

REPUBLIC OF KENYA



**REPORT**

DATE: 24 FEB 2026

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OF KENYA  
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CLERK-AT  
THE TABLE:

Deputy Leader Majority Party

Hon. Owen Baya, MP

Mr. Benson Inzofu

**THE AUDITOR-GENERAL**

**ON**

**MULANGO TECHNICAL AND  
VOCATIONAL COLLEGE**

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



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
MACHAKOS HUB.

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**MULANGO TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2025**

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

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

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

**A. Acronyms**

BOG	Board of Governors
CDACC	Curriculum Development, Assessment and Certification Council
GOK	Government of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MOE	Ministry of Education
MTVC	Mulango Technical and Vocational College
NG-CDF	National Government Constituency Development Fund
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
PPRA	Public Procurement Regulatory Authority
TVC	Technical Vocational College
TVET	Technical and Vocational Education and Training
TVETA	Technical and Vocational Education and Training Authority

**B. Definition of Key Terms**

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

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

**2. Key Entity Information and Management**

**(a) Background information**

The college was incorporated/ established under the TVET Act on 27<sup>th</sup> January 2022. The entity is domiciled in Kenya

**(b) Principal Activities**

**Mandate**

Provide technical, vocational education and entrepreneurship training geared towards self-reliance to meet the labour market needs.

**Vision statement**

To be a premier institution in provision of industrial, technical and entrepreneurial skills.

**Mission statement**

To empower trainees to adapt to the ever changing global technological environment through provision of market driven industrial, technical and entrepreneurial skills to enhance their employability.

**Core values**

Responsiveness  
 Versatility  
 Transparency  
 Integrity  
 Teamwork

**(c) Key Management**

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

- Board of Governors
- Accounting officer/ Principal
- Deputy principal finance
- Deputy principal academics
- Finance officer

**(d) Fiduciary Management**

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

SN.	Designation	Name
1.	Principal	<b>Josiah Kivondo Mwania</b>
2.	Deputy principal Finance	<b>Ann Wanjiku Munga</b>
3	Deputy principal Academics	<b>Dalmas Kyaka Muthengi</b>
4	Registrar	<b>Theophilus Baraka Mutemi</b>
5	Dean of students	<b>Mary Muthoni Wachira</b>
6	Head of Finance	<b>Charles Kyalo Matheka</b>

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

**(e) Fiduciary Oversight Arrangements**

**FINANCE COMMITTEE OF THE BOG**

The Committee shall exercise all the powers of Board of Governors on financial matters except in relation to the items which are reserved to Board of Governors in these standing orders, on which the Committee shall advise Board of Governors.

**Terms of Reference**

The role of Committee shall be to monitor the financial status of the institution on behalf of Board of Governors. In addition to advising Board of Governors on those matters referred to above, the committee's responsibilities shall include:

- To monitor and facilitate the implementation of the Institution's strategy with regard to financial matters.
- To receive reports from the Principal and the Finance Officer.
- To monitor implementation of the strategy for the Institution's estate.
- To receive reports of the extent and condition of the Institution's estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements.
- To consider the adequacy of the Institution's estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- To determine the fees and charges made for the Institution's services and facilities
- To supervise the financial administration of the Institution and make recommendations to the Board of Governors where appropriate.
- To supervise the arrangements for safeguarding the Institution's assets.
- To ensure the proper financial evaluation and control of projects.
- To supervise the arrangements for investing the Institution's funds, including monitoring the performance of investments.
- To ensure appropriate exploitation of the Institution's intellectual property.
- To make recommendations to Board of Governors on the financing of projects.
- To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Institution.
- To supervise the Institution on purchasing procedures and practices.
- To submit an annual statement on its activities to Board of Governors.
- To keep under review, the activities of the Institution's various departments

**ACADEMIC COMMITTEE OF THE BOG**

- The academic committee of the Board is entrusted with the following roles and functions:

- To satisfy itself regarding the content and academic standard of any course of study in respect of any diploma, certificate or other award and to report its findings thereon to the Board.
- To propose regulation for consideration by the Board regarding the eligibility of persons for admission to a course of study.
- To propose regulations for consideration by the Board regarding the standard of proficiency to be gained in each examination for a diploma, certificate or other award.
- To approve programs of study, regulate admission of persons to MTVC and determine their continuance or discontinuation in such programmes
- To determine the Academic policy of MTVC and to advise the Board on the provision of facilities to carry out that policy.
- To direct and regulate the teaching and instruction within the Institution, subject to the powers of the Board.

### **MANAGEMENT COMMITTEE ACTIVITIES**

The main purpose of the Senior Management team is to:

- Ensure that MTVC Board of Governors is able to take strategic decisions relating to MTVC activities.
- Provide leadership in communicating MTVC's mission, values, plans and achievements effectively and consistently to Board of Governors Members, Staff, Government, the voluntary and community sector, the general public and other stakeholders;
- Be accountable for the development and implementation of MTVC's strategic, corporate and business plans in line with the mission and values.
- Take a strategic overview of performance in all areas of MTVC's activities.

**Specifically, the Senior Management Team:**

- Makes recommendations to the board on the implementation and achievement of the Board of Governors' Strategic framework;
- Agrees MTVC's Corporate plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- Develops, agree, monitors and reviews strategies relevant to the effective and efficient operation of MTVC, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;
- Determines strategic issues arising from introduction of new policies or process, including actively managing risk across the organisation and regularly reviewing the corporate risk register;
- Oversees and monitors MTVC's joint work with other stakeholders

- Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the Board of Governors and /or its relevant Committees.
- Leads all senior managers in motivating and developing MTVC staff to deliver the highest standards of performance and customer service.

### **AUDIT COMMITTEE**

The activities of the Audit Committee include:

- **Governance initiatives:**  
Review and provide oversight on governance initiatives established by the BOG and maintained by the organization.
- **Risk management:**  
Review and provide oversight on the establishment, implementation, maintenance and effectiveness of risk assessment, risk management, and risk reporting practices.
- **Internal control framework:**  
Review and provide oversight on the organization's internal control framework. Keep informed on all significant matters arising from work performed by any governance, risk and control assurance providers.
- **Audit activity:**  
Approve and periodically review the organizational audit policy. Review and approve an internal audit plan. The audit plan should be risk based and supported by appropriate risk assessments.
- **Follow up on management action plans**  
The audit committee shall review regular reports on implementation status of approved management action plans resulting from prior internal audit recommendations.
- **Financial statements and public accountability reporting:**  
The audit committee shall review and provide advice to the BOG on the key financial management and performance reports and disclosures issued to the public.

#### **Government oversight activities**

The Government of Kenya's oversight role include provision of Grants for both Operations and Development as well as provision of the regulatory framework.

The audit of the Instructional activities is undertaken by the Office of the Auditor General (OAG).

#### **(f) Entity Headquarters**

P.O. Box 377-90200  
Mulango technical and vocational college  
Kitui – wikililye mbitini road  
Mulango KENYA

**(g) Entity Contacts**

Telephone: (254)114083536  
E-mail: mulangotvc@gmail.com  
Website: www.mulangotvc.go.ke

**(h) Entity Bankers**

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

**Other Commercial Banks**

**KCB-KITUI BRANCH**

- A/C NO.1333640455 (OPERATIONS A/C)

**KCB-KITUI BRANCH**

- A/C NO.1333640706 (DEVELOPMENT A/C)

**NATIONAL BANK-KITUI BRANCH**

- A/C NO.7700156042 (OPERATIONS A/C)
- A/C NO.7700041946 (GRANTS A/C)

**(i) Independent Auditors**



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

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



**(j) Principal Legal Adviser**



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

3.The Board of Governors




SN.	Member/ Director	Details
1.	 <p><b>PROF.LEONARD MUSYOKA KISOVI</b>                      -Date of birth 20<sup>th</sup> July 1956  <b>Academic qualification.</b>                      BED-Mathematics and geography (UON)                      MSC-Population /settlement, geography                      And advanced quantitative methods (UON)                      PHD. In population studies/settlement Geography(University of Manitoba-Canada)</p>	CHAIRMAN TO THE BOARD
2.	 <p><b>MR.GICHURU MUTULILI</b>                      -Date of birth 3<sup>rd</sup> sept.1966  <b>-Academic qualifications</b></p>	-TVET County Director -PS SD-VTT Representative

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	MBA-Management information systems BED-Arts (mathematics and business studies)	
3.	 <p><b>MR. JOSIAH KIVONDO MWANIA</b>  Date of birth 1973  <b>Academic qualifications</b>  Master's in education</p>	<p>-Principal/secretary to the board</p> <p>-In charge of the overall management of the college</p>
4.	 <p><b>BENJAMIN MUTUNGA KATHANZU</b>  Date of birth 8<sup>th</sup> July 1988  <b>Academic qualification</b>  MSC-Nuclear science and technology  BSC-Mechanical engineering.  <b>Working experience</b>  -Dec 2019-upto date National construction Authority-Senior compliance officer  -Feb 2016-Nov 2019 National construction Authority-Compliance officer 1  -Oct 2015-Jan 2016 National construction Authority-Management Trainee – Registration, Compliance &amp; training</p>	BOG MEMBER

<p>5.</p>	 <p><b>JENIFER CHEPKIRUI</b>                  Date of birth 25<sup>th</sup> may 1977  <b>Academic qualification</b>                  Bachelor of Law (LLB)                  Diploma in law-Kenya school of law</p>	<p>BOG MEMBER</p>
<p>6.</p>	 <p><b>ROSE WANJIKU HUNJA</b>                  Date of birth 5<sup>th</sup> august 1957  <b>Academic qualification</b>                  MSC-Human resource management –                  University                  Of Manchester                  Bachelor of Arts –(UON)                  Higher Diploma HRM –Kenya                  polytechnic</p>	<p>BOG MEMBER</p>





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7.	 <p><b>ENG.MIKE MULANDI</b> Date of birth 1<sup>st</sup> Jan. 1971 <b>Academic qualification</b> BSC-Electrical engineering (UON)</p>	BOG MEMBER
8.	 <p><b>MR.PETER KIIO MANUNDU</b> Date of birth 23<sup>rd</sup> march 1962 <b>Academic qualification</b> MED –Administration (SEKU)</p>	BOG MEMBER
9.	 <p><b>REBECCA OMAMBIA</b> Date of birth 1<sup>st</sup> July 1985 <b>Academic qualification</b> CPA finalist vision college of professional</p>	BOG MEMBER

4. Key Management Team

SN.	Member	Details
1.	 <b>JOSIAH KIVONDO MWANIA</b> Academic qualifications Master's in education	CHIEF PRINCIPAL
2.	 <b>ANN WANJIKU MUNGA</b> Academic qualification BSc.(Electrical & electronics engineering)	Deputy principal- Administration ,planning & finance
3.	 <b>DALMAS KYAKA MUTHENGI</b> Academic qualification MBA	D/principal-Academic affairs

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4.	 <b>THEOPHILUS BARAKA MUTEMI</b> <b>Academic qualification</b> Higher Diploma in civil engineering	Registrar
5.	 <b>MARY WACHIRA</b> <b>Academic qualification</b> BSc in nutrition and dietetics	Dean of students
6.	 <b>CHARLES MATHEKA</b> CPA(K)	FINANCE OFFICER
7.	 <b>BEATRICE MUTHAMI</b> CPA SEC 2	Accounts clerk

## **5. Chairman's Statement**

I am pleased to present the annual report and financial statements for Mulango Technical and Vocational College, for the year ended 30<sup>th</sup> June, 2025.

We thank the Government of Kenya through the Ministry of Education and State Department of TVET for their support, including posting of a Principal and two members of staff to the college and the financial support through Conditional Recurrent Grants that have been handy in buttressing the training programmes in the young institution. Also to be noted and highly appreciated is the completion of the twin-storey workshop cum offices complex, fully financed by GOK, under supervision of the Mentor – Tseikuru TTI. Thanks to its completion, Mulango TVC now boasts of some of the best training facilities in the County of Kitui.

I thank the College administration led by the Principal for overseeing the renovations and face – lifting of various structures including the staff quarters, workshops, the College gate and both female and male hostels in the College and putting of a training shed for building and construction classes. Also to be commended is the levelling of the area in front of the newly completed building.

We wish to thank the kitui county government under the leadership of H.E. the governor Dr.Julius Makau Malombe, for the re-in forcing the institution's fence, installation of internet at the ICT lab as well as the ongoing project of sinking and equipping a borehole for the college. Last but not least, I take this opportunity to thank my fellow BOG members, the suppliers and service providers, Parents/Guardians, the local administration, the church and the local community at large for their continued support during the 2024/2025 financial year.

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

It is my pleasure and obligation to present the Mulango Technical and Vocational College financial statements for the financial year ended 30<sup>th</sup> June, 2025. This is in accordance with the Accrual Basis of Accounting Method under the international Public Sector Accounting standards (IPSAS).

With the support of the BOG we have put in place the necessary financial, procurement and internal controls to ensure effective and efficient utilization of the finances entrusted to us by the public.

Despite a myriad of financial challenges, Mulango Technical and Vocational College has been able to undertake effective training programmes, renovations and repairs. These include the following:

- i. Putting up of a building and construction shed for training purpose for BCE classes.
- ii. Repainting of institution buildings
- iii. Renovation of the carpentry workshop
- iv. Levelling of the area in front of the newly completed building

The Financial year was characterized with prolonged drought and unprecedented rise in commodity prices. This highly affected the implementation of the budget as BOG had to come up with a supplementary budget to bridge the gap.

Despite all the odds, Mulango TVC has continued to grow thanks to the support of the BOG, the training staff, disciplined students and cooperative non – training staff. I also thank the media and the NGAO team for robust advertisement to populate the college with students. This will go a long way in ensuring the institution attains its vision and mission.

**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.

Mulango technical and vocational college has six strategic pillars and objectives within current Strategic Plan for the FY 2024- FY 2028. These strategic pillars are as follows:

Pillar 1: Physical infrastructure, student enrolment and related facilities

Pillar 2: Resource mobilization

Pillar 3: Human resource

Pillar 4: Access and equity

Pillar 5: Corporate governance

Pillar 6: Public private partnerships

MTVC develops its annual work plans based on the above 6 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the FY 2024/2025 period for its six strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1-Physical infrastructure, student enrolment and related facilities.	To increase learning facilities by constructing more classrooms ,workshops, labs and lecture theatres	-Approved architectural drawings and BQs -Approved equipment list and specifications	Equipment installation and commissioning	Prudent results
Pillar 2- Resource mobilization	To improve and enhance the existing financial resource base	-clear expenditure lines -financial packages -innovative publicity materials	-accounts automation module and reduction in non-core costs - 100%adherance to budget -increased sponsored trainees	100% 100% 100%

**Mulango Technical and Vocational College**

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Pillar 3-Human resource	To recruit, develop and retain highly competent and motive human resource	-high staff retention rate	-establishment of staff training needs	Prudent results
Pillar 4-Access and equity	To promote access and equity with focus to youth, women and PWDs	-Access to loans, bursaries and sponsorships -Application of modern techniques in teaching	-increase access to relevant TVET education -enhance quality of curriculum delivery	100%  100%
Pillar 5-Corporate governance	To enhance inclusivity in institutional corporate governance	-involvement of the BOG and management in key decision making process	-provide leadership in making key strategic decisions	Prudent results
Pillar 6-Public private partnerships	To encourage collaboration and linkages with county government and stakeholders	-lobby for bursaries from the county government kit -create opportunities for provision of products and services mutual to all players	-collaborate with county government in ensuring that youth access TVET. -partner with industry on areas of research, job absorption and attachments	-Higher access to TVET -efficient trainers equipped with skills

## **8. Corporate Governance Statement**

### **i. Appointment of Board members**

The Cabinet Secretary, MOE appoints members of the Board following proposals from the principal of the college. The board consists of nine members. The Boards of Governors for **Mulango Technical and Vocational College** serves for three years. The Board may set up such committees and assign such responsibilities as it may deem fit.

### **ii. Roles and functions of the board**

The functions of the organs set out under section 28 (1) shall include —

- (a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this TVET Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law;
- (c) Administering and managing the property of the institution;
- (d) Developing and implementing the institutions' strategic plan;
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (f) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act; 855 2013 Technical and Vocational Education and Training No. 29
- (h) Mobilizing resources for the institutions;
- (i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya
- (l) Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;
- (m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the TVET Authority;
- (n) Making regulations governing organization, conduct and discipline of the staff and students;
- (o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- (p) Providing for the welfare of the students and staff of the institutions;
- (q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and (r) discharging all other functions conferred upon it by this Act or any other written law.

**iii. Induction, training, and development**

MTVC ensures induction, training and development by,

- On-the job training for new employees
- sponsoring employees to attend training workshops

**Iv.Board and members performance**

MTVC board performance report for the year ended 30<sup>th</sup> June 2025 is categorised as follow,

- Governance and compliance-MTVC is fully compliant with all relevant regulations.
- Stakeholders engagement-customer satisfaction remains high and employee engagement scores are strong.
- Future outlook-we expect continued growth in the next financial year driven by our college expansion. We continue to focus on managing risk and engaging with stakeholders.

**V.Number of Board meetings held and the attendance to those meetings by members**

No.	Name	Designation	N0. Of meetings attended
1	PROF.Leonard Kisovi	Chairman	2/3
2	MR.Gichuru Mutulili	TVET-county director	3/3
3	MR. Josiah Mwanja	Principal/secretary	3/3
4	MR. Benjamin Mutunga	Member	1/3
5	Jenifer Chepkirui	Member	3/3
6	Rose Wanjiku	Member	2/3
7	Eng. Mike Mulandi	Member	2/3
8	Mr. Peter Manundu	Member	2/3
9	Rebeccah Omambia	Member	3/3

**vi. Succession plan**

It outlines how an organization prepares for departure of key personnel, ensuring a smooth transition and continued operation. The college identifies high potential employees, developing their skills and preparing them to step into leadership or critical roles when needed.

**vii.Policy to manage conflict of interest.**

This policy outlines the procedures for identifying, disclosing and managing situations where an individual’s personal interests could potentially influence their professional decisions potentially compromising their integrity.

**viii.Board remuneration**

The college gives sitting allowances and transport allowances to BOG members as per the guidelines issued by MOE.

**ix.Ethics and Conduct**

An ethics and conduct policy outlines expected behaviour and standards of conduct for individuals within an organisation.it covers areas like honesty, integrity, respect, compliance with set laws and management of conflict of interest.

The college's policy states that all stakeholders should be truthful in their communications, treat others with respect, and avoid situations where personal interests conflicts with their professional responsibilities.

### **x. Governance audit**

A governance audit policy outlines the procedures and guidelines for assessing an organisation's adherence to its governing principals, policies and relevant laws and regulations.

Purpose-enhance transparency, ensuring regulatory compliance, improving risk management and promoting operational efficiency

The college is liable to the OAG for its annual financial audit.

### **xi. Communication policy**

#### **Internal communication**

To maintain a good working environment for the realization of the institution's vision and mission statement the college aims at facilitating efficient and effective communication to staff and students as well as to all its stakeholders. In this respect, it will utilize the following channels

- Print media: newspaper articles and supplements
- Broadcast: documentaries and interviews
- New media: web-based communication

#### **External communication**

E- Mail and the web are the primarily modes of electronic communication and constitutes a key platform for external communication. The corporate communication office shall have the overall editorial responsibility for all college websites.

### **xii. Terms of Reference of Committees**

-Audit and risk management committee-oversees financial reporting, internal controls and risk management

-Remuneration committee-determines the compensation and benefits

-Finance committee-oversees the college's financial matters, including budgeting, financial planning and performance.

### **xiii. Policy on related party transactions**

Any member of the approving authority who has a potential interest in any related party transaction shall abstain from discussion and voting on the approval of the related party transaction, except that the member shall provide all material information concerning the related party transaction to the approving authority

## **9. Management Discussion and Analysis**

### **a. Operational performance**

The management through its continued marketing and creation of awareness has been able to grow the college population.

### **b. Financial performance**

The college has faced financial challenges due to, poor fees payment by students which is the main source of revenue, delayed capitation by the government and inflation thus the college wasn't able to meet its financial obligations

### **C. compliance with statutory requirements**

The college complies with all set statutory regulations

This includes-

- Submission of all statutory deductions from employees to relevant bodies on time
- filling of taxation returns on time

### **d. Major risks facing the college**

- Accrued creditors which might last long unpaid resulting to court cases
- Reduced education quality
- Reduced student population

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

The college didn't engage in any major project and investment for the period ended 30<sup>th</sup> June 2025

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

The college had outstanding creditors of ksh5, 794,000 as at the end of the financial year.

### **g. The college's financial probity and serious governance issues**

The college had serious financial issues for the period ended 30<sup>th</sup> June 2025 due to;

- Poor fees payment
- Inflation
- delayed capitation disbursement

The college had no governance issues for the period ended 30<sup>th</sup> June 2025

## 10. Environmental and Sustainability Reporting Statement

Mulango technical and vocational colleges exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on three pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

### Sustainability strategy and profile

Economic sustainability embraces general aspects of an organisation that have to be respected. The use of such generic aspects seems meaningful, as good results in these aspects are likely to lead to good financial and sustainability results of the college. The management of the college has developed the following sustainability strategies:

- Innovation and Technology
- Collaboration-good cooperation and collaboration with other institutions, county government and other stakeholders.
- Sustainability reporting. -the college reports sustainability issues within the college's report separately or incorporated in the integrated colleges report

### Environmental performance

No.	Concern	Mitigation/Action taken
1	Noise and dust emissions	To minimise noise pollution during college working hours, carry out construction activities that will generate disturbing sounds to be restricted to the weekend or during holidays
2	Waste management	-Provision of bins for segregation of waste in the compound -Reduced use of plastic materials -Automation of systems-paperless offices -Sensitization of all stakeholders that all waste is removed and disposed in an environmentally sound manner
3	Cutting down trees can cause desertification	Planting trees to replace those cut-down
4	Sexual abuse ,harassment	-Encouragement of stakeholders to speak out on cases of abuse -Development of a code of conduct to all stakeholders
5	Illegal sand and gravel mining	Construction materials should be sourced from existing approved mining areas

### **Employee welfare**

**Mulango technical and vocational colleges** Seeks to improve the welfare of its employees through:

- Increased organisational citizenship behaviours and improved employee relationships
- Enhanced employee identification with the organization
- Improved retention and organizational commitment
- More attractive institution culture to prospective employees
- Better employee engagement and performance
- Increased creativity

**Mulango technical and vocational colleges** is an equal employer where all the applicants have equal chances of been employed irrespective of their gender, tribe or religion. The colleges ensures gender ratio any time recruitment is taking place. There is a standardised appraisal and rewarding system which applies to all employees within the college. Mulango technical and Vocational colleges discloses its safety policy and compliance with occupational safety and healthy Acts of 2007, (OSHA)

### **Market place practices-**

The organisation should outline its efforts to:

#### **a) Responsible competition practice.**

Mulango technical and vocational college ensures responsible competition by

- Open-tendering process where all interested parties participate
- Automation of fees payment thus cashless payments

#### **b) Responsible Supply chain and supplier relations**

Mulango technical and vocational college maintains good business practices by

- Honouring all contracts entered in between suppliers

#### **c) Responsible marketing and advertisement or Responsible engagement with the citizens.**

MTVC is committed to actively involving citizens in decisions that affect their lives and communities. We create opportunities for open dialogue, provide accessible information, and ensure that diverse voices are heard and considered in the development of policies and programs.

#### **d) Product stewardship or Awareness Creation**

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

Mulango technical and vocational college seeks and maintain important links with the community. The college combine with the public, business and civil constituencies who engage in voluntary, mutual beneficial, innovative relationships to address common societal aims through combining their resources and competencies.

Mulango technical and vocational colleges engage in community developments as follows;

- Training of community professionals in computer support and maintenance
- Students performs voluntary projects during vacations to the community where they share experiences, knowledge and sustainable practices within the community.
- Students support vulnerable communities in the development and improvement of their housing spaces
- Implementation of a community engagement programme to empower jobless youth

### **11. Report of the Board of Governors**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the college's affairs.

#### **Principal activities**

The principal activities of the entity are providing knowledge and skills to the people of the larger KITUI County and beyond.

#### **Results**

The results of the entity for the year ended June 30 are set out on page 1 to 7

#### **Board of Governors**

The members of the Board who served during the year are shown on page ix, x, xi and xii.

#### **Auditors**

The Auditor General is responsible for the statutory audit of the college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....  
**Secretary of the Board**  
**Mulango technical and vocational college**  
**Date: 13/11/2025**

## 12. Statement of Board of Governors/ Council's Responsibilities

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

The board members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year ended on June 30, 2025. This responsibility includes:

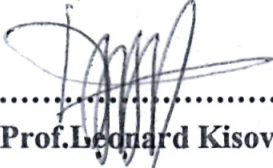
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity,
- (iii) Designing, implementing 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 college,
- (v) Selecting and applying appropriate accounting policies
- (vi) Making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for the college's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act 2013. The council members are of the opinion that the college's financial statements give a true and fair view of the state of college's transactions during the financial year ended June 30, 2025, and of the college's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The college's financial statements were approved by the Board on 13<sup>th</sup> November 2025 and signed on its behalf by:



.....  
**Name: Prof. Leonard Kisovi**  
**Chairperson of the Board**



.....  
**Name: Josiah Mwanja**  
**Accounting Officer/Principal**

# REPUBLIC OF KENYA



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

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

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

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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 Mulango Technical and Vocational College set out on pages 1 to 42, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mulango Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Unsupported Revaluation Reserves Balance**

The statement of financial position reflects revaluation reserves balance of Kshs.92,325,014. However, detailed schedule and analysis showing how the revaluation reserve balance was derived, including dates, revaluation amount, revaluation surplus and the depreciation adjustments were not provided for audit review.

In the circumstances, the accuracy and completeness of revaluation reserves balance of Kshs.92,325,014 could not be confirmed.

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

### **Emphasis of Matter**

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

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.31,820,260 and Kshs.18,383,841 respectively resulting to underfunding of Kshs.13,436,419 or approximately 42% of the budget.

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

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 effects of the matter

described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

### **Other Information**

The Management is responsible for the Other Information set out on pages iii to xxviii which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Chief Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of Board of Governors and Statement of Board of Governors Responsibilities. 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, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Non-Compliance with Law on Ethnic Composition**

During the year under review, the total number of employees of the College was twenty-two (22) out of which twenty (20) or approximately 91% of the total number were members of the dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public Institution shall have more than one-third of its staff establishment from the same ethnic community".

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

The audit was conducted in accordance with ISSAI 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 Substantive Key Management Personnel**

Review of documents maintained by Human Resource Department indicated that some key positions or functions were not filled and remained vacant during the year under review which include the substantive Human Resources Officer and the Internal Auditor. This is contrary to Section B.2(1) of the Human Resource Policies and Procedures Manual for Public Service, 2017, which states that Departments shall prepare Human Resource Plans to support achievement of goals and objectives in their Strategic plans. The plans shall be based on comprehensive job analysis and shall be reviewed every year to address emerging issues and needs.

In the circumstances, the College may not be able to achieve effective implementation of strategic objectives and internal controls.

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


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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

01 December, 2025

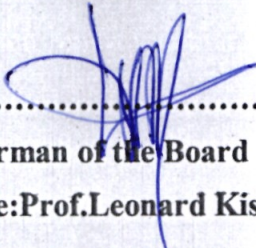
5. Statement of Financial Performance for the Year Ended 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	5,060,000	2,120,000
Grants from donors and development partners		-	-
Transfers from other levels of government		-	-
Public contributions and donations		-	-
		<b>5,060,000</b>	<b>2,120,000</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	50,118,400	16,952,031
Sale of goods	8	188,700	-
Rental revenue from facilities and equipment	9	-	11,000
Finance income		-	-
Miscellaneous income		-	-
<b>Revenue from Exchange transactions</b>		<b>50,307,100</b>	<b>16,963,031</b>
<b>Total Revenue</b>		<b>55,367,100</b>	<b>19,083,031</b>
<b>Expenses</b>			
Use of goods and services	10	14,279,443	19,653,773
Employee costs	11	4,818,636	5,710,456
Board Expenses	12	372,226	435,214
Depreciation and amortization expense	13	2,696,840	3,549,800
Repairs and maintenance	14	4,128,619	1,699,339
Contracted services	15	-	208,800
Grants and subsidies		-	-
Finance costs	16	45,705	26,481
<b>Total Expenses</b>		<b>26,341,469</b>	<b>31,283,863</b>
<b>Other Gains/(Losses)</b>			
Gain on sale of assets		-	-
Gain/ Loss on fair value of investments		-	-
Impairment loss		(-)	(-)
<b>Total Other Gains/(Losses)</b>		<b>-</b>	<b>-</b>
<b>Net surplus/(deficit) for the year</b>		<b>29,025,631</b>	<b>(12,200,832)</b>

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

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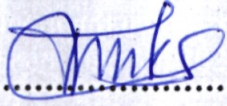
The Financial Statements were signed by:



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

**Name: Prof. Leonard Kisovi**

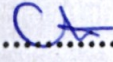
**Date** 13/11/2025



.....  
**Principal**

**Name: Josiah Mwanja**

**Date** 13/11/2025



.....  
**Finance Officer**

**Name: Charles Kyalo**  
**ICPAK No Assoc/4351**

**Date** 13/11/2025

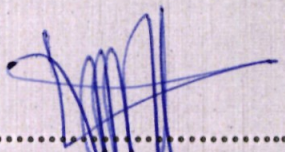
6. Statement of Financial Position as At 30th June 2025

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	17	331,936	468,724
Current portion of receivables from exchange transactions	18(a)	33,642,189	5,813,616
Receivables from non-exchange transactions	19	2,186,000	572,000
Inventories	20	72,950	450,000
Investments in financial assets		-	-
Prepayments		-	-
<b>Total Current Assets</b>		<b>36,233,075</b>	<b>7,304,340</b>
<b>Non-Current Assets</b>			
Long term receivables from exchange transactions		-	-
Investments		-	-
Property, plant, and equipment	21	72,178,502	73,119,376
Intangible assets	22	451,250	475,000
Investment property		-	-
Biological Assets		-	-
<b>Total Non-Current Assets</b>		<b>72,629,752</b>	<b>73,594,376</b>
<b>Total Assets (A)</b>		<b>108,862,827</b>	<b>80,898,716</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	23	5,794,000	5,945,874
Refundable deposits from customers	24	405,500	-
Current provisions		-	-
Finance lease obligation		-	-
Deferred income		-	-
Employee benefit obligation		-	-
Payments received in advance	25	1,743,985	215,000
Current portion of borrowings		-	-
Social Benefits		-	-

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

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Total Current Liabilities</b>		<b>7,943,485</b>	<b>6,160,874</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation		-	-
Deferred income		-	-
Non-Current Employee Benefit Obligation		-	-
Non- Current Borrowings		-	-
Non-Current Provisions		-	-
Service Concession Liability		-	-
Social benefits		-	-
<b>Total non- current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities (B)</b>		<b>7,943,485</b>	<b>6,160,874</b>
<b>Net Assets (A-B)</b>		<b>100,919,342</b>	<b>74,737,842</b>
<b>Represented By:</b>			
Revaluation Reserves		92,325,014	92,325,014
Accumulated Surplus		8,594,328	(17,587,172)
Capital Fund		-	-
<b>Net Assets</b>		<b>100,919,342</b>	<b>74,737,842</b>

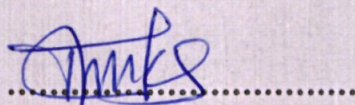
The Financial Statements were signed by:



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

**Name: Leonard Kisovi**

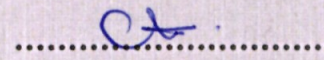
**Date 13/11/2025**



.....  
**Principal**

**Name: Josiah Mwanja**

**Date 13/11/2025**



.....  
**Finance Officer**

**Name: Charles Kyalo**

**ICPAK No: Assoc/4351**

**Date 13/11/2025**

**7. Statement of Changes in Net Asset for the Year Ended 30 June 2025**

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
<b>At July 1, 2023</b>	-	(8,230,471)	-	(8,230,471)
Revaluation gain	92,325,014	-	-	92,325,014
Surplus/(deficit) for the year	-	(12,200,832)	-	(12,200,832)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2024</b>	<b>92,325,014</b>	<b>(20,431,303)</b>	-	<b>71,893,711</b>
<b>At July 1, 2024</b>	<b>92,325,014</b>	<b>(20,431,303)</b>	-	<b>71,893,711</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	29,025,631	-	29,025,631
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	(-)	-
<b>At June 30, 2025</b>	<b>92,325,014</b>	<b>8,594,328</b>	-	<b>100,919,342</b>

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

**8. Statement of Cash Flows for the Year Ended 30 June 2025**

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities		1,500,000	1,548,000
Grants from donors and development partners		-	-
Transfers from other levels of government		-	-
Public contributions and donations		-	-
Rendering of services- fees from students		16,695,141	14,546,103
Sale of goods		188,700	-
Rental revenue from facilities and equipment		-	11,000
Finance income		-	-
Miscellaneous income		-	-
<b>Total Receipts</b>		<b>18,383,841</b>	<b>16,105,103</b>
<b>Payments</b>			
Use of goods and services		10,066,023	10,019,450
Employee costs		4,818,636	5,710,456
Board Expenses		372,226	435,214
Repairs and maintenance		2,748,039	1,699,339
Finance cost		45,705	26,481
Contracted services		-	208,800
Grants and subsidies		-	-
<b>Total Payments</b>		<b>18,050,629</b>	<b>18,099,740</b>
<b>Net Cash Flows from operating activities</b>	26	<b>333,212</b>	<b>(1,994,637)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(470,000)	(-)
Proceeds from sale of property, plant and equipment		-	-
<b>Net cash flows used in investing activities</b>		<b>(470,000)</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>(136,788)</b>	<b>(1,994,637)</b>
Cash and Cash equivalents at 1 JULY 2024	17	468,724	2,463,361
<b>Cash and Cash equivalents at 30 JUNE</b>	17	<b>331,936</b>	<b>468,724</b>

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

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
<b>Budget carryovers from the previous year*</b>	-	-	-	-	-	-
<b>Receipts</b>						
Transfers from other National Government entities	2,000,000	-	2,000,000	1,500,000	500,000	75%
Grants from donors and development partners	-	-	-	-	-	-%
Transfers from other levels of government	-	-	-	-	-	-%
Public contributions and donations	-	-	-	-	-	-%
Rendering of services- fees from students	29,702,260	-	29,702,260	16,695,141	13,007,119	56%
Sale of goods	100,000	-	100,000	188,700	(88,700)	189%
Rental revenue from facilities and equipment	18,000	-	18,000	-	18,000	0%
Finance income	-	-	-	-	-	-%
Miscellaneous Income	-	-	-	-	-	-%
<b>Total Receipts</b>	<b>31,820,260</b>	<b>-</b>	<b>31,820,260</b>	<b>18,383,841</b>	<b>13,436,419</b>	<b>58%</b>
<b>Payments</b>						
Use of goods and services	21,362,352	-	21,362,352	10,066,023	11,296,329	48%
Employee costs	6,457,908	-	6,457,908	4,818,636	1,639,272	75%
Board /Council Expenses	1,000,000	-	1,000,000	372,226	627,774	38%
Repairs and maintenance	3,000,000	-	3,000,000	2,748,039	251,961	92%
Contracted services	-	-	-	-	-	-%
Grants and subsidies	-	-	-	-	-	-%
Use of goods and services-finance cost	-	-	-	45,705	-	0%
<b>Total Expenditure Payments</b>	<b>31,820,260</b>	<b>-</b>	<b>31,820,260</b>	<b>18,050,629</b>	<b>13,769,631</b>	<b>57%</b>
<b>Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>333,212</b>	<b>333,212</b>	
<b>Capital Expenditure Payments</b>	<b>578,579</b>	<b>-</b>	<b>578,579</b>	<b>470,000</b>	<b>108,579</b>	<b>81%</b>

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**Budget notes**

**REVENUE**

- Unrealised revenue from government entities-during the year under review the college had budgeted to receive ksh.2000.000 but ended up realising ksh.1500, 000 thus a deficit of ksh.500, 000.
- Unrealised revenue from rendering of services-during the year under review the college had budgeted to realise ksh.29, 702,260 but ended up realising only ksh.16, 695,141 thus a budget deficit of ksh.13, 007,119.

**PAYMENT**

- Underutilisation for use of goods-during the year under review the college had budgeted to use ksh.21,362,352 as use of goods and services but ended up only using ksh.10,066,023.this was as a result of unrealised revenue due to non-disbursement of government funds and poor fees payments by students.
- Underutilisation on employee cost- during the year under review the college had budget to utilise ksh.6,457,908 but ended up utilising ksh.4,818,636,the under expenditure was as a result of unrealised revenue which led to hostility measures thus cutting down employee cost.
- Underutilisation on remuneration of directors-during the year under review the college had budgeted to utilise ksh.1000,000 but ended up utilising ksh.372,226,the under expenditure was as a result of budget constraints which led to hostility measures thus cutting down directors remuneration cost.

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	333,212
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	333,212

**10. Notes to the Financial Statements**

**1. General Information**

MTVC is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer technical and business courses to fill the skills and knowledge gap in the market.

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the college's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the college. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act 2023 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

There are no new and amended standards issued in the financial year.

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<b>Applicable 1<sup>st</sup> January 2025</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 cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <b>State the expected impact of the standard to the Entity if relevant</b>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b>Applicable 1<sup>st</sup> January 2025</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. <b>State the expected impact of the standard to the Entity if relevant</b>
IPSAS 45: Property Plant and Equipment	<b>Applicable 1<sup>st</sup> January 2025</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. <b>State the expected impact of the standard to the Entity if relevant</b>
IPSAS 46: Measurement	<b>Applicable 1<sup>st</sup> January 2025</b> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.

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	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><i>Applicable 1<sup>st</sup> January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

**iii. Early adoption of standards**

The Entity did not early – adopt any new or amended standards in the financial year under review.

#### **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 2024/2025 was approved by the Board on 21<sup>st</sup> June 2024. 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 Cash flows has been presented.

**c) Taxes**

***Current income tax***

The entity is exempt from paying taxes as per first schedule section 10 subsection (a) and (b) of the 2010 income tax Act.

***Sales tax/ Value Added Tax***

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

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

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

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 50 year. 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 depreciated using reducing balance method stated 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) Biological Assets**

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

**i) 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.

**j) 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) are set out in *Note xx*.

**Financial liabilities**

**Classification**

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

**k) 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*.

**l) 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.

**m) 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.

**n) Nature and purpose of reserves**

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

**o) 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.

**p) 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.

**q) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

**r) 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.

**s) 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.

**t) 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.

**u) 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.

**v) Comparative figures**

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

**w) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

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

The preparation of the *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

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.

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

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	3,060,000	120,000
Operational Grant	2,000,000	2,000,000
Development grants	-	-
Other Grants	-	-
<b>Total unconditional Grants</b>	<b>5,060,000</b>	<b>2,120,000</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>5,060,000</b>	<b>2,120,000</b>

**7. Rendering of Services**

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition Fees	21,129,515	5,327,675
Activity Fees	2,960,060	527,320
Industrial Attachment Fees	70,000	-
Examination Fees	1,393,100	1,111,076
Electricity water and conservancy	2,403,618	-
Facilities And Materials	7,650	1,431,700
Registration Fees	877,498	457,283
Boarding and accommodation	3,315,550	5,568,745
Medical	25,200	340,900
Development	2,818,388	815,100
Personal emoluments	7,870,172	1,372,232
Local travelling and transport	2,558,230	-
Student ID	364,500	-
Student welfare	363,600	-
TVETA	365,500	-
Consumable teaching materials	2,347,760	-
KUCCPS fee	166,500	-
Insurance	314,950	-

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Examination materials	361,109	-
Caution money	405,500	-
<b>Total Revenue from The Rendering of Services</b>	<b>50,118,400</b>	<b>16,952,031</b>

**8. Sale of Goods**

Description	2024-2025	2023-2024
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Goods	188,700	-
Cafeteria sales	-	-
Other sales (specify)	-	-
<b>Total Revenue from Sale of Goods</b>	<b>188,700</b>	<b>-</b>

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Hire of Facilities and Equipment	-	11,000
Contingent Rentals	-	-
Operating Lease Revenue	-	-
<b>Total</b>	<b>-</b>	<b>11,000</b>

**10. Use of Goods and Services**

Description	2024-2025	2023-2024
	Kshs	Kshs
Teaching and learning materials	2,816,460	6,300,000
Industrial attachment costs	-	-
Electricity, water and conservancy	431,847	1,035,593
Cleaning materials	75,490	400,000
Activity	-	1,317,780
Professional and consultancy services	-	-
System automation	261,000	300,000
Advertising	1,938,880	1,000,000
Examination fees	180,063	-

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Audit fees	464,000	-
Catering, accommodation	2,146,041	3,200,000
Travelling and accommodation	3,663,277	3,100,000
Fuel and oil	-	-
Research and innovation	92,000	400,000
administration expenses	1,013,416	2,000,000
Licenses and permits	-	-
Postage	-	-
Printing and stationery	1,039,249	600,400
Hire charges	-	-
Rent expenses	-	-
Skills development levies	-	-
Telephone expenses	-	-
Internet expenses	-	-
Training expenses	-	-
Games and trade fair	157,720	-
<b>Total good and services</b>	<b>14,279,443</b>	<b>19,653,773</b>

**11. Employee Costs**

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	4,818,636	5,710,456
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Social contributions	-	-
<b>Employee Costs</b>	<b>4,818,636</b>	<b>5,710,456</b>

**12. Board Expenses**

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	-	-
Other Allowances	372,226	435,214
Other Board/Council Expenses	-	-
<b>Total</b>	<b>372,226</b>	<b>435,214</b>

**13. Depreciation and Amortization expense**

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	2,673,090	3,074,800
Intangible assets	23,750	475,000
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>2,696,840</b>	<b>3,549,800</b>

**14. Repairs and Maintenance**

Description	2024-2025	2023-2024
	Kshs	Kshs
Property	-	-
Investment property – earning rentals	-	-
Equipment and machinery	-	-
General repairs	4,128,619	1,699,339
Furniture and fittings	-	-
Computers and accessories	-	-
<b>Total Repairs and Maintenance</b>	<b>4,128,619</b>	<b>1,699,339</b>

**15. Contracted Services**

Description	2024-2025	2023-2024
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	208,800
<b>Total contracted services</b>	<b>-</b>	<b>208,800</b>

**16. Finance Costs**

Description	2024-2025	2023-2024
	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	-	-
Bank charges	45,705	26,481
<b>Total Finance Costs</b>	<b>45,705</b>	<b>26,481</b>

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**17. A.)Cash and Cash Equivalents**

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	331,936	468,724
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	-	-
<b>Total Cash and Cash Equivalents</b>	<b>331,936</b>	<b>468,724</b>

**17 (b). Detailed Analysis of Cash and Cash equivalents**

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
<b>a) Current Account</b>			
National Bank-operations a/c	7700156042	25,777	460,605
-grants a/c	7700041946	103,175	6,444
KCB-operations a/c	1333640455	202,151	0
-development a/c	1333640706		0
<b>Sub- Total</b>		<b>331,103</b>	<b>467,049</b>
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank		-	-
Equity Bank – etc.		-	-
<b>Sub- Total</b>		-	-
<b>c) Fixed Deposits Account</b>			
Kenya Commercial Bank		-	-
Bank B		-	-
<b>Sub- Total</b>		-	-
<b>d) Staff Car Loan/ Mortgage</b>			
Kenya Commercial Bank		-	-
Bank B		-	-
<b>Sub- Total</b>		-	-
<b>e) Others(Specify)</b>			
Cash in Transit		-	-
Cash in Hand		833	1,675

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Mobile Money account		-	-
<b>Sub- Total</b>		<b>833</b>	<b>1,675</b>
<b>Grand Total</b>		<b>331,936</b>	<b>468,724</b>

**18. Receivables from Exchange transactions**

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

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	35,412,831	6,119,596
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance (5%)	(1,770,642)	(305,979.8)
<b>Total Current Receivables</b>	<b>33,642,189</b>	<b>5,813,616.2</b>

**18 (b) Ageing Analysis of Receivables from Exchange transactions**

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	<b>Current FY</b>	<b>% of total</b>	<b>Comparative FY</b>	<b>% of the total</b>
Less than 1 year	35,412,831	100%	6,119,596	100%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	<b>35,412,831</b>	<b>100%</b>	<b>6,119,596</b>	<b>100%</b>

**18 (c) Reconciliation for impairment Allowance on Receivables from Exchange Transactions**

Description	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	305,979.80	-
Provisions during the year	1,770,642	305,979.80
Recovered during the year	(-)	(-)
Write offs during the year	(-)	(-)
<b>At the end of the year</b>	<b>2,076,622</b>	<b>305,979.80</b>

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

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*	1,686,000	72,000
Recurrent grants	500,000	500,000
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	(-)	(-)
<b>Total Current Receivables</b>	<b>2,186,000</b>	<b>572,000</b>

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

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	<b>Current FY</b>	<b>% of the total</b>	<b>Comparative FY</b>	<b>% of the total</b>
Less than 1 year	2,186,000	%	500,000	100%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>2,186,000</b>	<b>100%</b>	<b>500,000</b>	<b>100%</b>

**20. Inventories**

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable stores	72,950	450,000
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	-
Catering stores	-	-
Less: Impairment allowance		-
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>72,950</b>	<b>450,000</b>

**Detailed disclosure on inventories**

	2024-2025	2023-2024
<b>Opening balance</b>	<b>450,000</b>	<b>500,347</b>
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
<b>Closing balance</b>	<b>72,950</b>	<b>450,000</b>

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**21. Property, Plant and Equipment**

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Depreciation Rate</b>		2%		12.5%	20%				
<b>At 1 July 2023</b>	4,600,000	60,700,000	-	14,740,000	-	-	-	-	80,040,000
Additions	-	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	-	-	(-)	-	(-)	(-)	(-)
Transfers/Adjustments	-	(-)	-	(-)	(-)	-	(-)	-	(-)
Revaluation	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2024</b>	4,600,000	60,700,000	-	14,740,000	-	-	-	-	80,040,000
Additions	-	-	-	500,000	170,000	-	-	-	670,000
Disposals	(-)	-	-	-	(-)	-	(-)	(-)	(-)
Transfer/Adjustments	(-)	-	-	(-)	(-)	-	(-)	-	(-)
Revaluation	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2025</b>	4,600,000	60,700,000	-	15,240,000	170,000	-	-	-	80,710,000
<b>Depreciation And Impairment</b>									
<b>At 1<sup>st</sup> July 2023</b>	-	(1,214,000)	(-)	(1,842,500)	(-)	-	(-)	(-)	(3,056,500)
Depreciation	-	(1,189,720)	(-)	(1,612,188)	(-)	-	(-)	-	(2,801,908)
Disposals	-	-	-	-	-	-	(-)	-	-
Impairment	-	-	-	-	(-)	-	(-)	-	(-)
<b>At 30 Jun 2024</b>	-	(2,403,720)	-	(3,454,688)	-	-	(-)	-	(5,858,408)
Depreciation	-	(1,165,926)	(-)	(1,473,164)	(34,000)	(-)	(-)	-	(2,673,090)
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	(-)	-	-	(-)	-	(-)	-	(-)
Transfer/Adjustment	-	(-)	(-)	-	(-)	-	(-)	(-)	-
<b>At 30<sup>th</sup> Jun 2025</b>	-	(3,569,646)	-	(4,927,852)	(34,000)	-	-	-	(8,531,498)
<b>Net Book Values</b>									
<b>At 30<sup>th</sup> Jun 2024</b>	4,600,000	58,296,280	-	11,285,312	-	-	-	-	74,181,592
<b>At 30<sup>th</sup> Jun 2025</b>	4,600,000	57,130,354	-	10,312,148	136,000	-	-	-	72,178,502

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

**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020).

**21 (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>	-	-	-

**22. Intangible Assets**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	475,000	500,000
Additions	-	-
<b>At end of the year</b>	475,000	-
Additions—internal development	-	-
<b>At end of the year</b>	475,000	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	25,000	-
Amortization	23,750	25,000
<b>At end of the year</b>	48,750	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	451,250	475,000

23. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	4,050,015		5,945,874	
Fees paid in advance	1,743,985		-	
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
<b>Total Trade and Other Payables</b>	<b>5,794,000</b>		<b>5,945,874</b>	
	2024-2025	% of the Total	2023-2024	% of the Total
<b>Ageing analysis:</b>				
Under one year	5,794,000	%	5,945,874	100%
1-2 years	-	%	-	-
2-3 years	-	%	-	-
Over 3 years	-	%	-	-
<b>Total (to tie to totals above)</b>	<b>5,794,000</b>	<b>%</b>	<b>5,945,874</b>	<b>100%</b>

24. Refundable Deposits from Students

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	405,500		-	
Other refundable deposits	-		-	
<b>Total Deposits</b>			-	
	2024-2025	% of the Total	2023-2024	% of the Total
<b>Ageing analysis:</b>				
Under one year	405,500	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (to tie to totals deposits above)</b>	<b>405,500</b>	<b>100%</b>	<b>-</b>	<b>%</b>

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**25. Payments received in advance.**

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Fees received in advance	1,743,985		215,000	
Others (Specify)	-		-	
<b>Total</b>	<b>1,743,985</b>		<b>215,000</b>	
<b>Ageing analysis:</b>	<b>2024-2025</b>	<b>% of the Total</b>	<b>2023-2024</b>	<b>% of the Total</b>
Under one year	1,743,985	100%	215,000	100%
1-2 years	-	%	-	-%
2-3 years	-	%	-	-%
Over 3 years	-	%	-	-%
<b>Total</b>	<b>1,743,985</b>	<b>100%</b>	<b>215,000</b>	<b>100%</b>

**26. Cash generated from operations.**

Surplus for the year before tax	2024-2025		2023-2024	
	Kshs		Kshs	
<b>Adjusted for:</b>				
Depreciation	2,673,090		3,549,393	
Non-Cash grants received	(-)		(-)	
Contributed assets	(-)		(-)	
Impairment	-		-	
Gains and Losses on Disposal of Assets	(-)		(-)	
Contribution to provisions	-		-	
Contribution to impairment allowance	1,770,642		-	
Finance Income	(-)		(-)	
Finance Cost	45,705		26,481	
<b>Working Capital Adjustments</b>				
Increase in Inventory	377,050		(400,725)	
Increase in Receivables	(5,910,386)		(-)	
Increase in Deferred Income	-		-	
Increase in Payables	(151,874)		6,160,874	
Increase in Payments received in advance	1,528,985		-	
<b>Net Cash Flow from Operating Activities</b>	<b>333,212</b>		<b>(1,994,637)</b>	

**27. 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 2024</b>				
Receivables from exchange transactions	5,813,616	5,813,616	-	-
Receivables from non-exchange transactions	572,000	572,000	-	-
Bank balances	468,724	468,724	-	-
<b>Total</b>	<b>6,854,340</b>	<b>6,854,340</b>	-	-
<b>At 30 June 2025</b>				
Receivables from exchange transactions	32,616,967	32,616,967	-	-
Receivables from non-exchange transactions	2,186,000	2,186,000	-	-
Bank balances	331,936	331,936	-	-
<b>Total</b>	<b>35,134,903</b>	<b>35,134,903</b>	-	-

**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 xxx

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 2024</b>				
Trade Payables	391,561	-	-	391,561
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	<b>391,561</b>	<b>-</b>	<b>-</b>	<b>391,561</b>
<b>At 30 June 2025</b>				
Trade Payables	-	-	5,794,000	5,794,000
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,794,000</b>	<b>5,794,000</b>

**(iii) Market risk**

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

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

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

**a) Foreign currency risk**

The entity has no 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 2025</b>			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities			
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

**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 xxx (20XX: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20XX – Kshs xxx)

**iii) 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	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	90,830,756	92,325,014
Retained Earnings	7,357,931	(12,200,832)
Capital Reserve	-	-
<b>Total Funds</b>	<b>98,188,687</b>	<b>80,124,182</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	(331,936)	(468,724)
Net Debt/(Excess Cash and Cash Equivalents)	97,856,751	113,409,480
<b>Gearing</b>	xx%	xx%

**28. 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 Governors;

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

Description	2024-2025	2023-2024
	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	390,547	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	79,600	-
<b>Total</b>	470,147	-
<b>b) Grants /Transfers from the Government</b>		
Grants from National Govt	1,500,000	-
Grants from County Government	-	-
Donations in Kind	-	-
<b>Total</b>	1,500,000	-
<b>c) Expenses incurred on behalf of related parties</b>		
Payments of Salaries and Wages	-	-
Payments for Goods and Services	-	-
<b>Total</b>		
<b>d) Key Management Compensation</b>		

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Description	2024-2025	2023-2024
	Kshs	Kshs
Directors' emoluments	372,226	-
Compensation to Key Management	-	-
<b>Total</b>	<b>372,226</b>	<b>-</b>

**29. Events After The Reporting Period**

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

**30. Ultimate And Holding Entity**

The entity is a State Corporation under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**31. Currency**

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

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

**11. Appendices**

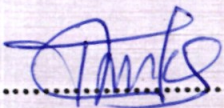
**Appendix 1: Implementation Status of Auditor-General Recommendations**

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)
OAG/MRO/MULANGO TVC/2023/2024/(4)	Inaccuracies in financial statements	The management have amended the annual report and financial statements to correct the errors as per the auditors advice	resolved	
OAG/MRO/MULANGO TVC/2023/2024/(4)	Variance between ledger and financial statements	The management availed the correct receivables as reflected in the financial statements	resolved	
OAG/MRO/MULANGO TVC/2023/2024/(4)	Unconfirmed intangible asset balance	The management availed all supporting documents for intangible assets	resolved	
OAG/MRO/MULANGO TVC/2023/2024/(4)	Unconfirmed trade and other payables	The management has provided creditors statements, ledger and aging of the creditors	resolved	
OAG/MRO/MULANGO TVC/2023/2024/(4)	Unconfirmed cash and cash equivalents balance	The management have reconciled cash and cash equivalent balances	resolved	
OAG/MRO/MULANGO TVC/2023/2024/(4)	Lack of internal audit function	The institution been new had no capability to employ more resource personel.going forward the college will employ an internal auditor	Not resolved	1/1/2026

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**Name: Josiah Mwanja**  
**Chief principal**

**Date** 13/11/2025

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**Appendix II: Projects Implemented by Mulango technical and vocational college**

**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	N/A	N/A	N/A	N/A	N/A	N/A
2						

**Status of Projects completion**

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

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

Name of transferring entity.....N/A.....

Name of beneficiary entity.....N/A.....

**Confirmation of amounts received by Mulango technical and vocational college as at 30<sup>th</sup> June 2025**

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
<b>Total</b>					

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 Charles Kyungu ..... Sign [Signature] ..... Date 14/11/2025 .....

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

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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**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
N/A	N/A		N/A	N/A	N/A	N/A