

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 10 JUN 2025

DAY.

TUESDAY

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**

TABLED

HON. NAOMI WAGLO,

BY:

DEPUTY CHIEF WHIP,

CLERK-AT  
THE-TABLE:

PERPETUAL MUIGA,

**THE AUDITOR-GENERAL**

**ON**

**THE MATHIOYA TECHNICAL AND  
VOCATIONAL COLLEGE**

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



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**MATHIOYA TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

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

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

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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

BOG	Board of Governors
MTVC	Mathioya Technical & Vocational College
PC	Performance Contracting
HOD	Head of Department
OHS	Occupational Health and Safety
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVC	Technical Vocational College
TVET	Technical and Vocational Education and Training
ICT	Information and Communication Technology

### B. Definition of Key Terms

**Board** – The board of Governors of the college duly appointed by the Cabinet Secretary.

**Comparative Year**- Means the prior period.

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

**Management** – College administrative team led by the Principal who is the CEO of the college

**2. Key Entity Information and Management**

**(a) Background information**

Mathioya Technical and Vocational College is established under the TVET Act of 2013 and was registered on 25<sup>th</sup> April, 2017.

The College is located in Kamacharia Location, Kamacharia Division, Mathioya sub-county, Murang'a County. It started in 2014 on land donated by the local community for the purpose.

The foundation stone was laid by the Hon. William Samoei Ruto (Deputy President of the republic of Kenya) on 2<sup>nd</sup> October, 2014. The construction of the Institute buildings started on 25<sup>th</sup> November, 2014 and by 2017 the building had been completed.

The College was officially registered on 25<sup>th</sup> April, 2017 and admitted the first batch of students in January 2018 and currently the college has student population of 263 students.

**(b) Principal Activities**

MTVC is a national public tertiary institution under the Ministry of Education; it operates under the Education Act 213 and TVET Act 2013 Laws of Kenya. The College's operations are also carried out in accordance with the Government policies and procedures as spelt out in official documents and circulars. The institution operates under the management of the Board of Governors appointed by the Minister in charge of Education. The Principal is the institution's CEO and the secretary to the BOG. On the day-to-day operations of the college, the Principal is assisted by the Deputy Principal, the Registrar, the Dean of Students and Heads of Departments. The students participate in College's governance through a student's association led by an elected student board

The college is Centre of excellence in Automotive Engineering. The college received modern tools and equipment in the area of ICT and Automotive Engineering worth US Dollars One million, two Hundred and thirty-three thousand, and four hundred and eighty-one (\$1,233,481).

This government act was to bring to the youths of Murang'a County the modern technology so that they can have hands on skills for self-reliance which is also our motto.

Trainees trained in Mathioya Technical and Vocational College are competently prepared emotionally, intellectually and spiritually. They are equipped with Hands on Skills and Technology to make a difference in this generation and generations to come. The Mathioya Technical and Vocational College is committed to offering the best and top-quality training.

We do so to make our trainees more competitive and competent in their professions. Mathioya Technical and Vocational College is growing from strength to strength, we are determined to offer training in a diverse, qualitative and an interactive platform that creates and nurtures talents among trainees. We offer courses from Diploma, Craft, Artisan and skill upgrade levels for those people who are practicing

**Mathioya Technical and Vocational College**  
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and have no formal certificate. There is no age limit for you to be admitted at Mathioya TVC because we offer regular, part-time and school based trainings.

**Vision Statement**

To be a leading technical college for sustainable development

**Mission Statement**

To produce globally competitive graduates through competency-based education and training

**Our core values are;**

1. Integrity
2. Equity
3. Professionalism
4. Teamwork
5. Customer focus
6. Innovation

**(c) Key Management**

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

- Board of Governors.
- Accounting officer/ Principal
- Administrators
- Heads of Departments
- Heads of sections

**(d) Fiduciary Management**

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

SN.	Designation	Name
1.	Principal/Accounting Officer	Ms. Grace Borah
2.	Deputy Principal Academics	Mr. Moses Kimani
3.	Ag. Deputy Principal Administration and Finance/ Examinations Officer	Mr. Joseph Kamanu
4.	Registrar/ HoD - ICT	Mr. Goeffrey Kamau
5.	Dean of students	Mr. James Migwi
6.	Finance Officer	Mr. Shadrack Mutunga
7.	Procurement Officer	Mr. Amos Chitwa
8.	Secretary	Ms. Alice Wangui
9.	HoD – Business Studies	Ms. Cecilia Hiuko Karoki
10.	P.C Coordinator	Mr. Kennedy Njoroge

<b>SN.</b>	<b>Designation</b>	<b>Name</b>
11	HoD – Automotive Engineering	Ms. Jane Kanini
12	HoD- Electrical and Electronics	Mr. Peter Mungai
13	HoD – Building and Civil Engineering	Ms. Gladys Nyawira
14	HoD – Hospitality & Institutional Management, Fashion and Design	Ms. Lydia Wanjane
15	Industrial Liaison Officer	Ms. Gladys Nyawira
16	Assessment Center Officer	Mr. Kennedy Njoroge

**(e) Fiduciary Oversight Arrangements**

**Audit and risk committee activities**

- Establish Internal Audit Functions
- Formulate whistle blowing Policy in the College
- Formulate and Review of OHS Policy
- Insurance of all assets general accident cover for trainees and BOG employees
- Formulation and Implementation of Anti- Corruption Policy
- Putting in place Security Surveillance Mechanisms
- Enhance Security of the Institution
- Formulation and Review of Security Policy
- Establish and Maintain Archives
- Formulate and Implement ICT Policy
- Carry out an audit on values of governance
- Ensure all financial transactions are properly authorized
- Ensure proper fees collection mechanisms
- Ensure proper systems controls in all service points

**Finance and operations committee activities**

- Resource Mobilization
- Prepare Annual Procurement Plan
- Prepare Annual Budget
- Quarterly Financial Report
- Establish Internal Financial Control Systems
- Ensure adherence to Procurement Act and Regulations
- Final Financial Accounts
- Human Resource Management
- In Charge of Assets Management
- Formulation of Policies
- Communication

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- Infrastructural Development and Maintenances
- Adherence to Principles of Governance
- Development of Organizational Structure
- Establishment of Key Management Committees
- Strategic Planning
- Monitoring and Evaluation
- Ensure that external audit of financial statement is completed and submitted in time

**Academic Committee Activities**

- Formulation and Review of the Academic Policy
- Quality Assurance
- Development and Implementation of New Programmes
- Determination of Resources:
  - Human Resource
  - Teaching/Learning Materials
- Curriculum Evaluation
- Establish Linkage between the College and Industry
- Ensure Relevance of Courses to Market Needs

**e) College Headquarters**

P.O. Box 363-10204  
Kiria-ini Murang'a Road  
Murang'a,  
KENYA

**f) College Contacts**

Telephone :( 254) 0791-334282  
E-mail: mathioyatti@gmail.com  
Website: www.mathioyatechnical.ac.ke

**g) College Bankers**

I. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, KENYA

II. Kenya Commercial Bank  
Murang'a Branch  
Murang'a, Kenya

III. Equity Bank  
Kiria-ini Branch  
Murang'a, KENYA

**h) Independent Auditors**

Auditor General  
Office of Auditor General  
Anniversary Towers,  
P.O. Box 30084 - 00100  
Nairobi, KENYA

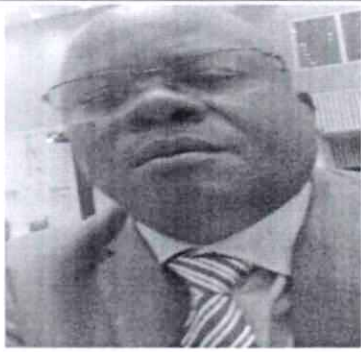



**i) Principal Legal Adviser**

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112 - 00200  
Nairobi, KENYA

**3.The Board of Governors**


S/NO	Member	Details
1.	 <b>Njeri Cecilia Macharia</b> <b>Chair of the Board of Governors</b>	<p>Ms. Macharia, born in 1965, holds a Bachelor’s degree in Business Administration (HR Management Option) from Kenya Methodist University, Diploma in Business Administration from International Correspondence Schools (ICS), Certified Professional Mediator (Mediation Training Institute-MTI) Certificate in Purchasing and Supplies Management from the University of Nairobi (Extra Mural Studies). Certified Human Resource Professional Kenya CHRP (K). Appointed to the Board of Mathioya technical and Vocational College in 29<sup>th</sup> January, 2018. She has also attended various managerial trainings/workshops programs. Ms. Macharia has previously worked with Gatuguta &amp; Gatuguta Advocates, Kenya Power &amp; Lighting Company, KenGen in different Sections i.e Insurance Section, Human Resource Officer, Planning &amp; Recruitment. She is the Senior Human Resource Officer in charge of Upper Tana Area, and also Senior Human Resource Officer in charge of Employee Relations at Stima Plaza Nairobi. Current age 59.</p>
2.	 <b>James Mbugua Ng’ang’a</b> <b>Non-Executive BOG Member</b>	<p>Mr. James Mbugua Ng’ang’a born in 1976, holds a Bachelor of Arts Degree Literature, Philosophy, English language and Linguistics from Egerton College, Certificate in Executive Education in Transformational Leadership Certification Harvard Kennedy School of Business (2018), international Institute of Journalism, Berlin (2010, 2013) Digital Journalism and Cross-Media Management Certification, international Institute of Journalism, Berlin (2005) Newsroom Management Certification. Appointed to the Board of Mathioya Technical and Vocational College in January 2021. Currently working as, a Partner   Head of Content House of Romford Ltd a Bespoke Content and Media Relations Company. Current age 48</p>
3.	 <b>Mr Joseph Kimani Machiri</b> <b>Non-Executive BOG Member</b>	<p>Mr. Joseph Kimani Machiri, born in 1958, holds a Bachelor of Commerce degree in Human Resources from Pioneer University and a Diploma in Business Management from the same University. He also holds a Diploma in Information Technology certificate from Jomo Kenyatta University of Agriculture and Technology (JKUAT).  He has been a long serving member of cooperative movement in Murang’a County and also served as the MCA Kamacharia ward from 2012-2017. Appointed to the Board of Mathioya Technical and Vocational College in January 2024. Currently working in road construction around the country. Current age 66</p>

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4.	 <p><b>Dr Elly Tety Osewe</b></p>	<p>Dr Osewe has over 15 years experience in the education sector having starting from PC Kinyanjui Technical as a Technical Trainer rising to Murang'a University of Technology as the Director TVET in the Department of Physical and Biological Sciences. He holds a Doctorate in Chemistry from Maseno University. He is a renowned researcher with many publications and Research paper presentations.</p>
5.	 <p><b>Jane Wambui Mureithi</b></p>	<p>Jane Mureithi has over 15 years in Quality Assurance, having served as Quality Assurance in Kenya Accountants and Secretaries National Examinations Board (KASNEB) and Ministry of Education. She holds Bachelor of Education Arts from Moi University and Master of Education in Administration from Kenyatta University. Jane is a trained Quality Assurance from the Association of African Universities and Ministry of Education. She is a Member of Kenya Institute of Management. She is currently the Principal Quality Assurance Officer KASNEB.</p>
6.	 <p><b>Grace Esther Opar</b></p>	<p>Eng. Grace Esther Opar was born on 28<sup>th</sup> July 1986 to a Christian family in Karachuonyo North, Homabay County. She schooled at Kanyadhiang primary school, then proceeded to Nyakach Girls' High School where she completed O'Level and later joined Moi University and graduated with a Bachelor of Engineering degree in Electrical and Electronics Engineering in December 2011. She also is a certificate holder in Senior Management course from Kenya School of Government. She has worked for various Organizations including Mzuri sweets Limited as an operations and maintenance engineer and Glory Investment Limited as a design engineer. She is currently a Senior Superintending Engineer (Electrical) – Building Services at the State Department for Public Works. She is a registered member of the Engineers Board of Kenya and the Institution of Engineers of Kenya.</p>
7.	 <p><b>George Mwema Syengo</b></p>	<p>George is pursuing his Phd in project planning and management (specializing in monitoring &amp; evaluation) - ongoing          He holds Masters degree in project planning and management and a Bachelor degree in project planning and management  <b>Work experience</b>          Lecturing &amp; teaching ( 34 years experience)          Age: 69 years</p>

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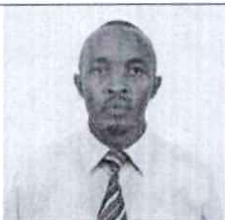






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8.	 <b>Ms. Grace Borah</b> <b>Principal/Secretary BOG</b>	<p>Ms. Grace Borah, was born in 1965, she holds a BEd Business/Secretarial study, she is also a holder of Higher Diploma in Psychological Counselling and in Human Resource Management, and she is also a live member of Kenya Red Cross and a Home-Based Care officer. She has enormous experience in teaching and managing various TVET institutions having worked with various institutions which includes North Eastern National Polytechnic where she was a deputy, Principal at Nuu Technical and Vocational College and currently a CEO at Mathioya Technical and Vocational College Secretary of the Board. Current Age 59.</p>
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**4. MANAGEMENT TEAM**


SN.	Passport-Size Photo	Name, and Key Profession	
1.		Ms. Grace Borah Principal/Secretary BoG BEd Secretarial Studies.	CEO/Accounting Officer
2.		Mr. Moses Kimani BBA Entrepreneurship	Deputy Principal- Academics
3.		Mr. Joseph Kamanu Bsc Telecommunications and IT CPA (K)	Deputy Principal- Administration and Finance
4.		Mr Shadrack Mutunga	Ag. Finance Officer
5.		Mr. Amos Chitwa Degree in Purchasing and Supplies Management.	Procurement Officer
6.		Mr. Geoffrey Kamau Degree in Information Technology	Ag. Registrar/ HoD ICT

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7.		Mr. Migwi James BEd Sci.	Dean of Students
8.		Mr. Kennedy Njoroge BSc – Food Science and Technology.	P.C Coordinator
9.		Mr. Peter Mungai HND in Electrical & Electronics (Power Option)	HoD-Electrical.
10.		Ms. Jane Kanini HND Mechanical Engineering.	HoD- Automotive Engineering
11.		Mr. Boniface Gitonga BeD – Technology Communication (Computer Studies)	IQA Centre Assessment Officer- CBET
12.		Ms Cecilia Hiuko Karoki	HoD Business Studies
13.		Ms. Gladys Wachira Diploma In water Engineering and Irrigation, Plumber Pipe Fitter	HoD - Building and Civil Engineering/ILO

**Mathioya Technical and Vocational College**  
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14.		Ms. Lydia Wanjane Diploma in Clothing Technology	HoD – Hospitality and Institution Management, Fashion & Design
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### **5. Chairperson's Statement**

It is my pleasure to present Mathioya Technical & Vocational College Annual Financial Statements for the financial year ended 30<sup>th</sup> June, 2024. The College Board notes with appreciation the continued support of the Government and other stakeholders in running the institution. The College continues to offer quality programmes that are market-driven and meet the demands of the market. The Board endeavours to work with the industry and other strategic partners and stakeholders in order to provide facilities to meet the challenges the College is facing.

There has been a steady increase in student population and expansion of the academic programmes, which has exerted a lot of pressure on the existing facilities, thereby necessitating the need for putting up more training facilities. The Board in collaboration with the relevant stakeholders is committed towards delivering the same.

During the financial year 2023/2024, the College embarked on various projects among them;


- a) Acquiring the ownership of the land where the college is built.
- b) Rehabilitating and upgrading of ITuition Block previously occupied by a Youth Polytechnic.
- c) Sourcing for funds from Mathioya NG CDF for the construction of modern administration block
- d) Acquiring office desks for trainers and the college administrators
- e) Acquiring of new trainers and trainees' seats.

The College introduced the CDAAC programmes, which was geared to support the government's push for the competence-based curriculum.

College has faced numerous challenges attributed to reduced capitation. This resulted to underfunding of the college budget and downsizing of the core mandate budgets.

We continued with the measures of setting up of management and governance structures that reflect College status. I thank the Government for its financial support so far that has made it possible to implement the MTVC functions and programmes.

I finally, wish to thank all stake holders for their continued support and dedication, even as we together strive to achieve greater heights of excellence.

  
.....  
**Chairperson of the Board of governors**

**Date:11/04/2025**

**Mathioya Technical and Vocational College**  
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**6. Report of the Principal**

I am pleased to present the Annual report and Financial Statements of Mathioya Technical & Vocational College for the financial year ended 30<sup>th</sup> June, 2024. Mathioya Technical & Vocational College is an academic institution committed to imparting knowledge, skills and right attitudes through Technical, Innovation and vocational for self-reliance of our trainees and bridge the skill gap in the market.

**Academic and Student affairs**

During the financial year under review, the College has remained on course. The main focus of which has been quality, relevance, access and sustainability intended to consolidate and reshape the College with a view to living up to be a College of choice in the country.

College had admissions for the 2023/2024 in September 2023, January 2024 and May 2024 in the following academic programmes.

S no	Programme	September, 2023	January, 2024	May, 2024
1	Automotive	43	17	12
2	Electrical	16	17	18
3	ICT	4	2	5
4	Hair Dressing & Beauty	5	3	5
5	Plumbing technology	14	5	7
6	Fashion design	3	0	1
7	Building technology	11	9	0
9	Food and beverage	8	1	2
11	HRM	8	0	0
12	Secretarial studies1	4	1	1

The College had three KNEC examination sitting July 2023, November 2023 and March 2024 within the financial year of the normal academic calendar. Our trainees performed fairly well as per the data below.

**Mathioya Technical and Vocational College**  
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S no	Series	Pass Rate
1	July 2023	62%
2	November 2023	66%
3	March 2024	87%

The College also embarked on rationalization of structures and realigning Academic Programmes in order to focus on our niche. In the 2023/2024 academic year, the College continues to offer programmes, which was geared to support the government's push for the competence-based curriculum and support the government's Big 4 agenda. This will see the College supplement internally generated incomes in future. Special appreciation goes to all the students who have chosen Mathioya Technical & Vocational College as their place of study and it will continue offering market-driven academic programmes for industrial and socio-economic growth.



.....  
**Secretary of the Board of governors**  
**Nairobi**  
**Date:**

**7. Statement of Performance against Predetermined Objectives**

**SECTION A**

Mathioya TVC has 6 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2024- 2028. These strategic pillars are as follows:

1. To increase the Trainee's enrolment by 50% annually.
2. To produce highly skilled, competent and self-driven human resource for the labour market.
3. To collaborate with relevant institutions and industries for the transfer of applied knowledge, innovations and technological solutions for solving practical problems in the workplace.
4. To diversify training programmes.
5. To ensure MTVC utilizes modern information communication technology in training and management systems.
6. To expand and improve physical infrastructure and equipment.

Mathioya TVC develops its annual work plans based on the above 6 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College achieved its performance targets set for the FY 2023/24 period for its 6 strategic pillars, as indicated in the table below:

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Strategy	Key Activities	Expected Output	Output Indicator	Achievements
Enrolment	<ul style="list-style-type: none"> <li>Diversification of training programs</li> </ul>	Increased Enrolment	%Increase	50%
		Competent Graduates	No. of graduates	100
		Improved variety of courses	No.of new courses	5
Infrastructure	<ul style="list-style-type: none"> <li>Expansion and improvement of physical infrastructure and equipment</li> </ul>	Construction of pathways and a workshop shed within the Institution	% Completion	50%
Industrial linkages and collaboration	<ul style="list-style-type: none"> <li>Collaboration with relevant institutions and industries for the transfer of applied knowledge innovation and technological solution for solving workplace problems in the workplace</li> </ul>	Increased number of Collaborations with industry	No of collaborations	10
Technical skills	<ul style="list-style-type: none"> <li>Production of highly skilled, competent, and self-driven human resource for the labour market</li> </ul>	Completion of courses admitted and satisfaction of requirements for the course. (Practical and theory)	No of completing trainees	150
ICT integration	Utilization of modern information communication technology in training and management systems	Operationalizing the Institutional ERP	% Utilization	90
Human resources	<ul style="list-style-type: none"> <li>Recruit and retain adequate competent members of staff who are motivated.</li> </ul>	Competent workforce across all departments	No of qualified personnel recruited	5

**SECTION B**

**College's compliance with statutory requirements**

The college has been complying with all statutory requirements.

**SECTION C**

**Key projects and investment decisions the College is planning/implementing**

The college does not have any ongoing project.

**SECTION D**

**Major risks facing the College**

**FINANCIAL RISK MANAGEMENT**

The college activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The college'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 college 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 college financial risk management objectives and policies are detailed below:

**(i) Credit risk**

The college 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.

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 carrying amount of financial assets recorded in the financial statements representing the college maximum exposure to credit risk without taking account of the value of any collateral obtained.

The customers under the fully performing category are paying their debts as they continue trading.

The college has significant concentration of credit risk on amounts due from 2019

The board of governors sets the college'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 college board of governors, who have built an appropriate liquidity risk management framework for the management of the college short, medium and long-term funding and liquidity management requirements. The college manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

**(iii) Audit risk.**

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

**(iv) 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 college 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 college exposure to market risks or the manner in which it manages and measures the risk.

**a) Interest rate risk**

Interest rate risk is the risk that the college 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.

**iv) Capital Risk Management**

The objective of the college capital risk management is to safeguard Mathioya TVC's ability to continue as a going concern.

**SECTION E**

**Material arrears in statutory/financial obligations**

The current financial obligation is in terms of trade payables of Ksh **2,343,972**

**SECTION F**

**The college's financial probity and serious governance issues**

The college does not have any financial probity and serious governance issues

**8. Corporate Governance Statement**

**A. Board Meetings for the Year Ended 30<sup>th</sup> June 2024**

Sno	Board Member	Position on the Board	Meetings Attended
1	Ms Njeri Cecilia Macharia	Chairperson	5
2	Mr Charles Nyota	County Director	3
3	Mr James Mbugua Ng'ang'a	Non-Executive Member	3
4	Mr Joseph Kimani Machiri	Chair – Finance Committee	7
5	Shem Kihara	Exited before year end	2
6	Mr Eliud Kibuchi	Exited before year end	0
7	Mr Oscar Ngotho	Exited before year end	2
8	Mr Rajab Iha	Exited before year end	2
9	Ms Grace Borah	Secretary BOG	7

**B. Conflict of Interest**

The Board of Governors as currently constituted has declared no interest in the affairs of the College, personal or business related.

**C. Board Remuneration**

Sitting allowance for Board members and Chairperson honorarium are guided by a full Board meeting held on 21<sup>st</sup> June 2019 and a circular for the State Department of TVET dated 9<sup>th</sup> June 2023. The remuneration for Board members consists of sitting and subsistence allowances in connection with Board & Board committee and Chairperson's activities during the financial year ended 30<sup>th</sup> June, 2024.

**D. Roles and Functions of the Board**

The Roles of the Board include;

- i) Exercise overall fiduciary oversight of the College operations.
- ii) Policy formulation for use within the institution.
- iii) Oversight on matters of personnel development.
- iv) Budgetary control of the College Revenues and Expenditure.
- v) Establishment of strong internal control environment.
- vi) Assessment and control of Financial Risk.
- vii) Assessment and control of Audit Risk.
- viii) Financial reporting oversight and control.

**E. Appointment and removal of Board members**

The appointment of Board members is the prerogative of the Cabinet Secretary, Ministry of Education.

Four new members were appointed in accordance with the procedures and inaugurated in July 2024.

**F. Induction and Training**

Current Mathioya Technical and Vocational College Board of Governors were inaugurated in July 2024. The induction is yet to be conducted.

**G. Governance Audit**

The Board has put in place a combination of processes and structures to inform, direct, manage and monitor the activities of the College towards the achievement of its objectives. There is an independent audit and risk committee that reports to the Board on a regular basis. The audit and risk committee plays a key role in assisting the Board to fulfill its oversight responsibilities in areas such as financial reporting, internal control systems, risk management systems and the external audit functions.

**H. Internal Controls**

The College has implemented and maintained internal controls designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard and maintain accountability of the College's assets.

Such controls are based on Law, Government & College regulations, Policies and circulars and are implemented by trained personnel with appropriate segregation of duties. The effectiveness of the system of internal controls is monitored regularly through operational meetings and the annual external audit.

**I. Going Concern**

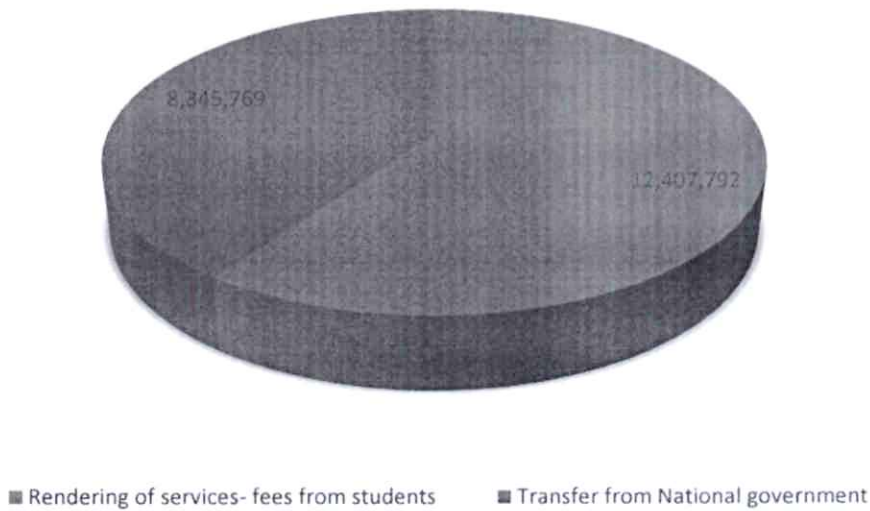
The College Board confirms that Mathioya College has adequate resources to continue in operation for the foreseeable future and therefore, the continued use of going concern as a basis of preparing the financial statements.

9. Management Discussion and Analysis

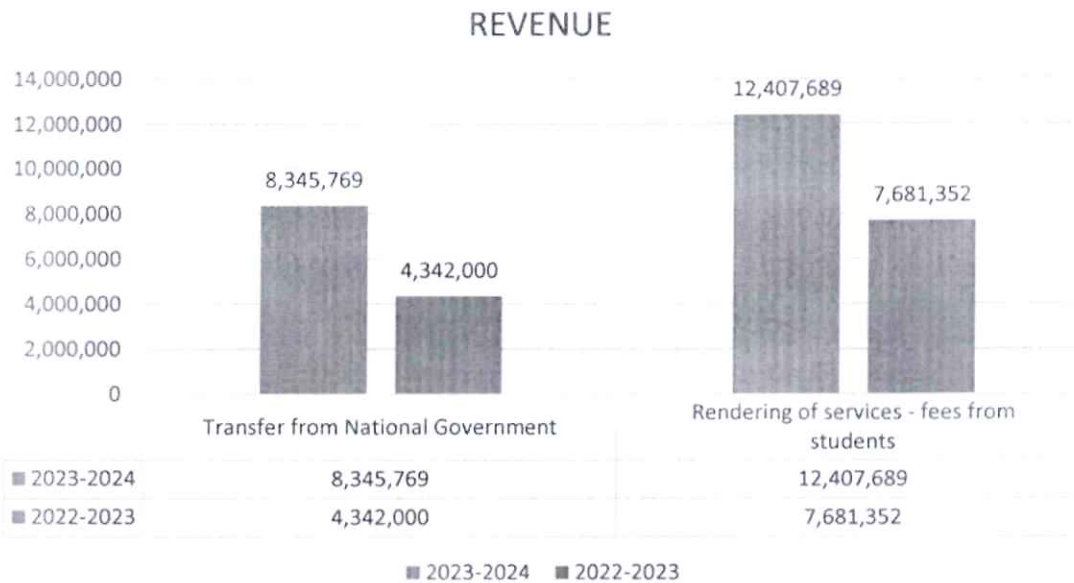
FINANCIAL PERFORMANCE.

A. INCOME ANALYSIS

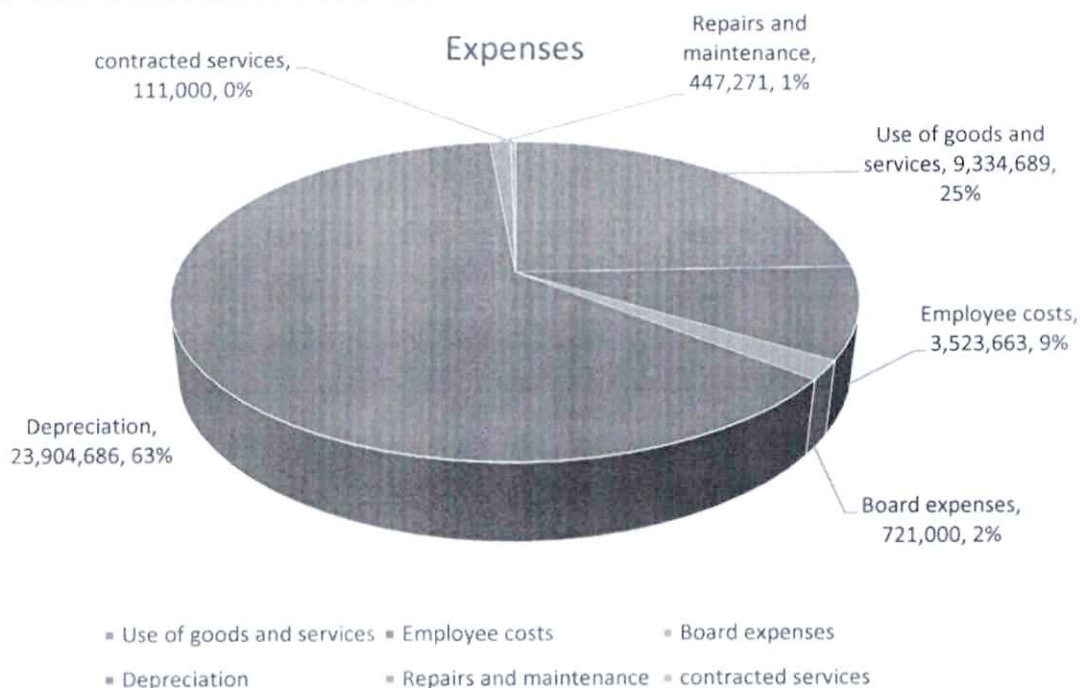
REVENUE DISTRIBUTION



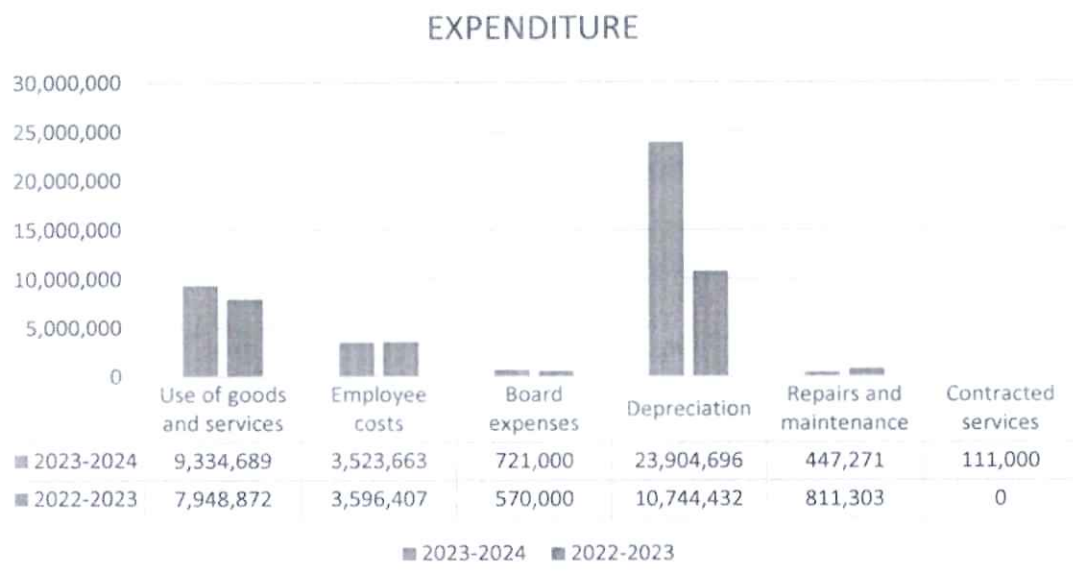
Comparison of Income between the Financial years 2022/2023 and 2023/2024



**B. EXPENDITURE ANALYSIS**



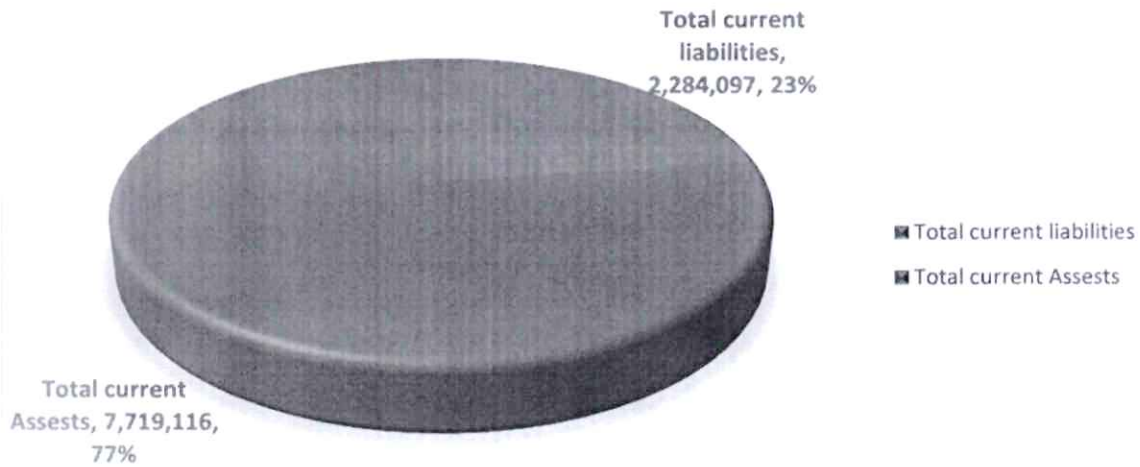
**Comparison of Expenditure between the Financial years 2022/2023 and 2023/2024**



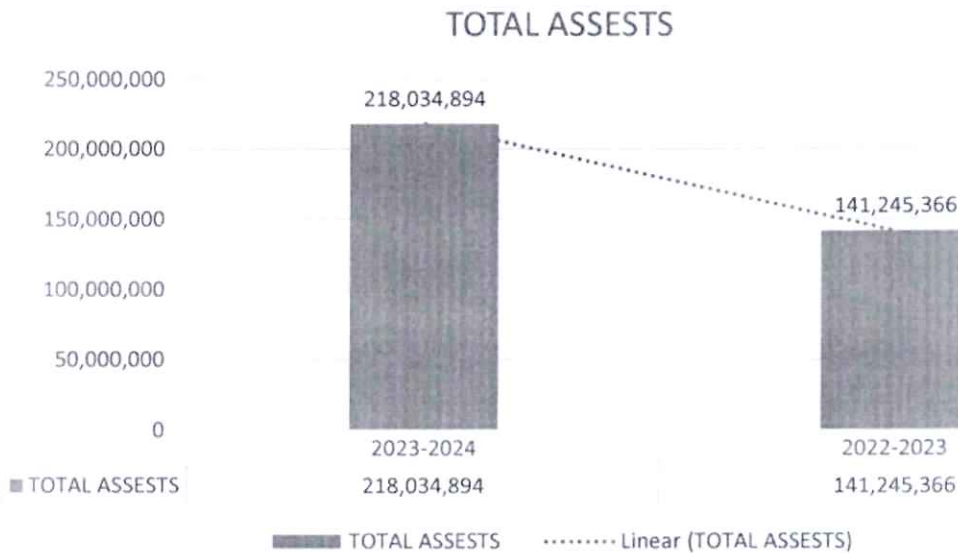
**FINANCIAL POSITION**

Current Assets vs current Liabilities

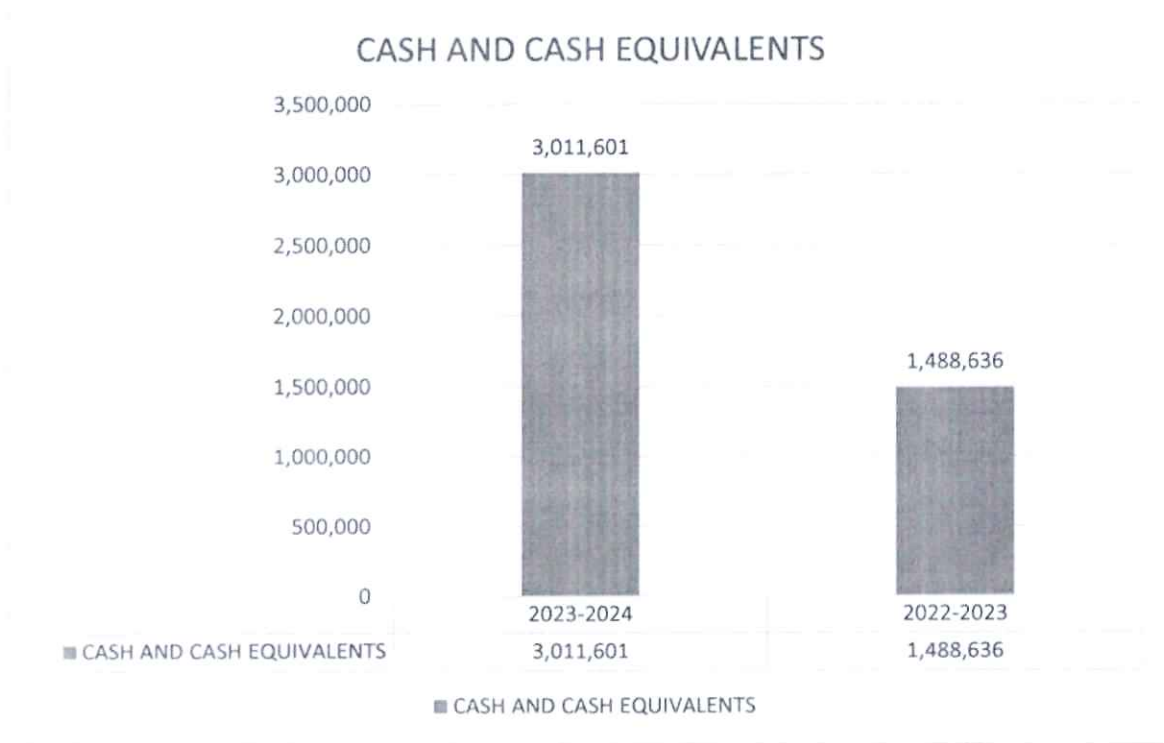
**LIQUIDITY**



Total Assets



**C. STATEMENT OF CASHFLOWS**  
Cash and Bank Balances



## **10. Environmental and Sustainability Reporting Statement**

### **Sustainability strategy and profile**

The college steered by the Board of Governors has an ambitious 5-year strategic plan to improve service delivery and growth. The institution management is working closely with the Public Administration and the offices of elected leaders to seek support through training bursaries and development grants.

The board has embarked on an ambitious marketing plan to increase student population and popularise the College services in the community and further beyond.

**Innovation and technology-** the college has put a lot of Effort in sustainability related R&D in order to reduce environmental impacts in new products and in business activities of training. The college uses BAT (best available techniques) and integrated environmental technologies, we concentrate on cleaner production and zero-emission technologies.

**Collaboration** – the college maintained a good cooperation and active collaboration with various business partners which included suppliers, TVET institutions, universities and others working in common programmes and networks on innovative products and technologies. Exchange of information and knowledge through conferences

**Knowledge management** – the college have planned, developed, organized, maintained, transferred, applied and measured specific knowledge and to improve the organizational knowledge base.

**Processes-** Clear processes and roles are defined so that college activities are efficiently conducted and that every employee knows what the college management expects from him or her.

**Purchase-** the college had a good Relationship with suppliers focusing also on sustainability.

**Sustainability reporting** – the college maintained Considerable reporting of sustainability issues within the board meeting reports.

### **Environmental performance**

This dimension deals with environmental impacts due to corporate activities. These environmental impacts are caused by resource use and emissions into air, water, ground and hazardous waste.

This dimension is mainly measured by impacts, but within corporate sustainability strategies the focus has to be laid on the effects causing these impacts, e.g., the higher the maturity levels are the more it has to be concentrated on causes rather than on effects.

### **Emissions into the air-**

Emissions into the air due to corporate activities. The college does not emit any pollution to air as we are training and not manufacturing.

### **Employee welfare**

During the financial year, the college recruited staff using the laid down recruitment procedures. This was done through the guidance of public service commission who Give insight into all relevant data; following rules of on recruitment of the corporate governance and defining responsibilities and behaviour of the board.

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

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Staff Motivation and incentives – this is an Active involvement and exemplary function of management on sustainability of all the Employees Being Aware of their needs, claims and motivation factors of employees in order to implement sustainability sufficiency into the organization due to support of management for acting in sustainable way (e.g. time, money, resources). The management Developed and implemented incentives and reward systems (monetary and non-monetary).

Health and safety – the college guarantee that no health and safety risks occur when working in/for the college. No negative impact of employees' physical health at any time was reported.

The college has Operation of programmes for employees to prevent dangers and to stay generally fit and healthy.

Human capital development - Development of human capital for sustainability related issues through specific programmes is key to any organization. The college has sponsored staff to various seminars and workshops and also allowed others join holiday classes. The college has also encouraged Broad cross-working education (job enrichment, job enlargement) for staff in order to become aware of the different challenges and issues of corporate sustainability

**Market place practices-**

- a) Responsible competition practice.  
The college practices responsible competition by following normal procedure of marketing. The college has developed an anti-corruption policy and non-political adherence
- b) Responsible Supply chain and supplier relations-  
The college has list of suppliers who were prequalified through advertisement. The policy of the college is to pay all the bills at the end of every month and this has created a good rapport with her suppliers and service providers
- c) Responsible marketing and advertisement  
The college carries out normal marketing through media and organized talks.
- d) Product stewardship.  
Trainees trained in Mathioya Technical and Vocational College are competently prepared emotionally, intellectually and spiritually. They are equipped with Hands on Skills and Technology to make a difference in this generation and generations to come. The Mathioya Technical and Vocational College is committed to offering the best and top-quality training.

Mathioya Technical College exists to transform lives through development of practical skills applicable in lives and careers of our trainees. This endeavour, we feel contributes positively to the achievement of development goals in line with Vision 2030.

With reference to the direction of the international financial reporting council for entities to adopt integrated reporting.

Customer focus is what guides us to deliver our strategy, putting the customer first, delivering relevant training and services, and improving operational excellence.

Below is a highlight of strategies and activities that promote the organisation's strategic objectives;

- a) Existence and operationalisation of the Institution Service Charter in September 2021.

## **Mathioya Technical and Vocational College**

### **Annual Report and Financial Statements for the year ended 30th June 2024**

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- b) Adoption of Performance Contracting as required for all public institutions in the Republic of Kenya.
- c) Industry best standards for customer service.

#### **Market place practices-**

- a) Responsible competition practice.

The college practices responsible competition by following normal procedure of marketing. The college has developed an anti-corruption policy and non-political adherence.

- b) Responsible Supply chain and supplier relations

The college has list of suppliers who were prequalified through advertisement. The policy of the college is to pay all the bills at the end of every month and this has created a good rapport with her suppliers and service providers.

- c) Responsible marketing and advertisement

The college carries out normal marketing through social-media and organized talks.

- d) Product stewardship.

Trainees trained in Mathioya Technical and Vocational College are competently prepared emotionally, intellectually and spiritually. They are equipped with Hands on Skills and Technology to make a difference in this generation and generations to come. The Mathioya Technical and Vocational College is committed to offering the best and top-quality training.

#### **Corporate Social Responsibility / Community Engagements**

Mathioya College being a public entity embraces the policy of Corporate Social Responsibility (CSR) through engaging herself with the following amongst many social responsibilities:

##### **(a) Charitable Activities**

The College trainees have been offering material & spiritual support to needy children in various children's homes within Mathioya region through donation of foodstuffs and cloths.

##### **(b) Environmental Improvement activities**

Introduction of communal periodical cleaning day at Kamacharia Shopping Center and Kiria -ini Town has been one of the environmental activities of the Institution.

##### **(c) Academic Mentorship**

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

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Mathioya TVC in conjunction with ACK Church was involved in offering career advice to students within and around Mathioya Sub County during the financial year. The College also offered internship and industrial attachment to qualified youths from the surrounding community and Institutions.

**11. Report of the Council/Board of Governors**

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

**Principal activities**

The principal activities of the College are offering technical skills and training in courses examined by the Certified Kenya National Examinations Bodies. These courses are;

- a) Diploma courses
- b) Craft Certificate courses
- c) Artisan courses
- d) Government Grade Test and Vocational Courses

**Results**

The results of the College for the year ended June 30th 2024 are set out on pages 1-36

**Council/Board of Governors**

The members of the Board who served during the year are shown on page viii to x. During the year 2023/24 four board members retired after expiry of their service terms. Four new members were appointed by the Cabinet Secretary.

**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 were nominated by the Auditor General to carry out the audit of the College for the period ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on her behalf.

By Order of the Board

  
**Secretary of the Board**

**Date: 11/04/2025**

**12. Statement of Board of Governors Responsibilities**

Section 83 of the Public Finance Management Act, 2012 require the Board members to prepare financial statements in respect of the college, which give a true and fair view of the state of affairs of the College at the end of the financial period and the operating results of the College for that period. The Board members are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Board members are also responsible for safeguarding the assets of the College.

The Board members are responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial period ended on 30<sup>th</sup> June, 2024. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College;
- (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 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 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. The Board members are of the opinion that the College's financial statements give a true and fair view of the state of College's transactions during the period ended 30<sup>th</sup> June, 2024, and of the College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the 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 the College will not remain a going concern for at least the next six months from the date of this statement.

The college financial statements were approved by the Board on 11<sup>th</sup> April, 2025 and signed on its behalf by:

.....  


**Name: Njeri Cecilia Macharia**  
**Chairperson of the Board/Council**

.....  


**Name: David Chege Githaiga**  
**Accounting Officer/Principal**

# REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke

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

## REPORT OF THE AUDITOR-GENERAL ON MATHIOYA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

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### 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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.

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**

The accompanying financial statements of Mathioya Technical and Vocational College set out on pages 1 to 36, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Statement of Cash Flows**

The statement of cash flow reflects Kshs.16,376,094 for the total payments under cashflow from operating activities however, re-computation of the total payment amounts to Kshs.13,737,623 resulting to unexplained and unreconciled variance of Kshs.2,638,471. Further, the statement of cashflow reflects Kshs.1,922,965 as cashflow from operating activities which varies with recomputed amount of Kshs.4,561,436 resulting to unexplained and unreconciled amount of Kshs.2,642,97.

In the circumstances, the accuracy and completeness of the cash flow component amount could not be confirmed.

#### **2. Unsupported Property, Plant and Equipment**

The statement of financial position and as disclosed in Note 19 to the financial statements reflects net book value balance of Kshs.203,264,049 in respect of property, plant and equipment. However, the balance includes net book value of Kshs.2,362,500 in respect of motor vehicles whose ownership was not established as the log book is registered under the Ministry of Education. Further, included in the property, plant and equipment is land amounting to Kshs.5,000,000 whose actual value, ownership could not be established since the ownership documents were not provided for audit.

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

### **3. Overpayment of Board Expenses**

Review of minutes of the full board of governors Min: FB/16/6/2023 on board of Governor's allowances highlighted as per the letter from the Principal Secretary State Department for Technical Vocational Education and Training communicated the new rates of BOG allowances as Kshs.10,000 for the chairperson and kshs.7,000 for the members for the next financial year 2023/2024. However, the board members were paid allowances using the old rates as follows: chairman Ksh.25,000 and other members ksh.20,000 per sitting resulting to overpayment of Kshs.275,500.

In the circumstances, the accuracy, completeness and regularity of board expenses could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Mathioya 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.

### **Emphasis of Matter**

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

The statement of comparison of budget and actual amounts reflects final budgeted receipts and actual amount of Kshs.20,481,300 and Kshs.18,299,059 respectively resulting to underfunding of Kshs.2,833,059 or 14% of the approved budget. However, the College spent Kshs.13,737,623 against actual receipts of Kshs.18,299,059 resulting to underutilization of Kshs.4,561,436 or 25% of the actual receipts.

The underfunding and under-utilization of receipts affected the planned activities and may have impacted negatively on the service delivery to the intended College beneficiaries.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

## **Other Information**

### **Conclusion**

The Management is responsible for the Other Information set out on page iii to xxxi, which comprise of Key Institute Information and Management, The Board of Governors, Key Management team, Chairperson's statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement Report of the Board of Governors and Statement of Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

### **Basis for Conclusion**

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

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

### **Other Matter**

#### **Un-resolved Prior Year Matters**

The audit report for the year ended 30 June, 2023 highlighted several unsatisfactory matters. The Management has provided disclosure on progress made in resolving these issues however, no information was given to prove that the issues have since been resolved or not.

In the circumstances, the issues remain unresolved.

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

### **Conclusion**

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

---

*Report of the Auditor-General on Mathioya Technical and Vocational College for the year ended 30 June, 2024*

## **Basis for Conclusion**

### **1. Ineffective Implementation of Contract**

The Management of the College entered into a contract with local consultant on 28 November, 2022 for the supply, installation, testing, training, commissioning and maintenance of Integrated Enterprise Resources Planning (ERP) system at a contract sum Kshs.1,200,000 for the contract period of twelve (12) weeks and contract amount payable within period of eighteen (18) months from the time of signing the contract.

The consultant was to implement and customize various modules which includes but not limited to financial management, Student Admission and Registration Management, Procurement and store management, Auditing and Human Resource Management.

The vendor scope of work also included project implementation services which entails implementation and customization of various modules and reports, data migration from current database, user acceptance testing (UAT), training for administrators and end users, test and live implementation, launch and go-live, system documentation and user manual documents, provision of ERP security, back up and replication server set up and post implementation services. However, as at the time of audit April 2025 there was no evidence that the vendor had fully implemented the services and there was no approval of extension of contract period which had expired on 27 November 2023.

In addition, the vendor had been paid Kshs.400,000 and accrued the outstanding balance of Kshs.800,000 as at the end of the year under review. Further, the institution had not commenced the full utilization of the system.

In the circumstances, effectiveness in the use of ICT resources may not be realized.

### **2. Lack of Staff Ethnic Diversity**

During the year under review, the total number of employees of the institution was fourteen (14), out of which 12 or 86 % were members of the same/dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community

In the circumstances, 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 effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of Bank Reconciliation Statements**

The statement of financial position and as disclosed in Note 15(a) reflects Kshs.3,011,601 in respect of cash and cash equivalent. The balance includes bank balance for two (2) bank accounts namely Kenya Commercial Bank Account with a balance of Kshs.1,502,445 and Equity Bank Account with a balance of Kshs.1,470,156 and petty cash with a balance of Kshs.39,000. However, the monthly bank reconciliations and cash books for Kenya Commercial Bank Account and Equity Bank Account were not provided for audit verification.

In the circumstances, the internal controls over bank transactions could not be confirmed.

#### **2. Lack of Internal Audit Function**

The College has not established an Internal Audit Function contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which stipulates that, the entity should ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

The internal audit unit performs various roles as stipulated by Section 73(3) of the Public Finance Management Act, 2012 including risk assessment, putting in place a risk register and assessing the internal controls mechanism.

In the circumstances, the assurance to Management regarding systems of internal control and risk management could not be confirmed.

#### **3. Lack of a Human Resource Function**

The statement of performance reflects employee costs of Kshs.3,523,663 as disclosed in Note 11 to the financial statements. However, the College has not established a human resource function.

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

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

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

The Board of Governance 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**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**


**15 May, 2025**


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

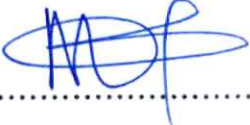
**14. Statement of Financial Performance for The Year Ended 30 June 2024**

	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	8,345,769	4,342,000
<b>Total Revenue from Non- Exchange transactions</b>		<b><u>8,345,769</u></b>	<b><u>4,342,000</u></b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	12,415,292	7,573,352
Other income			108,000
<b>Revenue from Exchange transactions</b>		<b>12,415,292</b>	<b><u>7,681,352</u></b>
<b>Total Revenue</b>		<b><u>20,761,061</u></b>	<b><u>12,023,352</u></b>
<b>Expenses</b>			
Use of goods and services	9	9,334,689	7,948,872
Employee costs	10	3,523,663	3,596,407
Board Expenses	11	721,000	570,500
Depreciation and amortization expense	12	24,258,827	10,744,432
Repairs and maintenance	13	447,271	811,303
Contracted services	14	111,000	0
<b>Total Expenses</b>		<b><u>38,396,450</u></b>	<b><u>23,671,514</u></b>
<b>Net surplus/(deficit) for the year</b>		<b><u>(17,635,389)</u></b>	<b><u>(11,648,162)</u></b>

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

  
 .....  
**Chairman of the Board**

  
 .....  
**Principal**

  
 .....  
**Finance Officer**  
**ICPAK No** *ASSOC/3145*  
**Date: 11/04/2025**

**Date:11/04/2025**


**Date: 11/04/2025**

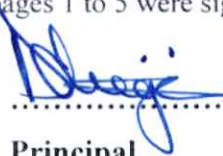
**Mathioya Technical and Vocational College**  
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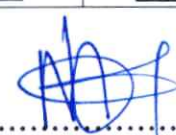
**15. Statement of Financial Position as at 30th June 2024**

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	15(a)	3,011,601	1,488,636
Current portion of receivables from exchange transactions	16	3,804,858	1,850,356
Receivables from non-exchange transactions	17	500,000	1,036,000
Inventories	18	402,657	1,565,364
<b>Total Current Assets</b>		<b><u>7,719,116</u></b>	<b><u>5,940,856</u></b>
<b>Non-Current Assets</b>			
Property, plant, and equipment	19	203,264,049	135,304,510
Intangible assets	20	1,200,000	0
<b>Total Non-Current Assets</b>		<b>204,464,049</b>	<b><u>135,304,510</u></b>
<b>Total Assets</b>		<b><u>212,183,165</u></b>	<b><u>141,245,366</u></b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	21	1,995,397	3,920,178
Refundable Deposits	22	106,700	0
Payments received in advance	24	182,000	0
<b>Total Current Liabilities</b>		<b>2,284,097</b>	<b>3,920,178</b>
<b>Net Assets</b>		<b><u>211,908,167</u></b>	<b><u>137,325,188</u></b>
Revaluation Reserves		104,368,368	12,150,000
Accumulated Surplus/Deficit		(87,127,701)	(69,492,312)
Capital Fund	25	194,667,500	194,667,500
<b>Total Net Assets and Liabilities</b>		<b><u>211,908,167</u></b>	<b><u>137,325,188</u></b>

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

  
 .....  
**Chairperson of the Board**

  
 .....  
**Principal**

  
 .....  
**Finance Officer**  
 ICPAK No 1200/3145  
**Date: 11/04/2025**

**Date: 11/04/2025**

**Date: 11/04/2025**

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**16. Statement of Changes in Net Asset for The Year Ended 30 June 2024**

Description	Revaluation Reserves	Accumulated Fund	Capital Fund	Total
At July 1, 2022	12,150,000	(57,844,150)	187,667,500	141,983,826
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(11,648,162)	-	(11,450,494)
Capital grants received during the year (Note 1)	-	-	7,000,000	7,000,000
Additional Capital				
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	12,150,000	(69,492,312)	194,667,500	137,325,188
At as July 1, 2023	12,150,000	(69,492,312)	194,667,500	137,325,188
Revaluation gain	92,218,368	0		92,218,368
Surplus/(deficit) for the year		(17,635,389)		(17,288,758)
As at June 30 2024	104,368,368	(87,127,701)	194,667,500	<u>211,908,167</u>

*Note:*

The college engaged professional valuers for Motor vehicle, plant and equipment, furniture and computers and accessories

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**17. Statement of Cash Flows for The Year Ended 30 June 2024**

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other government entities/govt.		7,845,769	4,342,000
Rendering of services- fees from students		10,453,290	7,573,352
Other income		0	108,000
<b>Total Receipts</b>		<b><u>18,299,059</u></b>	<b><u>12,023,352</u></b>
<b>Payments</b>			
Use of goods and services		8,934,689	7,948,872
Employee costs		3,523,663	3,596,407
Board Expenses		721,000	570,500
Repairs and maintenance		447,271	811,303
Contracted services		111,000	0
<b>Total Payments</b>		<b><u>16,376,094</u></b>	<b><u>12,927,082</u></b>
<b>Net Cash Flows from operating activities</b>	26	<b>1,922,965</b>	<b>(903,730)</b>
<b>Cash flows from investing activities</b>		0	
Purchase of property, plant, equipment and intangible assets		(400,00)	(957,440)
<b>Net cash flows used in investing activities</b>			<b>(1,861,170)</b>
<b>Cash flows from financing activities</b>		0	
<b>Net cash flows used in financing activities</b>			<b>(0)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>1,522,965</b>	<b>146,925</b>
Cash and Cash equivalents at 1 <sup>st</sup> July,2023	15	1,488,636	1,341,711
<b>Cash and Cash equivalents at 30 JUNE</b>	15	<b>3,011,601</b>	<b>1,488,636</b>

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference	Notes
	Kshs	Kshs	budget Kshs	Kshs	Kshs	%	
<b>Revenue</b>							
<b>Revenue</b>							
Transfers from other National Government entities	7,097,000	0	7,097,000	7,845,769	-748,769	-10%	1
Rendering of services- fees from students	13,064,300	0	13,064,300	10,453,290	2,611,010	20%	2
Miscellaneous Income – Centre fees/Admission fees	320,000	0	320,000	0	320,000	100%	3
<b>Total Income</b>	<b>20,481,300</b>	<b>0</b>	<b>20,481,300</b>	<b>18,299,059</b>	<b>2,833,522</b>		
<b>Expenses</b>							
Use of goods and services	14,145,800	0	14,145,800	8,934,689	5,211,111	37%	4
Employee costs	3,405,500	0	3,405,500	3,523,663	-118,163	5%	
Board Expenses	1,100,000	0	1,100,000	721,000	379,000	-37%	7
Repairs and maintenance	580,000	0	580,000	447,271	132,729	-28%	8
Contracted services	50,000	0	50,000	111,000	-61,000	-120%	9
<b>Total Expenditure</b>	<b>19,281,300</b>	<b>0</b>	<b>19,281,300</b>	<b>13,737,623</b>	<b>5,543,677</b>	<b>-33%</b>	
<b>Surplus For the Period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,561,436</b>	<b>4,565,486</b>		
<b>Capital Expenditure</b>	<b>1,200,000</b>		<b>1,200,00</b>	<b>400,000</b>	<b>800,000</b>	<b>70%</b>	

**Budget notes**

1. Transfers from national Government overperformed by 10% which is favourable due to increased and timely disbursements amounts against budgeted amounts.
2. Rendering of services fees underperformed by 20% due to low paying ability of our trainees and economic hardship.
3. Miscellaneous Income, no income was raised in relation to miscellaneous hence fully underperformed by 100%
4. Use of goods and services underperformed due to delays in disbursement of income and increased cost of commodities in the market.
5. Board expenses underperformed by 37% because the induction planned for 2023/2024 did not take place I the financial year.

6. Repairs and maintenance underperformed by 28%. This was caused by reduction in repairs as advised to cut costs in public spending.
7. Contracted services increased due to unforeseen expenditures in the financial year 2023/2024 such as revaluation of assets and interviews for new trainers.

**19. Notes to the Financial Statements**

**1. General Information**

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

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the 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 4. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the College. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. Adoption of New and Revised Standards**

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

There are no new standards that were adopted and effected in the year ended 30th June 2024

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

iii.

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>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.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>This standard did not affect the college for the FY 2023/2024</p>

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<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b>  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.  This standard did not affect the college for the FY 2023/2024</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b>  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.  This standard did not affect the college for the FY 2023/2024</p>
<p>IPSAS 46: Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b>  The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.  This standard did not affect the college for the FY 2023/2024</p>
<p>IPSAS 47: Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b>  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.  This standard did not affect the college for the FY 2023/2024</p>

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IPSAS 48: Transfer Expenses	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>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>This standard did not affect the college for the FY 2023/2024</p>
IPSAS 49: Retirement Benefit Plans	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>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>This standard did not affect the college for the FY 2023/2024</p>

**iii. Early adoption of standards**

The College did not early adopt any new or amended standards in year 2023/2024

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the College 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 College 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

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revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the College.

**Interest income**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2023/2024 was approved by the Council or Board on 30/06/2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the College upon receiving the respective approvals to conclude the final budget. The 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 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 on page 5 under section 2 of these financial statements.

**c) Taxes**

**Current income tax**

The College is not for profit and therefore exempt from paying taxes.

**Sales tax/ Value Added Tax**

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

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

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

**d) Investment property**

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

**e) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the College 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.

Depreciation of asset is calculated using the reducing balance method to write off the cost of the assets over their useful lives

The annual rates in use are: -

<b>Asset</b>	<b>Percentage (%)</b>
1.Land	Nil
2.Buildings	2.5
3.Work in progress and site work	Nil
4.Motor vehicles	25
5.Plant, office and other equipment	12.5
6.Furniture and fittings	12.5
7.Computers and Accessories	30
8.Academic gowns	5

**f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the College. 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 College also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the College 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 College. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

**i) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The College does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the College measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**Financial Assets Classification**

The College classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/equity, or fair value through surplus and deficit on the basis of both the College's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the College classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the College manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

**Financial liabilities**

**Classification**

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

**j) Inventories**

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

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

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

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

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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 College.

**k) Provisions**

Provisions are recognized when the College 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 College 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 College 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 College 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 College in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**l) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The College recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the College will incur in fulfilling the present obligations represented by the liability.

**m) Nature and purpose of reserves**

The College creates and maintains reserves in terms of specific requirements. The college maintains a revaluation reserve arising for revaluation of non-current assets.

**n) 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.

**o) Employee benefits**

**Retirement benefit plans**

The College provides retirement benefits for its employees only. 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.

**p) 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.

**q) Borrowing costs**

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

**r) 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 College, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

**s) Service concession arrangements**

The College 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 College recognizes that asset

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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 College also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**t) 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.

**u) Comparative figures**

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

**v) Subsequent events**

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the College'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 College 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 College. 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 College.
- 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 are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. The college did not make any provisions for the year ended 30<sup>th</sup> June 2024.

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**Notes to the Financial Statements (continued)**

**6. Transfers from other National Government entities**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation	4,081,500	2,842,000
Scholarship	2,264,269	0
Operational Grant	2,000,000	1,500,000
<b>Total unconditional Grants</b>	<b>8,345,769</b>	<b>4,342,000</b>

**7. Rendering of Services**

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition	230,279	0
Personal Emoluments	4,215,377	2,606,626
Local Transport Travelling	781,011	653,140
Electricity Water & Conservancy	598,270	652,088
Repair Maintenance & Improvements	356,775	318,351
Activity	606,756	625,088
Administration	0	98,000
Centre Fees	0	30,950
Material Fees	72,950	0
Computer Maintenance	55,320	203,200
Attachment Fees	0	705,129
Kenya National Examination Board	811,230	959,140
National Industrial Training Authority	261,350	123,800
KUCCPS	0	163,140
Student ID	52,200	25,800
Refund	0	17,600
Caution Money	106,700	127,200
T-Shirt	52,400	64,000
Registration	211,520	63,500
Assessment	0	119,600
Insurance	588,402	17,000
Computer studies	140,850	0
Short courses	831,000	0
Student Welfare	94,300	0
TVET CDACC	339,600	0
Accrued revenue	1,962,002	0
Technical Vocational Education Training Authority (TVETA)	47,000	0
<b>Total Revenue from The Rendering of Services</b>	<b>12,415,292</b>	<b>7,573,352</b>

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**8. Other Income**

Description	2023-2024	2022-2023
	Kshs	Kshs
Tenders	0	11,000
Computer studies	0	93,000
Centre fee	0	4,000
<b>Total other income</b>	<b>0</b>	<b>108,000</b>

**9. Use of Goods and Services**

Description	2023-2024	2022-2023
Administration Expenses	136,780	552,412
Local Transport & Travelling Expenses	1,324,900	1,661,206
Electricity Water & Conservancy	804,744	181,489
National Industrial Training Authority Exams	541,400	166,500
Student Identity Cards Expenses	0	20,000
Activity	369,820	107,666
KNEC Examinations	1,480,968	1,194,360
KATTI Participation Fee	319,760	310,500
KATTI Subscription Fee	0	100,000
Bank Charges	17,044	20,710
Training Material	1,963,640	1,151,245
Insurance (Attachment)	25,725	19,844
Assessment fee	0	135,075
Publicity	60,050	105,710
Fees Refund	0	26,400
KUCCPS	76,500	43,500
Telephone & Internet	372,336	387,176
Photocopy/Printing and Stationery	111,165	136,819
Hospitality	262,555	427,361
Performance contract	66,900	224,700
College t-shirt	0	20,577
Internal Audit	0	95,000
VDI Project	0	849,631
Withholding tax	18,483	10,991
Accreditation Fees	34,000	0
Cleaning Materials	22,200	0
Security	456,000	0
Enterprise resource planning	400,000	0
Tax arrears	469,719	0
<b>Total</b>	<b>9,334,689</b>	<b>7,948,872</b>

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**10. Employee Costs**

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries and wages	2,119,326	2,701,620
National Social Security Fund	335,904	159,712
National Hospital Insurance Fund	108,500	65,600
Pay As You Earn	8,030	11,540
Casuals	367,205	341,640
Part time	49,500	142,250
Production Unit -IGA	318,700	73,900
HELB Staff Loan deductions	139,704	100,145
NITA Industrial Training Levy	7,050	0
Housing Levy	69,744	0
<b>Employee Costs</b>	<b>3,523,663</b>	<b>3,596,407</b>

**11. Board/Council Expenses**

Description	2023-2024	2022-2023
	Kshs	Kshs
Directors Emoluments	721,000	570,500
<b>Total</b>	<b>721,000</b>	<b>570,500</b>

**12. Depreciation and Amortization expense**

Description	2023-2024	2022-2023
	Kshs	Kshs
Land	0	0
Building	1,037,253	1,007,401
Motor vehicles	787,500	0
Furniture and fittings	648,296	177,233
Computers & Electronics	2,611,338	408,488
Plant and equipment	19,062,505	9,038,049
Water Collection and Storage Facility	111,935	113,261
<b>Total depreciation and amortization</b>	<b>24,258,827</b>	<b>10,744,432</b>

**13. Repairs and Maintenance**

Description	2023/2024	2022-2023
	Kshs	Kshs
General repairs	418,076	811,303
Vehicle Maintenance	29,195	0
<b>Total Repairs and Maintenance</b>	<b>447,271</b>	<b>811,303</b>

14. Contracted Services

Description	2023/2024	2022/2023
	Kshs	Kshs
Property valuations	45,000	0
Internal Audit	20,500	0
Other Services (Interview Experts)	45,500	0
<b>Total contracted services</b>	<b>111,000</b>	<b>0</b>

15. Cash and Cash Equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Account - KCB	1,502,445	1,420,728
Current Account - EQUITY	1,470,156	66,340
Cash in Hand	39,000	1,568
<b>Total Cash and Cash Equivalents</b>	<b>3,011,601</b>	<b>1,488,636</b>

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

Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank	1222518767	1,502,445	1,420,728
Equity Bank, etc.	0050283305824	1,470,156	66,340
<b>Sub- Total</b>		<b>2,972,601</b>	<b>1,487,068</b>
<b>b) Others (Specify)</b>			
Cash in Hand		39,000	1,568
<b>Sub- Total</b>		<b>39,000</b>	<b>1,568</b>
<b>Grand Total</b>		<b>3,011,601</b>	<b>1,488,636</b>

16. Receivables from Exchange transactions

16 (a) Current Receivables from Exchange transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	3,804,858	1,850,356
<b>Total Current Receivables</b>	<b>3,804,858</b>	<b>1,850,356</b>

16 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2023/2024		2022/2023	
	Kshs		Kshs	
	2023/2024	% of total	2022/2023	% of total
Less than 1 year	3,178,618	84%	1,850,356	100%
Between 1- 2 years	626,240	16%		%
Between 2-3 years	0	0%		%
Over 3 years	0	0%		%
<b>Total (a+b)</b>	<b>3,804,858</b>		<b>1,850,356</b>	<b>%</b>

17. Receivables from Non-Exchange transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation	0	1,036,000
Recurrent Grant	500,000	0
<b>Total Current Receivables</b>	<b>500,000</b>	<b>1,036,000</b>

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

Description	2023/2024		2022/2023	
	Kshs		Kshs	
	2023/2024	% of the total	2022/2023	% of the total
Less than 1 year	500,000	100%	1,036,000	100%
Between 1- 2 years	0	%	0	%
<b>Total</b>	<b>500,000</b>	<b>%</b>	<b>1,036,000</b>	<b>%</b>

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**18. Inventories**

Description	2023/2024	2022/2023
	Kshs	Kshs
Consumable stores	174,550	350,200
Maintenance stores	71,580	460,700
Electrical stores	68,080	505,940
Cosmetology	16,997	70,100
Carpentry/Masonry Stores	37,400	75,150
Cleaning Materials stores	13,650	43,450
Catering stores	20,400	60,324
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b><u>402,657</u></b>	<b><u>1,565,864</u></b>

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19. Property, Plant and Equipment

Cost	Land		Motor vehicles	Furniture and fittings	Computers & Electronics	Plant and equipment	water storage and collection facility	Total
		Buildings						
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July ,2022	5,000,000	54,470,622	1,600,000	2,257,558	4,940,713	123,348,100	1,398,280	193,015,273
Additions		2,500,000	1,500,000	3,295,841	7,000,000	66,550	100,000	14,462,391
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Revaluation/Adjustments	0	0	0	0	0	0	0	0
At 30 <sup>th</sup> June 2023	5,000,000	56,970,622	3,100,000	5,553,399	11,940,713	123,414,650	1,498,280	207,477,664
At 1 <sup>st</sup> July ,2023	5,000,000	56,970,622	3,100,000	5,553,399	11,940,713	123,414,650	1,498,280	207,477,664
Additions	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Revaluation	0	0	1,650,000	649,896	751,321	89,167,151	0	92,218,368
At 30 <sup>th</sup> June 2024	5,000,000	56,970,622	4,750,000	6,203,295	12,692,034	212,581,801	1,498,280	299,696,032
<b>Depreciation And Impairment</b>								
At 1 <sup>st</sup> July ,2022	0	4,100,562	1,600,000	839,695	3,579,084	51,043,709	265,673	61,428,723
Depreciation	0	1,007,401	0	177,233	408,489	9,038,049	113,261	10,744,433
Disposals	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
At 30 <sup>th</sup> June 2023	0	5,107,963	1,600,000	1,016,928	3,987,573	60,081,758	378,934	72,173,156
At 1 <sup>st</sup> July ,2023	0	5,107,963	1,600,000	1,016,928	3,987,573	60,081,758	378,934	72,173,156
Depreciation	0	1,037,253	787,500	648,296	2,611,338	19,062,505	111,935	24,258,827
Disposals	0	0	0	0	0	0	0	0

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Impairment	0	0	0	0	0	0	0	0	0	0
At 30 <sup>th</sup> June 2024	0	6,145,216	2,387,500	1,665,224	6,598,911	79,144,263	490,869			96,431,983
Net Book Values										
At 30 <sup>th</sup> June, 2023	5,000,000	51,862,659	1,500,000	4,536,471	7,953,140	63,332,892	1,119,346			135,304,508
At 30 <sup>th</sup> June 2024	5,000,000	50,825,406	2,362,500	4,538,071	6,093,123	133,437,538	1,007,411			203,264,049

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**Notes to the Financial Statements (Continued)**

**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Union Assessors and Contractors Limited on 29th September 2023. These amounts were adopted in the financial statements on 1st October 2023.

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

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Ksbs	Kshs
Land	5,000,000	0	5,000,000
Buildings	56,970,622	6,145,216	50,825,406
Motor Vehicles including Motorcycles	4,750,000	2,387,500	2,362,500
Office Equipment, Furniture, And Fittings	6,203,295	1,665,224	4,538,071
Computers and Related Equipment	12,692,034	6,598,911	6,093,123
Plant And Machinery	212,581,801	79,144,263	133,437,538
Water harvesting equipment	1,119,346	111,934	1,007,411
<b>Total</b>	<b>299,696,032</b>	<b>96,431,983</b>	<b>203,264,049</b>

**20. Intangible Assets**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Cost</b>		
At 1st July ,2022	0	0
Additions	0	0
At 30 <sup>th</sup> June 2023	0	0
At 1 <sup>st</sup> July ,2023	0	
Additions–internal development	1,200,000	0
At 30 <sup>th</sup> June 2024	<b>1,200,000</b>	0
<b>Amortization and impairment</b>		
At 1st July ,2022	0	0
Amortization	0	0
At 30 <sup>th</sup> June 2023	0	0
At 1 <sup>st</sup> July ,2023	0	
Impairment loss	0	0
At 30 <sup>th</sup> June 2024	0	0
<b>NBV</b>	<b>1,200,000</b>	<b>0</b>

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The intangible assets is a ERP (Enterprise Resource Planning) system which work in progress and at its initial stage of utilization

**21. Trade and Other Payables**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Trade payables	1,195,397		2,833,041	
Fees paid in advance			207,500	
Other Payables	800,000		879,637	
<b>Total Trade and Other Payables</b>	<b>1,995,397</b>		<b>3,920,178</b>	
<b>Ageing analysis:</b>	<b>2023-2024</b>	<b>% of the Total</b>	<b>2022-2023</b>	<b>% of the Total</b>
Under one year	1,995,397		3,812,778	97%
1-2 years	0		107,400	3%
2-3 years	0		0	%
Over 3 years	0		0	%
<b>Total (to tie to totals above)</b>	<b>1,995,397</b>		<b>3,920,178</b>	<b>100%</b>

**22. Refundable Deposits from Customers/Students**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Caution money	106,700		127,200	
<b>Total Deposits</b>	<b>106,700</b>		<b>127,200</b>	
<b>Ageing analysis:</b>		<b>% of the Total</b>	<b>2022-2023</b>	<b>% of the Total</b>
Under one year	106,700		55,200	%
1-2 years	0		72,000	%
<b>Total (to tie to totals deposits above)</b>	<b>106,700</b>		<b>127,200</b>	<b>%</b>

**23. Defined Benefits Contribution Scheme**

The College contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The College's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 984 per employee per month. Other than NSSF the College has no other schemes.

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**24. Payments received in advance.**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Fees received in advance	182,000		207,500	
Caution money			127,200	
<b>Total</b>	<b>182,000</b>		<b>334,700</b>	
<b>Ageing analysis:</b>	<b>2023-2024</b>	<b>% of the Total</b>	<b>2022-2023</b>	<b>% of the Total</b>
Under one year	182,000	100%	155,300	%
1-2 years			179,400	%
2-3 years	0		0	%
Over 3 years	0		0	%
<b>Total</b>	<b>182,000</b>		<b>334,700</b>	<b>%</b>

**25. Capital Fund**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Opening Balance	194,667,500		187,667,500	
Additional Capital	0		7,000,000	
<b>Closing Capital</b>	<b>194,667,500</b>		<b>194,667,500</b>	

**26. Cash generated from operations.**

Surplus for the year before tax	2023-2024		2022-2023	
	Kshs		Kshs	
<b>Surplus for the year before tax</b>	<b>(17,635,389)</b>		<b>(11,648,162)</b>	
<b>Adjusted for:</b>				
Depreciation	24,258,827		10,744,432	
	<b>6,623,438</b>		<b>(903,730)</b>	
<b>Working Capital Adjustments</b>				
Increase in Inventory	1,162,707			
Increase in Receivables	(1,950,002)			
Increase in Payables	1,924,781			
Increase in Payments received in advance	288,700			
<b>Net Cash Flow from Operating Activities</b>	<b>1,922,965</b>		<b>(903,730)</b>	

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**25. Financial Risk Management**

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

**(i) Credit risk**

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2023</b>				
Receivables from exchange transactions	1,850,356	0	0	0
Receivables from non-exchange transactions	1,036,000	2,000,000	0	0
Bank balances	0	1,420,728	0	0
<b>Total</b>	<b>2,886,356</b>	<b>3,420,728</b>	<b>0</b>	<b>0</b>
<b>As at 30th June 2024</b>				
Receivables from exchange transactions	2,784,170	2,784,170	0	0
Receivables from non-exchange transactions	4,810,500	0	0	0
Bank balances	3,011,601	3,011,601	0	0
<b>Total</b>	<b>10,606,271</b>	<b>5,795,771</b>		

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**Financial risk management (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 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 College's directors, who have built an appropriate liquidity risk management framework for the management of the College's short, medium and long-term funding and liquidity management requirements. The College 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
<b>At 30 June 2023 (previous year)</b>				
Trade Payables	2,833,041	207,500	879,637	3,920,178
<b>Total</b>	<b>2,833,041</b>	<b>207,500</b>	<b>879,637</b>	<b>3,920,178</b>
<b>At 30 June 2024 (current year)</b>				
Trade Payables	0	1,195,397	800,000	1,995,397
<b>Total</b>	<b>0</b>	<b>1,195,397</b>	<b>800,000</b>	<b>1,995,397</b>

**(iii) Market risk**

The College has put in place an internal audit function to assist it in assessing the risk faced by the College 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 College'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.

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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 College's exposure to market risks or the manner in which it manages and measures the risk.

**a) Foreign currency risk**

The College has no transactional foreign 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 College 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 College'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.

**iv) Capital Risk Management**

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

**Capital Fund**

Description	2023/2024	2022/2023
	Kshs	Kshs
Revaluation Reserve	107,868,367	12,150,000
Retained Earnings	(86,781,070)	(69,294,644)
Capital Fund	193,130,300	193,130,300
<b>Total Funds</b>	<b>215,754,797</b>	<b>135,985,656</b>
Total borrowing	0	0
Less: Cash and Bank Balances	3,011,601	1,488,636
Net Debt/(Excess Cash and Cash Equivalents)	3,011,601	1,488,636
<b>Gearing</b>	0.22%	1.19%

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**27. Related Party Balances**

**Nature of related party relationships**

Entities and other parties related to the College 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 College, 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

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
<b>a) Sales to related parties</b>		
<b>Total</b>		
<b>B) Purchases from related parties</b>		
Purchases of electricity from kplc	911,349	
Purchase of water from govt service providers	40,595	
Training and conference fees paid to govt. agencies	0	
<b>Total</b>		
<b>b) Grants /Transfers from the Government</b>		
Grants from National Govt	1,500,000	1,500,000
<b>Total</b>		
<b>c) Expenses incurred on behalf of related parties</b>		
<b>Total</b>	<b>0</b>	
<b>d) Key Management Compensation</b>		
Directors' emoluments	721,000	443,000
<b>Total</b>	<b>3,172,944</b>	<b>1,943,000</b>

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**28. Events After the Reporting Period**

1. Four Board members retired and were replaced by the Cabinet Secretary, Ministry of Education in accordance with the procedures for recruitment of BOG Members.
2. It was found to be prudent to disclose the new members in the Year ending 30<sup>th</sup> June 2024 even though the inauguration took place in July 2024.
3. There were no other material adjusting and non-adjusting events after the reporting period.

**29. Ultimate and Holding Entity**

The College is a Tertiary institution under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**30. Currency**

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

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20. Appendices


Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
The College has not been audited for the Year 2022/2023 and therefore no substantive prior year queries/recommendations. However, 2021/2022 audit queries were resolved and reported in the financial report of the year ending 30th June 2023				
<b>2021/2022 Issues Raised</b>				
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
BASIS FOR QUALIFIED OPINION 1.	Inaccuracies in the reported balances	Resolved and restated	Resolved	
2.	Unsupported PPE balances	Resolved by revaluation	Resolved	
3.	Unsupported Depreciation	Resolved by depreciation policy	Resolved	
<b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</b>				
1.	Lack of ethnic staff diversity	Not Resolved	Not Resolved	
2	Employment of unlicensed trainers	Not Resolved	Not Resolved fully	
3	Failure to deduct NHIF	Resolved	Resolved	

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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)
4	Irregular remuneration of directors	Resolved	Resolved	
5	Non remittance of tax to KRA	Resolved	Resolved	
6	Failure to deduct and remit withholding tax	Resolved	Resolved	
7	Failure to comply with IPSAS on ICPAK membership of the Finance officer	Resolved	Resolved	
<b>REPORT ON INTERNAL CONTROLS AND RISK GOVERNANCE</b>				
1	Lack of internal audit function	Resolved by outsourcing the function from neighbouring colleges	Resolved	
2	Non-establishment of audit committee	Resolved by appointment by the Board	Resolved	
3	Lack of approved risk and financial management policy	Resolved. Policy In place and approved	Resolved	
4	Lack of human resource office	Not Resolved but HR matters are handled by the Principals office	Not resolved	



Accounting Officer/ Principal  
Date :11/04/2025

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Appendix II- Inter-Entity Confirmation Letter

Name of transferring entity: State Department for Technical Vocational Education and Training  
Name of beneficiary entity: Mathioya Technical and Vocational College

Appendix II- Inter-entity confirmation letter



MINISTRY OF EDUCATION  
STATE DEPARTMENT FOR TECHNICAL, VOCATIONAL EDUCATION AND TRAINING

Mathioya Technical & Vocational College  
363 - 10204  
KIRITAINI

Mathioya TVC wishes to confirm the amounts disbursed to you as at 30 June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate them in column E in the table below. Then please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Mathioya TVC as at 30 June 2024									
Amounts Disbursed by State Department for TVET as at 30-June-24									
Reference Number	Date Disbursed	Recurrent - Grants	Development - Capitalisation (Kdsh)	Scholarship	Amount Received by	Differences	Total Recurrent	Total Development	Total Development
Q1 FT232713MXXL	28-Sep-23		697,500.00		997,500.00	0.00			
Q2 FT24018Q3782	18-Jan-24		1,029,000.00		1,029,000.00	0.00			
Q3 FT2403178105	31-Jan-24		1,176,000.00		1,176,000.00	0.00			
Q4 FT24151G18WV	30-May-24		879,000.00		879,000.00	0.00			
Q1 FT23271G11VY	28-Sep-23	500,000.00			500,000.00	0.00			
Q2 FT24018Q3779	18-Jan-24	500,000.00			500,000.00	0.00			
Q3 FT24031M023C	31-Jan-24	500,000.00			500,000.00	0.00			
Q4 BULK241043VVVF	12-Jul-24	500,000.00			500,000.00	0.00			
FT240508218P	6-Feb-24			2,116,453.50	2,116,453.50	0.00			
FT240508218P	27-Feb-24			147,815.80	147,815.80	0.00			
<b>Total</b>		<b>2,006,000.00</b>	<b>4,881,500.00</b>		<b>8,345,769.30</b>				

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

Head of Accounts Department

MATHIOYA TECHNICAL  
VOCATIONAL COLLEGE  
PRINCIPAL  
Date: 21/8/2024

Name: \_\_\_\_\_  
Date: \_\_\_\_\_  
Signature: \_\_\_\_\_

Yours sincerely,  
Signed by: Benson M. Kinyua Head Accounting Unit  
Copy to: Director General, Accounting Services and Quality Assurance, the National Treasury