

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 10 JUN 2025	DAY: WED
TABLED BY:	HON. NADMI WAKO, MP REP. MAJ. PARTY KIPP
CLERK-AT THE-TABLE:	MS. MERCH CHUMO

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**OF**

**THE AUDITOR-GENERAL**

**ON**

**MSAMBWENI TECHNICAL AND  
VOCATIONAL COLLEGE**

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

OFFICE OF THE AUDITOR - GENERAL  
P.O.Box 95202, MOMBASA

15 MAY 2025

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MOMBASA REGIONAL OFFICE



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**MSAMBWENI 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)

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**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

**B. Definition of Key Terms**

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

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

*(This list is an indication of the common acronyms and abbreviations; Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)*

## **2. Key Entity Information and Management**

### **(a) Background information**

Msambweni Technical and Vocational College abbreviated (MTVC) was incorporated/established under the TVET Act in 1981 by the government to provide business and technical skills. The Institute is domiciled in Kenya in Kwale County, Msambweni town. The institute is under the Ministry of Education. The institute implements TVET- curriculum in all its fields as developed and examined by NITA, KNEC and TVET-CDACC. Msambweni TVC is staffed by the Ministry of Education through the State Department of Vocational and Technical Training, Directorate of TVET.

The expansion and reforms witnessed in technical and vocational training has been necessitated by Kenya's objective of industrialization as contained in the Vision 2030 and the MDGs. For these to be realized, it is imperative to develop and effectively utilize the country's human, physical and financial resources. The Kenya Vision 2030 blue print recognizes human resource development as key to rapid development. Highly trained and flexible human resource that has the relevant knowledge and skills requires sustained and continuous Training and re-training of content developed and implemented in close consultation with industry.

### **(b) Principal Activities**

The principal activity of the Institute is to train and equip trainees with modern technology for global market competition.

#### **Vision Statement:**

Technology is the key for innovation.

#### **Mission Statement:**

To train and equip trainees with modern technology for global market competition.

#### **Core Values**

- i. **Uprightness and honesty:-** Msambweni Technical and Vocational College will endeavor to promote uprightiness and honesty in all undertakings with stakeholders and other interested parties.
- ii. **Transparency and accountability:-** The Msambweni Technical and Vocational College will promote transparency and accountability to its stakeholders through provision of adequate and timely reports and communication to the stakeholders.

**Key Entity Information and Management (Continued)**

- iii. **Integrity:-** Msambweni Technical and Vocational College employees shall conduct themselves in a manner that demonstrates high moral standards. The institute will promote high levels of integrity through implementation of relevant policies and ethical code of conduct
- iv. **Respect for change:-** Msambweni Technical and Vocational College will positively implement changes that will promote efficient and effective service delivery to the stakeholders
- v. **Prudent environmental management:-** Msambweni Technical and Vocational College shall manage its environment prudently and promote efficient utilization of the environmental resources for both the present and future generation
- vi. **Professionalism:-** All the staff of Msambweni Technical and Vocational College upholding the requirements for professional conduct. The institute is committed to the highest levels of achievement obtainable through competence and pertinent skills.
- vii. **Respect for cultural diversity:-** The Msambweni Technical and Vocational College appreciates and respect the diversity of cultural heritage

**Strategic Objectives**

- i. To enhance the college corporate image
- ii. To increase financial sustainability
- iii. To provide adequate infrastructure for learning
- iv. To improve the Human Resource Capacity
- v. To fully Integrate ICT in college management
- vi. To improve teaching and learning
- vii. To develop responsible youth to contribute to national development

**The Mandate and Functions of Msambweni Technical and Vocational College**

Technical and Vocational Training institutions were established by the Government in 1980s to provide technical, vocational and entrepreneurship training (TVET) to young primary and secondary school graduates who could not transit to middle level colleges and universities. Graduates from these institutes have been able to provide the much-needed skilled labour that is required to propel the country to industrialization.

The National Development Agenda identifies TVCs as one of the key drivers in the following areas: -

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

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- i. Science Technology and Innovation – the development of the necessary scientific and technological infrastructure, as well as the technical and entrepreneurial skills is an essential prerequisite to the transformation of Kenya into knowledge-based society.
- ii. Education and Training – the provision of quality education, training and research for all Kenyans
- iii. Human Resource Development - there will be need to create a globally competitive and adoptive human resource base to meet the requirements of *Vision 2030*. This will be mainly achieved through increased training.
- iv. ICT – to develop a critical mass of human resource required to support the capacity of the ICT industry
- v. Gender and Youth development – integration and harmonization of issues affecting the youth as well as promoting gender equity in training.

**Mandate**

Msambweni Technical and Vocational College derives its mandate from the following legal framework governing TVET and the Ministry:

- (i) The Constitution of Kenya
- (ii) The Education Act (Cap 211)
- (iii) The Higher Education Loans Board Act (Cap 213)
- (iv) The Industrial Training Act (Cap 237)
- (v) The Kenya National Examinations Council Act (Cap 225)
- (vi) The Local Government Act (Cap 265)
- (vii) The TVET Act 2013
- (viii) The PSC Act

The above legal instruments have evolved over a period of time. In this regard, the Kenya Government through the Ministry of Higher Education, Science and Technology initiated and developed the National TVET Strategy (2007).

The mandate of Msambweni Technical and Vocational College is:

1. To produce morally upright, relevant, high quality and competitive graduates in the job market
2. To enhance the learning and working environment
3. To optimize utilization of human and physical resources in the institute
4. To increase capacity for training, research and consultancy services in line with changing technologies

**Msambweni Technical And Vocational College**  
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**(c) Key Management**

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

- Governing board
- Accounting officer/Principal
- Deputy Principal
- Registrar
- Dean of students

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Principal	<b>Ms. Maria Kimonyi</b>
2.	Deputy principal	<b>Ms. Margaret Kigo</b>
3.	Registrar (s)	<b>Mr. David Muigai</b>
4.	Dean of students	<b>Mr. Alvanus Aron</b>
5.	Head of Finance	<b>Ms. Fatuma Bege</b>
6.	Head of Procurement	<b>Mr. Joseph Orondo</b>

**(e) Fiduciary Oversight Arrangements**

- Audit and Risk Management Committee
- Finance and General-Purpose Committee
- Academic Implementation Committee

**(f) Entity Headquarters**

Msambweni Technical and Vocational College  
P.O. Box 11-80404  
Msambweni- Kwale  
KENYA

**Key Entity Information and Management (Continued)**

**(g) Entity Contacts**

Telephone: 0702944524/0755764544  
E-mail: [msambwenitti@gmail.com](mailto:msambwenitti@gmail.com)

**(h) Entity Bankers**

Kenya Commercial Bank  
Voi Branch  
P.O. Box 137-80300  
Voi, Kenya.

**(i) Independent Auditors**





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

**(j) Principal Legal Adviser**




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

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**3.The Council/Board of Governors**


NO.	BOG	DETAILS
1.	<p>ZAHARANI HASSAN BWENGO</p> 	<p>Name: Eng. Zaharani Hassan Bwengo  Chairman of the board  Age: 59  Position: Chairman of the Board  Qualifications: BSc. Electrical Engineering  Work Experience: Principal Terminal Engineer-  Kenya Ports Authority</p>
2.	<p>MR.PETER MWANGI</p> 	<p>Name: Mr. Peter Mwangi  DOB: 24/02/1966  Qualifications: BED, Masters in Education  Administration  Work Experience: He is the TVET county  Director for Mombasa, Kwale and Taita Taveta.  He is the representative of the PS Ministry of  Education, State Department Vocational and  Technical Training</p>
3.	<p>MD.FLORENCE EPENI</p> 	<p>Name: Florence Ruth Epeni  Age:61  Position: Member of the Board  Higher National Diploma in Psychology  Work Experience: Retired teacher</p>
4.	<p>MD.MWANAMKUU HAMISI</p> 	<p>Name: Mwanamkuu Hamisi  DOB: 20/05/1988  Position: Member of the Board.  Qualifications: degree  Work experience: Worked with the Kenya  National Commission on Human Rights</p>

**Msambweni Technical And Vocational College**  
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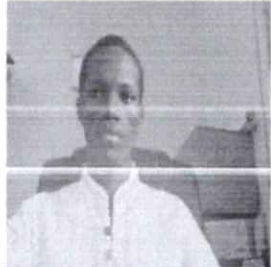
5.	<p>MR. MOHAMED KHALFAN TSUMO</p> 	<p>Name: Mohamed Khalfan Tsumo          Age: 35          Position: Member of the Board          Qualifications: Bachelor of Science in Mechatronic Engineering .          Work Experience: Supervisor Bamburi Cement</p>
6.	<p>MR. JOSEPH OMWENGA</p> 	<p>Name: Mr Joseph Omwenga          Position: Member of the Board          Qualifications: MBA-<i>finance option</i>.          Work Experience: Accountant -Critical Consultancy Service .</p>
7.	<p>MD.MARIA KIMONYI</p> 	<p>Name: Md. Maria Kimonyi          Position: Principal/Secretary of the Board          Qualifications: MBA- strategic management.          Work Experience: Senior Trainer at Msambweni TVC</p>

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**4. Key Management Team**

NO.	MEMBER	DETAILS
1.	<p>MD.MARIA KIMONYI</p> 	<p>Name: Md. Maria Kimonyi            Position: Principal/Secretary of the Board            Qualifications: MBA-Strategic Management.            Work Experience: Senior trainer-Msambweni TVC</p>
2.	<p>MD. MARGARET KIGO</p> 	<p>Name: Md. Margaret Kigo            Position: Deputy Principal Academics/Administration            Qualifications : BBM Degree            Work Experience. Chief Assistant Trainer</p>
3.	<p>MR.DAVID MUIGAI</p> 	<p>Name: Mr. David Muigai            Qualification:            Diploma in Engineering            Work experience: Served as Ag. registrar at Msambweni TVC</p>
4.	<p>MR.ARONI ALVANUS</p> 	<p>Name: Mr. Aroni Alvanus            Position: Dean of Students            Qualification: Diploma            Work experience: Served Ag. Dean of Students at Msambweni TVC</p>

**Msambweni Technical And Vocational College**  
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5.	<p><b>MD. FATUMA O.BEGE</b></p> 	<p>Name: Md. Fatuma O. Bege          Position: Finance officer          Qualification: CPA Part 3, Sec 5,          Work experience: Accounts Clerk since August 2021 at Msambweni TVC</p>
6.	<p><b>MR. JOSEPH ORONDO</b></p> 	<p>Name: Mr. Joseph Orondo          Position: Procurement office          Qualification: Diploma in Procurement &amp; Logistics.          Work experience: Procurement officer since 2019 at Msambweni TVC</p>

### 5. Chairman's Statement

On behalf of Msambweni technical and Vocational College ,am pleased to present to you Annual Reports and and financial statements for the year ended June 2024. Msambweni Technical And vocational college continues to deliver on its key mandate of provision of quality education, training and research.

The Institute projected to focus on increasing students enrollment through marketing, improvement of infrastructure and human resource to support teaching, learning and research. In that spirit the institute recruited trainers for vacancies for different departments, i.e Building technology, tourism management, Accounting, catering and accommodation, Cosmetology, hair dressing and beauty therapy, which is aimed at increasing enrollment and improvement of infrastructure.

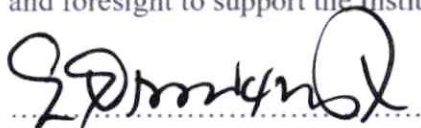
During the financial year 2023/2024 the institute admitted 10 boys to accommodate the hostel through Base Titanium sponsorship.

The government of Kenya has largely invested on technical and vocational training as a tool to address the shortage of artisan and technician who can handle areas requiring technological and innovative skills

Through various plans like vision 2030 and TVET act 2013 the Government places an important emphasis as a way of creating jobs and acquisition of hand on skills. The government has also realized that the big 4 agenda that is, Manufacturing, Proper and Cheap Housing, Agriculture and Food security cannot be realized unless Kenyan government adopt sustainable skills to deal with this menace

Msambweni TVC is one of the technical colleges in Kenya that is charged with this responsibility of training artisan and technician in mechanical, I.C.T, Electrical and Business-related courses. On behalf of B.O.G I wish to assure our trainee's staff and all partners that, the Board will provide leadership and offer necessary advice in ensuring success in all spheres, be it allocation of required resources, in collaboration with the principal and the staff in general. Through the institutes strategic plan for the five years.

I wish to acknowledge with gratitude the Government of Kenya for its goodwill and immense support. The Board of governors shall continue to provide the much needed resources, advice and foresight to support the Institute as it continues to implement its goals and objectives.



Mr. Zaharani Bwengo  
Chairman of the Board of Governors

Date ... 26/4/2024

## **6. Report of the Chief/Senior Principal**

Dear Stakeholders,

Msambweni Technical and Vocational College was incorporated/established under the TVET Act on 1981 by the government to provide business and technical skills. The Institute is domiciled in Kenya in Kwale County, Msambweni town. The institute is under the Ministry of Education. The institute implements TVET- curriculum in all its fields as developed and examined by NITA and KNEC. Msambweni TVC is staffed by the Ministry of Education through the State Department of Vocational and Technical Training, Directorate of TVET.

The expansion and reforms witnessed in technical and vocational training has been necessitated by Kenya's objective of industrialization as contained in the Vision 2030 and the MDGs. For these to be realized, it is imperative to develop and effectively utilize the country's human, physical and financial resources. The Kenya Vision 2030 blue print recognizes human resource development as key to rapid development. Highly trained and flexible human resource that has the relevant knowledge and skills requires sustained and continuous Training and re-training of content developed and implemented in close consultation with the industry.

The five years strategic plan (2021-2025) is a guideline on the way forward of attaining our goal/objective as BOG and administrators of TVET in general. Through various initiatives Msambweni TVC will endeavor itself in increasing enrolment, increasing courses offered and increasing infrastructure that is hostel, classes, workshop and perimeter wall. As a new technical college started in September, 2019, we are facing several problems. Msambweni TVC shall endeavor itself in providing market driven courses relevant courses through collaboration with the industry and other stakeholders. Msambweni TVC is registered by TVET and also accredited to Offers KNEC examinations in Mechanical, Electrical, ICT and Supply Chain Management. Msambweni TVC is also registered by NITA to offer welding and fabrication in grade 3 artisan and soon we will be accredited to offer electrical artisan.

### **Principal Activities**

The principal activity of the Institute is to train and equip trainees with modern technology for global market competition.

### **Entity's compliance with statutory requirements**

During the year under review, the Institute complied with all its statutory obligations including compliance with Public Procurement Regulations, remittance of PAYE, NHIF, NSSF, Pensions and HELB recovery within the stipulated deadlines. The Institute does not foresee any potential for contingent liabilities arising from non-compliance with statutory obligations.

### **Major Risks facing the entity**

Msambweni Technical and Vocational College continues to face pressure on existing resources due to inadequate Teaching and learning infrastructure especially in engineering courses caused by the increase in student enrolment. The teacher and non-teaching staffs to students remains low, limited teaching and learning facilities, insufficient funds to meets all project activities.

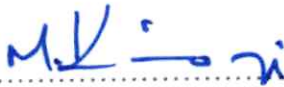
**Msambweni Technical And Vocational College**  
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Msambweni Technical and Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence.

As the principal, I take this opportunity to sincerely thank the Board of Governors, administrative staff, HODs for their efforts and commitment to the attainment of entity's goal.

Lastly, I would like to appreciate the Government of Kenya through The National Treasury and The Ministry of Education for the support accorded to Msambweni Technical and Vocational College looking forward to your continued support.



.....  
Ms. Maria Kimonyi  
Principal/Secretary of the BOG  
Date: 26.04.2025

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

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

Msambweni Technical and Vocational College develops its annual work plans based on the 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Msambweni Technical and Vocational College achieved its performance targets set for the FY 2023/24 period for its 4 strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar</b>		<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
1.	Human Resource development	To improve Human Resource Capacity	Number of staff engaged	Additional staff ,Employ more BOG staffs	Additional BOG staff employed
2.	ICT	To integrate ICT in institution management	ICT equipment purchased and installed	Purchase additional ICT equipment for the institution	ICT equipment purchased
3.	Education and Training	To improve Training and learning	Introduce new learning and training methods.	Build Capacity in new and modern methods of teaching	Modern Techniques adopted
4.	Gender and Youth	To develop responsible youth to contribute to national development	No of Drugs and substance Abuse /HIV/AIDs	Provision of information	Peer counselling

### **8. Corporate Governance Statement**

Msambweni Technical and Vocational College is committed to the values and principles of good corporate governance as an integral part of corporate culture and guides the manner in which its Governors, management, staffs and students conduct the business of the organization. As a public sector organization dedicated to providing quality services to its stakeholders, the institution's decision are guided by the core tenets prescribed in the Public Officers Ethics Act, The leadership and integrity Act

#### **Roles and Functions of the Board**

- i. Development of the institute
- ii. Management of the college finances
- iii. Appointment and employment of non- teaching staff.
- iv. Discipline of trainers and trainees
- v. Policy formulation

#### **The Board size and Composition**

Msambweni Technical and Vocational College Board of Governance is made up of 10 members from various fields;

##### **Members**

1. Mr. Zaharani Bwengo - Chairperson
2. Ms. Maria Kimonyi - Secretary
3. Mr. Mwangi Peter - Director TVET
4. Mr. Ali Mohamed Masemo - Member
5. Mr. Said Athumani - Member
6. Md. Florence Epeni - Member
7. Md. Mwanamkuu Hamisi - Member
8. Md. Margaret Kigo
9. Mr. Joseph Omwenga - Member
10. Mr. Mohamed Khalfan Tsumo - Member

#### **Regulations Governing Conduct Of Board**

- ❖ Set up committees to look into issues like Finance, Audit, Human Resource and Academics.
- ❖ Terms of office is 3 years
- ❖ Resignation is by writing a notice to appointing authority
- ❖ Meet atleast once every four months, which is thrice in a year.
- ❖ Committee can meet as much as possible
- ❖ Quorum of meetings is two thirds.
- ❖ Remuneration is paid in respect of service as determined by the approval of Board members and Cabinet Secretary. This also depends with institutions financial strength.

**Msambweni Technical And Vocational College**  
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The following are Board Committees:

<b>Name of the committee</b>	<b>Members</b>
Academic Committee	1. Mr. Said Athumani - Chairman 2. Mr. Mohamed Khalfan Tsumo - Member 3. Mr. Peter Mwangi - Director TVET
Audit Committee	1. Mr. Ali Mohamed Masemo – Chairman 2. Md. Florence Epeni - Member 3. Mr. Peter Mwangi - Director TVET
Financial and Human Resource Committee	1. Md. Mwanamkuu Hamisi - Chair 2. Mr. Joseph Omwenga - Member 3. Mr. Peter Mwangi - Director TVET

**9. Management Discussion and Analysis**

**The entity's operational and financial performance**

The Institute continues to deliver on its key mandate of provision of quality education, training, and research.

**Entity's compliance with statutory requirements**

During the financial year under review, the Institute complied with all its statutory obligations including compliance with Public Procurement Regulations, remittance of PAYE, NHIF, NSSF within the stipulated deadlines. The Institute does not foresee any potential for contingent liabilities arising from non-compliance with statutory obligations.

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

Msambweni TVC enrolled 10 boarding students during the financial year under review. The hostels were built by Msambweni NG-CDF funds.

**Major risks facing the entity**

Msambweni Technical and Vocational College continues to face pressure on existing resources due to inadequate Teaching and learning infrastructure especially in engineering courses caused by the increase in student enrolment. The teacher and non-teaching staffs to students remains low, limited teaching and learning facilities, insufficient funds to meets all project activities.  
Poor fees payment.

**Material arrears in statutory/financial obligations**

The institute does not have any loan default, pending bill, outstanding obligations

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

During the year under review the Institute did not have any governance issues.

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

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

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

Msambweni Technical and vocational College does not have any Sustainability Strategy and profile

##### **Environmental performance**

Msambweni Technical and Vocational College did not engage in any environmental activities and does not have environmental policy. It's in the Process of developing an Environmental Policy.

##### **Employee welfare**

Msambweni technical and Vocational College has no Employee Welfare but is considering establishing one in the near future.

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

The organisation should outline its efforts to:

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

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

Msambweni technical and Vocational College did not engage in any Community Engagements during the year ended 30<sup>th</sup> June, 2024.

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

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

The Council/Board members submit their report together with the Financial statements for the year ended June 30<sup>th</sup>, 2024, which show the state of Msambweni Technical and Vocational College affairs.

**Principal activities**

The principal activities of the Institute is to train and equip trainees with modern technology for global market competition.

**Results**

The results of the entity for the year ended June 30<sup>th</sup> 2024, are set out on page 20 - 25

**Council/Board of Governors**

The members of the Board /Council who served during the year are shown on page xv.

**Auditors**

The Auditor General is responsible for the statutory audit of Msambweni Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of Msambweni Technical and Vocational College for the year ended June 30<sup>th</sup>, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

  
.....

**Ms. Maria Kimonyi**  
**Secretary of the Board/Council**

Date: 26.04.2025  
.....

## **12. Management Discussion and Analysis**

### **The entity's operational and financial performance**

The Institute continues to deliver on its key mandate of provision of quality education, training, and research.

### **Entity's compliance with statutory requirements**

During the financial year under review, the Institute complied with all its statutory obligations including compliance with Public Procurement Regulations, remittance of PAYE, NHIF, NSSF within the stipulated deadlines. The Institute does not foresee any potential for contingent liabilities arising from non-compliance with statutory obligations.

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

Msambweni TVC soon going to enroll boarding students. We have two hostels –1 for boys and 1 for girls. The hostels were built by Msambweni NG-CDF fund and is almost complete.

### **Major risks facing the entity**

Msambweni Technical and Vocational College continues to face pressure on existing resources due to inadequate Teaching and learning infrastructure especially in engineering courses caused by the increase in student enrolment. The teacher and non-teaching staffs to students remains low, limited teaching and learning facilities, insufficient funds to meets all project activities.

Poor fees payment.

### **Material arrears in statutory/financial obligations**

The institute does not have any loan default, pending bill, outstanding obligations

### **The entity's financial probity and serious governance issues**

During the year under review the Institute did not have any governance issues.

### **13. Environmental And Sustainability Reporting Statement**

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

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

Msambweni Technical and vocational College does not have any Sustainability Strategy and profile

#### **Environmental performance**

Msambweni Technical and Vocational College did not engage in any environmental activities and does not have environmental policy. It's in the Process of developing an Environmental Policy.

#### **Employee welfare**

Msambweni technical and Vocational College has no Employee Welfare but is considering establishing one in the near future.

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

The organisation should outline its efforts to:

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

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

Msambweni technical and Vocational College did not engage in any Community Engagements during the year ended 30<sup>th</sup> June, 2024.

#### **14. Statement of Board of Governors/ Council's Responsibilities**

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

The Council members are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30<sup>th</sup>, 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 entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Msambweni Technical and Vocational College, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for Msambweni Technical and Vocational College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Technical and Vocational Education and Training Act 2013. The council members are of the opinion that the Msambweni Technical and Vocational College financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30<sup>th</sup>, 2024, and of the entity's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the Msambweni Technical and Vocational College financial statements as well as the adequacy of the systems of internal financial control.

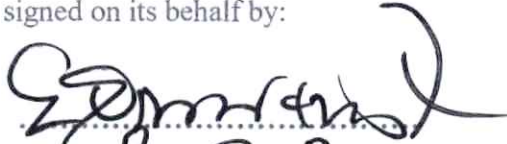
In preparing the financial statements, the Principal has assessed the entity's ability to continue as a going concern. Nothing has come to the attention of the Council members to indicate that Msambweni Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement.


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

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**Approval of the financial statements**

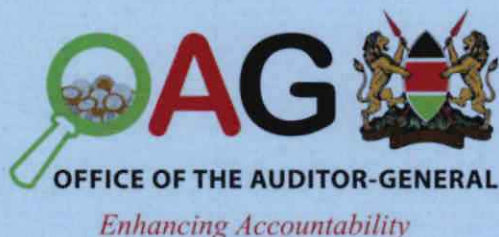
The entity's financial statements were approved by the Board on 26/04/ 2025 and signed on its behalf by:

  
Name Mr Z. Bwengo  
Chairperson of the Board/Council

  
Name MARIA KINOMONI  
Accounting Officer/Principal

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
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 MSAMBWENI 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 Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Msambweni Technical and Vocational College set out on pages 1 to 56, 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 Msambweni 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 International Public Sector Accounting Standards (Accrual Basis) and comply Technical and Vocational Education Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccurate Statement of Financial Position**

The statement of financial position reflects net assets balance of Kshs.13,377,665 which differ with the recalculated total of Kshs.13,013,048 resulting to an unexplained variance of Kshs.364,617. Further, the accumulated surplus of Kshs.12,280,503 is understated by Kshs.106,004 resulting from understatement of previous year's audited surplus balance of Kshs.4,642,498 reported as Kshs.4,536,494 in the statement of changes in net assets.

In addition, the statement of financial position and Note 26 to the financial statements reflects cash and cash equivalents balance of Kshs.1,097,162. However, the balance differs with the calculated balance of Kshs.1,167,161 in the statement of cash flows resulting to variance of Kshs.69,999.

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

#### **2. Unsupported Inventories Balance**

The statement of financial position and Note 29 to the financial statements reflects inventories balance of Kshs.1,526,775. However, the balance was not supported with inventory listing and stock take report. Management explained that no stock take was conducted at the close of the year under review hence, it was not possible to confirm how the actual quantities and the reported values were determined.

In the circumstances, the accuracy and completeness of the inventory balance of Kshs.1,526,775 could not be confirmed.

#### **3. Understatement of Property, Plant and Equipment and Lack of Land Ownership Documents**

The statement of financial position and Note 32 to the financial statements reflects property, plant and equipment balance of Kshs.138,620,593. However, the balance

excludes land of unknown value on which the College is constructed. In addition, no evidence of ownership of land or lease agreement was provided for audit review.

In the circumstances, accuracy of property, plant and equipment balance of Kshs.138,620,593 could not be confirmed.

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

#### **Budget Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.20,725,000 and Kshs.12,432,770 respectively resulting in under-funding of Kshs.8,292,230 or 40% of the budget. Similarly, the College spent Kshs.9,992,731 against actual receipts of Kshs.12,432,770 resulting to an under-utilization of Kshs.2,440,038 or 20% of actual receipts.

The underfunding and under-expenditure affected implementation of planned activities resulting in a negative impact on delivery of services to the citizens.

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 Matter**

#### **Unresolved Prior Year Audit matters**

In the audit report for the previous financial year, several issues were raised in respect of the Report on the Financial Statements and the Report on Lawfulness and Effectiveness in Use of Public Resources. Although Management has reported that some of the issues have not been resolved, no evidence was provided to show steps taken by Management to resolve the prior year's audit matters.

### **Other Information**

The Management is responsible for the other information set out on page iv to xxv which comprise of Key Entity Information and Management, The Board of Governors,

Management Team, Chairman's Statement, Report of the Principal, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors, Statement of Board of Governors' Responsibilities, Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

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.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis of Conclusion**

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

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

### **Conclusion**

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

## **Basis for Conclusion**

### **Lack of Risk Management Policy**

During the year under review, the College operated without a risk management policy contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations 2015, which requires the Accounting Officer to ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations. The College, therefore did not have a framework for management of risk and may be unable to identify, assess, prevent, and mitigate against the risks affecting its operations.

In addition, the College had not developed disaster recovery and business continuity plans to ensure that it recovers from disruptions to its operations should risks occur.

In the circumstances, the effectiveness of the College's risk management could not be confirmed.

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

### **Responsibilities of Management and Board of Governors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal 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 Governors is responsible for overseeing the College's, financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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**

**22 May, 2025**

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

**16. Statement of Financial Performance For The Year Ended 30 June 2024**

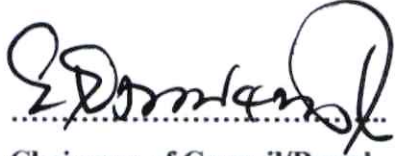
	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	5,405,000	6,935,000
Deffered Government Grants	7	12,316,396	15,624,725
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
		<b>17,721,396</b>	<b>22,559,725</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	10	6,835,355	3,437,281
Sale of goods	11	-	-
Rental revenue from facilities and equipment	12	-	-
Finance income	13	-	-
Miscellaneous income	14	214,415	85,265
<b>Revenue from Exchange transactions</b>		<b>7,049,770</b>	<b>3,628,550</b>
<b>Total Revenue</b>		<b>24,771,166</b>	<b>26,188,275</b>
<b>Expenses</b>			
Use of goods and services	15	7,639,864	4,212,652
Employee costs	16	844,740	726,080
Board /Council Expenses	17	297,700	315,020
Depreciation and amortization expense	18	12,316,396	15,624,725
Repairs and maintenance	19	535,844	73,380
Contracted services	20	712,704	593,920
Grants and subsidies	21	-	-
Finance costs	22	-	-
<b>Total Expenses</b>		<b>22,417,248</b>	<b>21,545,777</b>
<b>Other Gains/(Losses)</b>			
Gain on sale of assets	23	-	-
Gain/ Loss on fair value of investments	24	-	-
Impairment loss	25	-	-
<b>Total Other Gains/(Losses)</b>		<b>-</b>	<b>-</b>
<b>Net surplus/(deficit) for the year</b>		<b>2,353,918</b>	<b>4,536,494</b>

The notes set out on pages 11 to 62 form an integral part of the Annual Financial Statements.

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

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The Financial Statements set out on pages 1 to 58 were signed by:



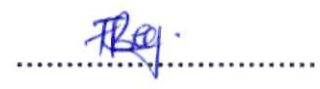
.....  
**Chairman of Council/Board**

Date **26/4/2025**



.....  
**Principal**

Date **26.04.2025**



.....  
**Finance Officer**

ICPAK No —  
Date **26/04/2025**

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

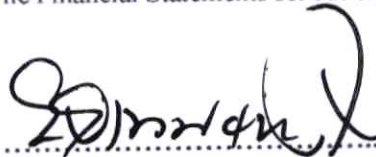
**17. Statement of Financial Position As At 30th June 2024**

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	26	1,097,162	424,243
Current portion of receivables from exchange transactions	27(a)	2,843,482	1,413,720
Receivables from non-exchange transactions	28	-	-
Inventories	29	1,526,775	409,220
Investments in financial assets	30	-	-
Prepayments	31	-	-
<b>Total Current Assets</b>		<b>5,467,419</b>	<b>2,247,183</b>
<b>Non-Current Assets</b>			
Long term receivables from exchange transactions	27(b)	8,469,313	4,808,209
Investments	30	-	-
Property, plant, and equipment	32	138,620,593	148,644,303
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
<b>Total Non-Current Assets</b>		<b>147,089,906</b>	<b>153,452,513</b>
<b>Total Assets (A)</b>		<b>152,557,325</b>	<b>155,699,696</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	36	526,567	339,752
Refundable deposits from customers	37	32,500	18,000
Current provisions	38	-	-
Finance lease obligation	39	-	-
Deferred income	40	12,316,396	15,624,725
Employee benefit obligation	41	-	-
Payments received in advance	42	364,617	229,080
Current portion of borrowings	43	-	-
Social Benefits	46	-	-
<b>Total Current Liabilities</b>		<b>13,240,080</b>	<b>16,211,557</b>

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

<b>Non-Current Liabilities</b>			
Finance lease obligation	39	-	-
Deferred income	40	126,304,196	133,019,577
Non-Current Employee Benefit Obligation	41	-	-
Non- Current Borrowings	43	-	-
Non-Current Provisions	44	-	-
Service Concession Liability	45	-	-
Social benefits	46	-	-
<b>Total non- current liabilities</b>		<b>126,304,196</b>	<b>133,019,577</b>
<b>Total Liabilities (B)</b>		<b>139,544,277</b>	<b>149,231,135</b>
<b>Net Assets (A-B)</b>		<b>13,377,665</b>	<b>6,468,560</b>
<b>Represented By:</b>			
Revaluation Reserves		-	-
Accumulated Surplus		12,280,503	5,769,815
Capital Fund		1,097,162	698,746
<b>Net Assets</b>		<b>13,377,665</b>	<b>6,468,561</b>

The Financial Statements set out on pages 1 to 58 were signed by:

  
 \_\_\_\_\_

Chairman of Council/Board

Date

26/4/2025

  
 \_\_\_\_\_

Principal

Date

26.04.2025

  
 \_\_\_\_\_

Finance Officer

ICPAK No

Date 26/04/2025

**Msambweni Technical And Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2024**  
**18. Statement of Changes in Net Asset For The Year Ended 30 June 2024**

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
<b>At July 1, 2022 (previous year)</b>	-	5,390,091	698,746	6,088,837
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	4,536,494	-	4,536,494
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2023</b>		<b>9,926,585</b>	<b>698,746</b>	<b>10,625,331</b>
<b>At July 1, 2023 (current year)</b>	-	9,926,585	698,746	10,625,331
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	2,353,918	398,416	2,752,334
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2024</b>	-	<b>12,280,503</b>	<b>1,097,162</b>	<b>13,377,665</b>

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

**19. Statement of Cash Flows For The Year Ended 30 June 2024**

Description		2021-2024	2022-2023
		2021	2022
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities		3,691,500	3,143,000
Grants from donors and development partners		-	-
Transfers from other levels of government		-	-
Public contributions and donations		-	-
Rendering of services- fees from students		6,835,355	2,400,285
Refundable deposits		32,500	18,000
Rental revenue from facilities and equipment		-	-
Finance income		-	-
Miscellaneous income		214,415	85,265
<b>Total Receipts</b>		<b>10,773,770</b>	<b>5,646,550</b>
<b>Payments</b>			
Use of goods and services		7,639,864	4,212,652
Employee costs		844,740	726,080
Board /Council Expenses		297,700	315,020
Repairs and maintenance		535,844	73,380
Contracted services		712,704	593,920
Grants and subsidies		-	-
<b>Total Payments</b>		<b>10,030,852</b>	<b>5,921,052</b>
<b>Net Cash Flows from operating activities</b>		<b>672,918</b>	<b>(274,502)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>672,918</b>	<b>(274,502)</b>
Cash and Cash equivalents at 1 JULY	26	424,243	698,746
<b>Cash and Cash equivalents at 30 JUNE</b>	<b>26</b>	<b>1,097,162</b>	<b>424,243</b>

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

**20. 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
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	9,500,000	-	9,500,000	3,691,500	5,808,500	0.38857895
Grants from donors and development partners	-	-	-	-	-	-
Transfers from other levels of government	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- fees from students	11,225,000	-	11,225,000	8,741,270	2,483,730	0.77873229
Sale of goods	-	-	-	-	-	-
Rental revenue from facilities and equipment	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
<b>Total Income</b>	<b>20,725,000</b>	-	<b>20,725,000</b>	<b>12,432,770</b>	<b>8,292,230</b>	<b>0.5998924</b>
<b>Expenses</b>						
Use of goods and services	17,829,096	-	17,829,096	7,639,863	10,119,232	0.43243157
Employee costs	673,200	-	673,200	844,740	(63,420)	1.09420677
Board /Council Expenses	700,000	-	700,000	297,700	402,300	0.42528571
Repairs and maintenance	810,000	-	810,000	535,844	274,156	0.6615358

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Contracted services	712,704	-	712,704	712,704	-	1
Grants and subsidies	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>20,715,000</b>	<b>-</b>	<b>20,725,000</b>	<b>9,992,731</b>	<b>10,732,268</b>	<b>0.48215836</b>
Surplus For the Period	-	-	-	<b>2,440,038</b>	-	-
Capital Expenditure	-	-	-	-	-	-

**21. Notes to the Financial Statements**

**1. General Information**

Msambweni Technical and Vocational College is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to train and equip trainers with modern technology for global market competition .

**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 Msambweni TVC accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity. 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, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

There are no new standards 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.*

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<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.
IPSAS 45: Property Plant and Equipment	<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.
IPSAS 46: Measurement	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by:

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	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></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>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></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>

**iii. Early adoption of standards**

Msambweni Technical and Vocational 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 entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

##### **ii) Revenue from exchange transactions**

##### **Rendering of services**

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

##### **Sale of goods**

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

##### **Interest income**

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

##### **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. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. 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 *xx* under section *xxx* of these financial statements.

**c) Taxes**

***Current income tax***

The entity is 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 or investment property is measured at fair value with gains and losses recognised through surplus or deficit. 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 entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

**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 entity 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 entity 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 entity 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 entity'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 entity 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 entity 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.

### **Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

### **Financial liabilities**

#### **Classification**

The entity 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.

### **Inventories (Continued)**

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

#### **k) Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

#### ***Contingent liabilities***

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

#### ***Contingent assets***

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

#### **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 entity 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 entity will incur in fulfilling the present obligations represented by the liability.

**m) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements.

**n) Changes in accounting policies and estimates**

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

**o) Employee benefits**

**Retirement benefit plans**

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

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

**s) Service concession arrangements**

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

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

### **Estimates and assumptions.**

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

### **Useful lives and residual values**

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

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

### **Provisions**

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

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.

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

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	3,405,000	4,935,000
Operational Grant	2,000,000	2,000,000
Development grants	-	-
Other Grants	-	-
<b>Total unconditional Grants</b>	<b>5,405,000</b>	<b>6,935,000</b>
<b>Conditional Grants amortised/ recognised in revenue</b>		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
<b>Total Government Grants and Subsidies</b>	<b>5,405,000</b>	<b>6,935,000</b>

**(a) Transfers from other Government entities (Categorized)**

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of XX	-	-	-	-	-
Ministry of Education	-	-	-	5,405,000	6,935,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,405,000</b>	<b>6,935,000</b>

These amounts include capitation and grants receivables during the year under review.

7. Grants from Donors and Development Partners

Description	2023-2024	2022-2023
	Kshs	Kshs
JICA- Research Grant		-
World Bank Grants	-	-
In-Kind Donations	-	-
Donations transferred to revenue-conditions met	-	-
Other Grants (Deffered Grants)	12,316,396	15,624,725
<b>Total Grants from Development Partners</b>	<b>12,316,396</b>	<b>15,624,725</b>

(a) Reconciliations of grants from donors and development partners

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Balance unspent at beginning of year</b>	-	-
Current year receipts	-	-
Conditions Met - Transferred to Revenue	-	-
<b>Conditions Yet To Be Met - Remain Liabilities</b>	-	-

8. Transfers from Other Levels of Government

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfer from County XX	-	-
Transfer from XX University	-	-
Transfer from XX Institute	-	-
<b>Total Transfers</b>	-	-

9. Public Contributions and Donations

Description	2023-2024	2022-2023
	Kshs	Kshs
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
<b>Total Donations and Contributions</b>	-	-

**10. Rendering of Services**

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Fees	885,909	1,143,000
Activity Fees	366,397	236,710
Industrial Attachment Fees	180,805	188,580
Examination Fees	543,820	303,240
E.W&C	341,770	236,205
L.T&T	341,486	201,570
Admission	13,600	7,000
Development	124,030	193,980
P.E	881,823	699,680
I.D	18,400	9,300
R.M.I	204,472	125,795
Student Council	71,300	56,015
B.E.S	740,900	5,000
Arrears	581,932	30,456
T.Shirt	22,100	-
HELB	1,430,611	-
Insurance	63,500	750
TVETA Fees	22,500	-
<b>Total Revenue from The Rendering of Services</b>	<b>6,835,355</b>	<b>3,437,281</b>

Amounts relates to revenue fro rendering services

**11. Sale of Goods**

Description	2023-2024	2022-2023
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	-	-
Cafeteria sales	-	-
Other sales (specify)	-	-
<b>Total Revenue from Sale of Goods</b>	<b>-</b>	<b>-</b>

**12. Rental revenue from facilities and equipment**

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Description	2023-2024	2022-2023
	Kshs	Kshs
Hire of Facilities and Equipment	-	-
Contingent Rentals	-	-
Operating Lease Revenue	-	-
Others ( <i>specify</i> )	-	-
<b>Total</b>	-	-

**13. Finance Income**

Description	2023-2024	2022-2023
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Others ( <i>specify</i> )	-	-
<b>Total finance income</b>	-	-

**14. Miscellaneous Income**

Description	2023-2024	2022-2023
	Kshs	Kshs
Imprest	41,000	-
Practical fee	150,595	36,000
Income from sale of tender	-	8,000
Graduation fees	22,820	41,265
<b>Total other income</b>	<b>214,415</b>	<b>85,265</b>

**15. Use of Goods and Services**

Description	2023-2024	2022-2023
	Kshs	Kshs
Teaching and learning materials	-	592,155
Industrial attachment costs	24,700	25,700
Electricity	290,480	30,500
Activity	574,040	511,000
L.T&T	2,303,740	1,339,980
Administration	1,074,414	606,948
Subsistence	-	-
Tender	-	4,000
Examination fees	691,820	385,700

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Student Council	17,400	7,200
Marketing	47,100	19,900
ID	-	32,850
Fuel and oil	60,000	106,000
B.E.S	303,640	125,500
Refreshments	26,030	57,580
Stationeries	-	67,600
Computer Tables	-	98,910
Sports	-	13,840
Fees Refund	233,980	44,000
Internet expenses	75,387	63,789
Training expenses	-	22,000
Suppliers	1,779,517	-
Insurance	24,115	-
T.Shirts	42,500	-
Airtime	71,000	57,500
<b>Total good and services</b>	<b>7,639,864</b>	<b>4,212,652</b>

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**16. Employee Costs**

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries and wages	736,620	610,610
Employee related costs - contributions to pensions and medical aids	108,120	115,470
Housing benefits and allowances	-	-
Overtime payments	-	-
Social contributions	-	-
<b>Employee Costs</b>	<b>844,740</b>	<b>726,080</b>

**17. Board/Council Expenses**

Description	2023-2024	2022-2023
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	-	-
BOG Allowances	297,700	315,020
Other Board/Council Expenses	-	-
<b>Total</b>	<b>297,700</b>	<b>315,020</b>

**18. Depreciation and Amortization expense**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	12,316,396	15,624,725
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>12,316,396</b>	<b>15,624,725</b>

**19. Repairs and Maintenance**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property	360,384	47,060
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	165,460	6,320
Computers and accessories	10,000	20,000
<b>Total Repairs and Maintenance</b>	<b>535,444</b>	<b>73,380</b>

**20. Contracted Services**

Description	2023-2024	2022-2023
	Kshs	Kshs
Security guards	712,704	593,920
Investment valuations	-	-
Property valuations	-	-
Other (specify)	-	-
<b>Total contracted services</b>	<b>712,704</b>	<b>593,920</b>

**21. Grants and Subsidies**

Description	2023-2024	2022-2023
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Others (specify)	-	-
<b>Total Grants and Subsidies</b>	<b>-</b>	<b>-</b>

**22. Finance Costs**

Description	2023-2024	2022-2023
	Kshs	Kshs
Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Others (specify)	-	-
<b>Total Finance Costs</b>	<b>-</b>	<b>-</b>

**23. Gain On Sale of Assets**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
<b>Total Gain On Sale of Assets</b>	-	-

**24. Gain/(loss) on Fair Value Investments**

Description	2023-2024	2022-2023
	Kshs	Kshs
Fair value on equity investments	-	-
Fair value arising from investment property	-	-
Fair value arising from biological assets	-	-
Fair value- other financial assets (specify)	-	-
<b>Total Gain</b>	-	-

**25. Impairment Loss**

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
<b>Total Impairment Loss</b>	-	-

**26. Cash and Cash Equivalents**

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	1,097,162	424,243
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	-	-
<b>Total Cash and Cash Equivalents</b>	<b>1,097,162</b>	<b>424,243</b>

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

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**26 (a). Detailed Analysis of Cash and Cash equivalents**

Financial Institution	Account	2023-2024	2022-2023
		KES/US	KES/US
<b>a) Current Account</b>	<b>1276994850</b>		
Kenya Commercial Bank		1,097,162	424,243
Equity Bank, etc.		-	-
<b>Sub- Total</b>		<b>1,097,162</b>	<b>424,243</b>
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank		-	-
Equity Bank – etc.		-	-
<b>Sub- Total</b>		<b>-</b>	<b>-</b>
<b>c) Fixed Deposits Account</b>			
Kenya Commercial Bank		-	-
Bank B		-	-
<b>Sub- Total</b>		<b>-</b>	<b>-</b>
<b>d) Staff Car Loan/ Mortgage</b>			
Kenya Commercial Bank		-	-
Bank B		-	-
<b>Sub- Total</b>		<b>-</b>	<b>-</b>
<b>e) Others(Specify)</b>			
Cash in Transit		-	-
Cash in Hand		-	-
Mobile Money account		-	-
<b>Sub- Total</b>		<b>-</b>	<b>-</b>
<b>Grand Total</b>		<b>1,097,162</b>	<b>424,243</b>

**27. Receivables from Exchange transactions**

**27 (a) Current Receivables from Exchange transactions**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	2,773,482	1,413,720
Salary Advance	70,000	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>	<b>2,843,482</b>	<b>1,413,720</b>

**27 (b) Long- term Receivables from Exchange transactions**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Non-Current Receivables</b>		
Refundable Deposits	32,500	18,000
Advance Payments	-	229,080
Public Organization	-	-
Less: Impairment Allowance	-	-
<b>Total</b>	<b>32,500</b>	<b>247,080</b>
Students debtors	8,436,813	4,561,129
<b>Total Non-Current Receivables</b>	<b>8,436,813</b>	<b>4,561,129</b>
<b>Total Receivables</b>	<b>8,469,313</b>	<b>4,808,209</b>

**27 (c) Ageing Analysis of Receivables from Exchange transactions**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current	% of total	Comparative FY	% of total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	-	%	-	%

**27 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions**

Description	2023-2024	2022-2023
	Kshs	Kshs
At the beginning of the year	8,469,313	4,808,209
Provisions during the year	2,843,482	1,413,720
Recovered during the year	-	-
Write offs during the year	-	-
At the end of the year	<b>11,312,795</b>	<b>6,221,929</b>

*(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)*

**28. Receivables from Non-Exchange transactions**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*	-	-
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	-	-
<b>Total Current Receivables</b>	-	-

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

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

Description	2023-2024		2022-2023	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	%	-	%

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

Description	2023-2024	2022-2023
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

**29. Inventories**

Description	2023-2024	2022-2023
	Kshs	Kshs
Consumable stores	379,120	409,220
Maintenance stores	442,797	-
Health Unit stores	-	-
Electrical stores	670,858	-
Cleaning Materials stores	34,000	-
Catering stores	-	-
Less: Impairment allowance	-	-
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>1,526,775</b>	<b>409,220</b>

**30. Investments in financial assets**

Description	2023-2024	2022-2023
	Kshs.	Kshs.
<b>a) Investment in Treasury Bills and Bonds</b>		
Financial Institution		
CBK	-	-
CBK	-	-
<b>Sub- Total</b>	-	-
<b>b) Investment with Financial Institutions/ Banks</b>		
Bank X	-	-
Bank Y	-	-
<b>Sub- Total</b>	-	-
<b>c) Equity Investments (Specify)</b>		
Equity/ Shares in Company Xxx		-
<b>Sub- Total</b>	-	-
<b>Grand Total</b>	-	-

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes the interest rates, maturity dates, valuation methodology, and impairment of these investments.

**d) Shareholding in other entities**

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

Name of Entity where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	Insert Current FY	Insert Comparative FY
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
	-	-	-	-	-	-

**31. Prepayments**

Description	Insert Current FY	Insert comparative FY
	Kshs.	Kshs.
Prepaid Rent	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
<b>Total</b>	-	-

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**32. Property, Plant and Equipment**

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2022	-	67,561,094	-	142,660	264,560	96,344,807	-	-	164,313,121
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-
At 30 <sup>th</sup> June 2023	-	67,561,094	-	142,660	264,560	96,344,807	-	-	164,313,121
Additions	-	-	-	152,000	274,740	-	-	-	426,740
Disposals	-	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-	-
At 30 <sup>th</sup> June 2024	-	67,561,094	-	294,660	539,300	96,344,807	-	-	164,739,861
Depreciation And Impairment									
At 1 Jun 2023	-	-	-	-	-	-	-	-	-
Depreciation	-	1,689,027	-	17,833	52,912	12,043,101	-	-	13,802,873
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
At 30 Jun 2024	-	65,872,067	-	276,827	486,388	84,301,706	-	-	150,936,988
Depreciation	-	1,646,801	-	34,603	97,278	10,537,713	-	-	12,316,396
Disposals	-	-	-	-	-	-	-	-	-

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Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
At 30 <sup>th</sup> Jun 2024	-	1,646,801	34,603	97,278	10,537,713	-	-	-	12,316,396
Net Book Values									
At 30 <sup>th</sup> Jun 2023	-	65,872,066	124,827	211,648	84,301,706	-	-	-	150,510,248
At 30 <sup>th</sup> Jun 2024	-	64,225,265	242,224	389,110	73,763,993	-	-	-	138,620,593

**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 xxx professional valuers on xxx. These amounts were adopted in the financial statements on xxx.

**32 (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	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
<b>Total</b>	-	-	-

**33. Intangible Assets**

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	-	-
Additions	-	-
<b>At end of the year</b>	-	-
Additions–internal development	-	-
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization	-	-
<b>At end of the year</b>	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

**34. Investment Property**

	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain or loss on fair value- if fair value is elected	-	-
<b>At end of the year</b>	-	-

*(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.*

**35. Biological Assets**

	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Cattle	-	-
Trees	-	-
Others (Specify)	-	-
<b>Total</b>	-	-

**36. Trade and Other Payables**

Description	Insert Current FY		Insert Comparative FY	
	Kshs	% of the Total	Kshs	% of the Total
Trade payables	526,567		339,752	
Fees paid in advance	-		-	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
<b>Total Trade and Other Payables</b>	<b>526,567</b>		<b>339,752</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>

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Under one year	526,567	100%	-	-
1-2 years	0	%	-	-
2-3 years	0	%	-	-
Over 3 years	0	%	-	-
<b>Total (to tie to totals above)</b>	<b>526,567</b>	<b>100%</b>	-	-

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

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	32,500		18,000	
Other refundable deposits	-		-	
<b>Total Deposits</b>	<b>32,500</b>		<b>18,000</b>	
	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
<b>Ageing analysis:</b>				
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (to tie to totals deposits above)</b>	-	%	-	%

**38. Current Provisions**

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision Utilised	-	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-	-
<b>Total Provisions</b>	-	-	-	-	-

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**39. Finance Lease Obligation**

Description	Insert Current FY Kshs	Insert Comparative FY Kshs
<b>At the start of the year</b>	-	-
Discount interest on Lease Liability	-	-
Paid during the year	-	-
<b>At end of the year</b>	-	-

**Maturity Analysis**

Period	Amount Kshs
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and Onwards	-
Less: Unearned Interest	-
<b>Total</b>	-

**Analysed as:**

Description	Amount Kshs
Current	-
Non- Current	-
<b>Total</b>	-

**40. Deferred Income**

Description	2023-2024 Kshs	2022-2023 Kshs
National Government	138,620,593	148,644,302
International Funding Bodies	-	-
Public Contributions and Donations	-	-
<b>Total Deferred Income</b>	138,620,593	148,644,302

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The deferred income movement is as follows:

Description	National government	International funders/donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	150,510,248	-	-	150,510,248
Additions during the year	426,740.00	-	-	426,740
Transfers to capital fund	-	-	-	-
Transfers to income statement	(12,316,395)	-	-	(12,316,396)
Other transfers	-	-	-	-
Balance carried forward	138,620,593	-	-	138,620,593

*Include columns as needed for the various sources of income deferred.*

Analysed as:

Description	Amount
	Kshs
Current	12,316,396
Non- Current	126,304,197
<b>Total</b>	<b>138,620,593</b>

**41. Employee Benefit Obligations**

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
<b>Total Employee Benefits Obligation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Retirement benefit Asset/ Liability**

The entity operates a defined benefit scheme for all full-time employees from July 1, 20xx. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

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

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Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (Pre- Retirement)	-	-
Mortality (Post- Retirement)	-	-
Withdrawals	-	-
Ill Health	-	-
Retirement	-	-

**Recognition of Retirement Benefit Asset/ Liability**

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

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others ( <i>specify</i> )	-	-
Adjustments for restrictions on the defined benefit asset	-	-
<b>Remeasurement of the net defined benefit liability (asset)</b>	-	-

- b) **Amounts recognised in the Statement of Financial Position**

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others ( <i>specify</i> )	-	-
<b>Net asset or liability arising from defined benefit obligation</b>	-	-

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

**42. Payments received in advance.**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Fees received in advance	364,617		229,080	
Others (Specify)	-		-	
Total	-		-	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	%	-	%

**43. Borrowings**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Balance at beginning of the year	-		-	
External borrowings during the year	-		-	
Domestic borrowings during the year	-		-	
Repayments of external borrowings during the year	-		-	
Repayments of domestic borrowings during the year	-		-	
Balance at end of the year	-		-	

**43 a) Analysis of External and Domestic Borrowings**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>External borrowings</b>		
Dollar denominated loan from 'xx organization'	-	-
Sterling pound denominated loan from 'yyy organization'	-	-
Euro denominated loan from 'zzz organization'	-	-
<b>Domestic borrowings</b>		
Kenya shilling loan	-	-
<b>Total balance at end of the year</b>	-	-

**43 b) Breakdown of Long and Short-Term Borrowings**

Description	2023-2024	2022-2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
<b>Total</b>	-	-

*(NB: the total of this statement should tie to note 44 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).*

**44. Non-Current Provisions**

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

*(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 38)*

**45. Service Concession Arrangements**

Description	2023-2024	2022-2023
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	=	=
Service concession liability at beginning of the year	-	-
Service concession revenue recognized		-
Service concession liability at end of the year	=	=

**46. Social Benefit Liabilities**

Description	2023-2024	2022-2023
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	=	=
People Living with disabilities benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
<b>Total</b>	=	=
Current social benefits	-	-
Non- current social benefits	-	-
<b>Total (tie to totals above)</b>	-	-

*Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.*

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**47. Cash generated from operations.**

Surplus for the year before tax	2023-2024 Kshs	2022-2023 Kshs
<b>Adjusted for:</b>		
Depreciation	-	-
Non-Cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	-	-
<b>Working Capital Adjustments</b>		
Increase in Inventory	-	-
Increase in Receivables	-	-
Increase in Deferred Income	-	-
Increase in Payables	-	-
Increase in Payments received in advance	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>-</b>	<b>-</b>

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

**48. Financial Risk Management**

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

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

**(i) Credit risk**

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 20XX (previous year)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 20XX (current year)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

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

**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 entity has significant concentration of credit risk on amounts due from xxxx

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

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 20XX (previous year)</b>				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 20XX (current year)</b>				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**(iii) Market risk**

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

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

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

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

**a) Foreign currency risk**

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 20XX</b>			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities			
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	

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

**Foreign currency sensitivity analysis**

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>20xx</b>			
Euro	10%	-	-
Usd	10%	-	-
<b>20xx</b>			
Euro	10%	-	-
Usd	10%	-	-

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

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

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

**iv) Capital Risk Management**

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash and Cash Equivalents)	-	-
<b>Gearing</b>	-	-

**49. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

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

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

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>		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt agencies	-	-
Others ( <i>specify</i> )	-	-
<b>Total</b>	-	-
<b>B) Purchases from related parties</b>		
Purchases of electricity from kplc	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others ( <i>specify</i> )	-	-
<b>Total</b>	-	-
<b>b) Grants /Transfers from the Government</b>		
Grants from National Govt	-	-
Grants from County Government	-	-
Donations in Kind	-	-
<b>Total</b>	-	-
<b>c) Expenses incurred on behalf of related parties</b>		
Payments of Salaries and Wages for xx Employees	-	-
Payments for Goods and Services for XX	-	-
<b>Total</b>		

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Description	2023-2024	2022-2023
	Kshs	Kshs
<b>d) Key Management Compensation</b>		
Directors' emoluments	-	-
Compensation to Key Management	-	-
<b>Total</b>	-	-

**50. Segment Information**

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

**51. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others ( <i>Specify</i> )	-	-
<b>Total</b>	-	-

**Contingent Liabilities**

Description	2023-2024	2022-2023
	Kshs	Kshs
<b>Contingent Liabilities</b>	-	-
Court Case Xxx against ( <i>The Entity</i> )	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others ( <i>Specify</i> )	-	-
<b>Total</b>	-	-

(Give details)

**52. Capital Commitments**

Capital Commitments	2023-2024	2022-2023
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
<b>Total</b>	-	-

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

**53. Events After The Reporting Period**

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

**54. Ultimate And Holding Entity**

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

**55. Currency**

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

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**22. 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)

**Guidance Notes:**

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

.....  
*M. Kimoni*  
 Name **MARIA KIMONI**  
 Accounting Officer  
 (Enter title of Head of entity)  
 Date **26.04.2025**

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**Appendix II: Projects Implemented by (The Entity)**

**Projects**

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

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

**Status of Projects completion**

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

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

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**Appendix III- Inter-Entity Confirmation Letter**

Name of transferring entity.....

Name of beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

**Head of Accounts Department - Disbursing Entity:**  
 Name ..... Sign ..... Date .....

**Head of Accounts Department - Beneficiary Entity:**  
 Name ..... Sign ..... Date.....

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**Appendix IV: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

**Appendix V: Reporting on Disaster Management Expenditure**

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments