025	7,000,000	68,799,447	154,172	2,176,923	45,184,764	123,315,306
Depreciation And Impairment						
At 1 Jul 2024	-	(3,040,724)	(32,724)	(198,032)	(9,266,407)	(12,537,887)
Depreciation	-	(1,375,989)	(30,834)	(435,385)	(9,036,953)	(10,879,161)
At 30th Jun 2025	-	(4,416,713)	(63,558)	(633,417)	(18,303,360)	(23,417,048)
Net Book Values						
At 30th Jun 2024	-	56,998,640	121,448	861,291	35,918,357	93,899,736
At 30th Jun 2025	7,000,000	64,382,734	90,614	1,543,506	26,881,404	99,898,258

GOK Equipment USD 412,019 @ Ksh. 109.6667 (Average exchange rate in year 2021)

Cost of the equipment = ksh.45,184,764

Cost of Building, final contract Sum = ksh.62,993,968

The Building, Equipment, Furniture's and fittings have been recognized at Cost less accumulated depreciation for the year.

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Notes to the Financial Statements (Continued)

16. Trade and Other Payables

Description	Period ended 30 th June 2025		Period ended 30 th June 2024	
	Kshs		Kshs	
Trade payables	2,334,445		66,000	
Total Trade and Other Payables	2,334,445		66,000	
	Current FY	% of the Total	Comparative FY	% of the Total
Ageing analysis:				
Under one year	2,268,445	97%	-	-%
1-2 years	66,000	3%	66,000	100%
Total	2,334,445	100%	66,000	100%

17. Refundable Deposits from Students

Description	Period ended 30 th June 2025		Period ended 30 th June 2024	
	Kshs		Kshs	
Caution money	324,575		225,075	
Total Deposits	324,575		225,075	
	Current FY	% of the Total	Comparative FY	% of the Total
Ageing analysis:				
Under one year	99,500	31%	194,575	87%
1-2 years	194,575	60%	23,500	10%
2-3 years	30,500	9%	7,000	3%
Total	324,575	100%	225,075	100%

18. Payments received in advance.

Description	Period ended 30 th June 2025		Period ended 30 th June 2024	
	Kshs		Kshs	
Fees received in advance	1,993,541		672,975	
Total	1,993,541		672,975	
	Current FY	% of the Total	Comparative FY	% of the Total
Ageing analysis:				
Under one year	1,320,566	66%	567,495	84%
1-2 years	672,975	34%	105,480	16%
Total	1,993,541	100%	672,975	100%

Notes to the Financial Statements (Continued)

Ndaragwa Technical and Vocational College
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19. Cash generated from operations.

Surplus for the year before tax	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Adjusted for:		
Depreciation	21,417,048	12,537,887
Working Capital Adjustments		
Increase in Inventory	(0)	(0)
Increase in Receivables	(17,790,143)	(11,095,723)
Increase in Payables	2,268,445	66,000
Increase in Payments received in advance	1,320,566	567,495
Net Cash Flow from Operating Activities	7,215,916	2,075,659

20. 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:

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Annual Report and Financial Statements for the year ended 30th June 2025

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	8,211,738	8,211,738	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	2,742,182	2,742,182	-	-
Total	10,953,920	10,953,920	-	-
At 30 June 2025				
Receivables from exchange transactions	27,548,072	27,548,072	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	131,176	131,176	-	-
Total	27,679,248	27,679,248	-	-

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 college has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)				
Trade Payables	-	-	66,000	66,000
Total	-	-	66,000	66,000
At 30 June 2025 (current year)				
Trade Payables	1,181,850	1,086,595	66,000	2,334,445
Total	1,181,850	1,086,595	66,000	2,334,445

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

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

a) Foreign currency risk

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Trade and Other Payables	2,334,445	-	2,334,445
Net Foreign Currency Asset/(Liability)	2,334,445	-	2,334,445

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

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 college 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 college deposits.

Management of interest rate risk

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

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:

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Notes to the Financial Statements (Continued)

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Retained Earnings/Accumulated deficit	(3,050,153)	-3,769,470
Capital Reserve/Fund	125,985,494	107,720,233
Total Funds	122,935,341	103,950,763
Less: Cash and Bank Balances	(141,572)	(2,803,339)
Net Debt/(Excess Cash and Cash Equivalents)	122,793,769	101,147,424
Gearing	0.97%	0.94%

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

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

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

Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Transactions with Related Parties		
B) Purchases from related parties		
Purchases of electricity from kplc	293,780	154,430
Purchase of water from govt service providers	19,960	18,870
Training and conference fees paid to govt. agencies (KATTI)	773,230	637,582
Total	1,086,970	810,882
a) Grants /Transfers from the Government		
Grants from National Govt	999,655	3,497,828
Total	999,655	3,497,828
b) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Ndaragwa TVC Employees	2,857,770	1,966,006

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Description	Period ended 30 th June 2025	Period ended 30 th June 2024
	Kshs	Kshs
Payments for Goods and Services for Ndaragwa TVC	21,873,991	9,762,321
Total	24,731,761	11,728,327
c) Key Management Compensation		
Directors' emoluments	300,698	433,530
Total	300,698	433,530

22. Events After The Reporting Period

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

23. Ultimate And Holding Entity

The college is a Semi-Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

24. Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

The college has not received final audit report from the Auditor General for the audited financial years.

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Appendix II: Projects Implemented by Ndaragwa Technical and Vocational College

Projects

Projects implemented by the college in FY 2024/25.

Project title	Period/ duration	Budget	Actual
1. Temporary Workshops	5 months	4,000,000	3,825,740
2. Modern Ablution Block	4 months	3,800,000	3,790,805
3. Landscaping	1 month	3,000,000	6,000
4. Water Harvesting Structures	4 months	1,500,000	1,143,538
Total		12,300,000	8,766,083

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity ~ **Ministry of Education**


Name of beneficiary entity ~ **Ndaragwa Technical and Vocational College**

P.O. BOX 5-20306, CELLPHONE: 0798042246
 E-Mail: ndaragwatvc2@gmail.com

Confirmation of amounts received by Ndaragwa Technical and Vocational College as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
***	15/07/2024	499,827	-	499,827	Re-current Grant
***	23/09/2024	389,328	-	389,328	Capitation
***	02/10/2024	499,827	-	499,827	Re-current Grant
***	14/02/2025	857,828	-	857,828	Capitation
Total		2,246,810	-	2,246,810	

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

Head of Accounts Department – Ndaragwa Technical and Vocational College:

Name Samuel Machanz Karimiri Sign  Date 28/11/2025

Appendix IV: Reporting of Climate Relevant Expenditures

The College did not incur climate relevant expenditures.

Appendix V: Reporting on Disaster Management Expenditure

The College did not incur disaster related expenditure during the year.