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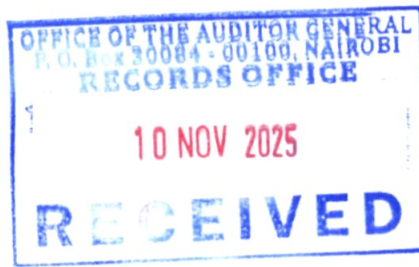
THE AUDITOR-GENERAL

ON

**NACHU TECHNICAL AND VOCATIONAL
COLLEGE**

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

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	02 APR 2026 DAY: Thursday
TABLED BY:	Deputy Majority Whip Hon. Naomi Wazigo
CLERK-AT THE-TABLE:	Halima Ahmed



NACHU TECHNICAL AND VOCATIONAL COLLEGE

REVISED ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVC	Technical Vocational College
TVET	Technical Vocational Education and Training
TVETA	Technical Vocational Education and Training Authority
KUCCPS	Kenya University and College Central Placement Services

B. Definition of Key Terms

Biodiversity-refers to the variety and variability of all living organisms within a given ecosystem, region.

2. Key Entity Information and Management

(a) Background Information

Nachu Technical and Vocational College was established under the TVET Act of 2013 and officially registered in 2017, with registration certificate number TVETA/PUBLIC/TVC/0009/2021. The college operates in Kenya under the Ministry of Education, with the Cabinet Secretary for Education providing general policy guidance and strategic direction.

(b) Principal Activities

The primary activity of Nachu Technical and Vocational College is to deliver high-quality Technical and Vocational Training.

Vision:

To be a center of excellence in sustainable skills development.

Mission:

To provide and promote quality competency-based Technical and Vocational Training for sustainable development in both local and global markets.

Strategic Objectives:

1. Achieve a student enrolment of at least 2,500 students by 30th June 2026.
2. Promote access and equity in competency-based training.
3. Achieve and maintain 90% adherence to approved policies and procedure manuals.

Strategic Destination:

To offer quality training that empowers youth with technical and vocational skills and the right attitudes, making them innovative and in demand both in Kenya and the global market.

Core Values:

- **Accountability:** Commitment to results, taking responsibility for our actions.
- **Responsiveness:** Listening, taking action, and being solution-oriented.
- **Innovation:** Creativity in all undertakings.
- **Integrity:** Honesty, fairness, and trustworthiness.
- **Safety:** Ensuring safety for ourselves and others

(c) Key Management

The day-to-day management of Nachu Technical and Vocational College (TVC) is overseen by the following key personnel:

I. Key Management Personnel as of 30th June 2025.

Board of Governors

The Board of Governors holds the ultimate responsibility for the governance and strategic oversight of Nachu Technical and Vocational College. The Board's key responsibilities include:

- i. **Providing Strategic Direction:** Setting the overall direction for the College, ensuring alignment with the institution's mission and vision.
- ii. **Developing and Implementing the Strategic Plan:** Crafting and executing the College's strategic plan, which outlines the goals and objectives for future growth and development.
- iii. **Managing the College's Property:** Overseeing the management, maintenance, and effective utilization of the College's assets and properties.
- iv. **Growing Enrollment:** Developing strategies to increase student enrollment, thereby improving access to technical and vocational education.
- v. **Creating Community Linkages:** Establishing and nurturing partnerships with the community to foster collaboration and support for the College's initiatives.
- vi. **Providing/Sourcing Resources and Support:** Securing the necessary financial and material resources to support the College's operations and growth.
- vii. **Adding Value to the Community and Country:** Leading initiatives that contribute positively to the community and the nation, aligning with broader societal goals.
- viii. **Enabling Government Agenda:** Supporting the Government in achieving its key policy objectives, as outlined in its manifesto.
- ix. **Ensuring Quality and Relevance in Training:** Maintaining high standards in training programs, ensuring that they are relevant to the current and future needs of the workforce, in line with Kenya's Vision 2030.

II. Principal's Responsibilities

The Principal of Nachu TVC holds the overall responsibility for the day-to-day operations of the College on behalf of the Board of Governors (BOG). The key duties include:

- a) **Strategic Implementation:** Ensuring the execution of the strategic direction as approved by the BOG, aligning all activities with the institution's long-term goals.
- b) **Property Management:** Overseeing the management and safeguarding of the College's assets and properties, ensuring they are effectively utilized and maintained.
- c) **Enrollment Growth:** Developing and implementing strategies to increase student enrollment, thereby enhancing the institution's reach and impact.
- d) **Community and National Contribution:** Leading initiatives that add value to the local community and the country, fostering development and social responsibility.
- e) **Quality and Relevance in Training:** Ensuring that the College's training programs are of high quality and relevant, in alignment with Kenya's Vision 2030, thereby preparing students to contribute effectively to the workforce and society.

(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	Magdalene Mwachofi
2.	Deputy principal Administration	Catherine Kinoti
3	Deputy principal Academics	David Njoroge Kimani
4	Dean of students	Jeannette Kemunto Omurwa

(e) Fiduciary Oversight Arrangements

The Board of Governors operates through several specialized committees, each tasked with overseeing critical areas of institutional governance. The composition of each committee is as follows:

1. Technical and Human Resource Committee

Mandate: Oversight of academic, technical programs, and human resource matters.

- **Ms. Faith Wanjiru Mbugua** - Chairperson
- **Ms. Maryann Abdi Hassan** - Member/Regional Director - TVET
- **Rev. David Ndungu Wakaba** - Member

2. Audit, Risk, and Compliance Committee

Mandate: Ensures sound risk management practices, internal control, and regulatory compliance.

- **Ms. Lilian Wanjiku Ndichu** - Chairperson
- **Dr. David Wanyama** - Member
- **Ms. Maryann Abdi Hassan** - Member/Regional Director - TVET



3. Finance and Strategy Committee

Mandate: Oversees financial planning, budgeting, and strategic institutional development.

- **Mr. Simon Kamau** - Chairperson
- **Eng. Eunice Wambui** - Member
- **Ms. Everlyne Simaloi Sankan** - Member
- **Mrs. Magdalene Mwachofi** - Principal/Secretary BOG

These committees play a pivotal role in driving the College's operational efficiency and effectiveness in alignment with the Kenya Kwanza Government Agenda. Through robust oversight in financial management, risk assessment, compliance, human capital development, and competency-based technical training, the committees support the national priorities of job creation, youth empowerment, and skills development. Their collaborative efforts ensure Nachu TVC remains transparent, accountable, and committed to delivering high-impact training that supports economic transformation from the bottom up.

3.The Board of Governors

SN.	Digital passport sized photo	Profiles.
1.		<p>Mrs. Nancy Waringa Munene – Chairperson of the Board Date of Birth: 07/03/1961</p> <p>Mrs. Nancy Waringa Munene is an accomplished professional with extensive experience in pension administration, financial management, and governance. She currently serves as a consultant in pension administration and management. In addition to her consulting work, she is the immediate past Chairperson of the Board of Management at Karai Mixed Secondary School and a Board Member at Kikuyu Hospital. Mrs. Munene retired from corporate employment in March 2021, having served as the Group Head, Compensation and Benefits at KTDA Holdings Ltd from November 2011 to March 2021. Prior to that, she held the position of Senior Accountant at KTDA Management Services between October 2007 and October 2011. Her career at KTDA began in July 1983, where she steadily rose through the ranks—from Audit Assistant to Senior Internal Auditor by September 2006. She holds a Bachelor of Commerce degree, Accounting option from Panjab University, India and is currently working on her thesis towards completion of her Masters of Arts in Development Communication from Daystar University. Mrs. Munene currently serves as the Chairperson of the Board of Governors at Nachu Technical and Vocational College, where she provides strategic leadership and oversight, drawing on her rich background in governance, finance, and organizational management.</p>
2.		<p>Ms. Faith Wanjiru Mbugua – Member / Chair, Technical and Human Resources Committee Date of Birth: 01/01/1965</p> <p>Ms. Faith Wanjiru Mbugua is an independent Member of the Board of Governors at Nachu Technical and Vocational College and Chair of the Technical and Human Resources Committee. She is a seasoned educationist and public servant with over 30 years of experience in education and public administration. She previously served as County Executive Committee Member for Education, Gender Affairs, Culture, and Social Services in Nyandarua County (2017–2019) and as a County Transition Officer with the Transition Authority (2013–2016). Earlier, she taught under the Teachers Service Commission from 1991 to 2013, rising from P1 Teacher to Graduate Teacher I. Ms. Mbugua holds a Primary Teacher Education Certificate from Kamwenja Teachers College, a Bachelor of Education (Arts), and a Master’s in Education from the University of Nairobi. Her rich experience in education leadership and governance underpins her effective stewardship of the college’s HR and technical functions</p>

(f) Entity Headquarters

Nachu Technical and Vocational College
P.O. Box 1455-00902
Kikuyu, Kenya

(g) Entity Contacts

Telephone: +254729444338, +254731219988

E-mail: nachutechnical@gmail.com

Website: www.nachutechnical.ac.ke

(h) Entity Bankers



Kenya Commercial Bank
Kikuyu Branch,
P.O BOX 148-00902
Kikuyu.



(i) Independent Auditors



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

(j) Principal Legal Adviser

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



<p>3.</p>		<p>Ms. Lilian Wanjiku Ndichu – Member / Chair, Audit, Risk and Compliance Committee Date of Birth: 20/08/1991</p> <p>Ms. Lilian Wanjiku Ndichu is an independent Member of the Board of Governors at Nachu Technical and Vocational College and Chair of the Audit, Risk, and Compliance Committee. She is a seasoned legal professional with over seven years of experience in corporate law, governance, and compliance. Since December 2023, she has served as Legal Counsel – Corporate Legal (Sub-Saharan Africa) at EMAE. Previously, she worked as a Senior Associate at Bowman’s Law (2022–2023) and as a Legal Governance Officer at UAP Old Mutual (2016–2022), focusing on regulatory compliance and risk management. Ms. Ndichu holds a Master of Laws (LL.M) in International Financial Law and Regulation from Strathmore Law School, a Bachelor of Laws (LL.B) from the University of Nairobi, and completed the Advocates Training Program at the Kenya School of Law. She is also a Certified Public Secretary. Her expertise in legal governance and risk oversight strengthens the Board’s commitment to accountability and compliance.</p>
<p>4.</p>		<p>Mr. Simon Muniu Kamau – Member / Chair, Finance and Strategy Committee Date of Birth: 01/03/1973</p> <p>Mr. Simon Muniu Kamau is an independent Member of the Board of Governors at Nachu Technical and Vocational College and Chair of the Finance and Strategy Committee. He is a seasoned finance and operations professional with over 25 years of experience in the banking sector, specializing in financial reporting, performance management, and organizational transformation. He holds a Bachelor of Arts degree in Economics and Sociology from the University of Nairobi and is a Certified Public Accountant (CPA) registered with ICPAK. Mr. Kamau held several senior roles at Standard Chartered Bank Kenya, where he led finance transformation initiatives across multiple African markets, strengthened reporting frameworks, and enhanced operational efficiency and compliance. As Chair of the Finance and Strategy Committee, he provides strategic oversight on financial sustainability, planning, and policy formulation, ensuring sound governance and alignment with Nachu TVC’s mission and goals.</p>



<p>5.</p>		<p>Ms. Everlyne Simaloi Sankan – Member, Finance and Strategy Committee Date of Birth: 01/01/1977</p> <p>Ms. Everlyne Simaloi Sankan is an independent Member of the Board of Governors at Nachu Technical and Vocational College and serves on the Finance and Strategy Committee. She is an accomplished entrepreneur with extensive experience in branding, merchandising, and enterprise management. Ms. Sankan is the Founder and CEO of Hygiena Cleaning Services and Cimenza Limited. She holds a Bachelor’s degree in Business Administration from Kenya Methodist University and a Diploma in Front Office Operations and Administration from the Air Travel and Related Studies Centre. Her professional background includes leadership roles as Front Office Manager at Ibis Styles (Accor Hotels) and Tune Hotels Nairobi, as well as Loyalty Manager at Sarova Hotels. She also gained experience in sales, marketing, and public relations with Lake Duluti Lodge, and in guest relations and conference coordination in the hospitality sector.</p>
<p>6.</p>		<p>Ms. MaryAnn A. Hassan – Regional Director, TVET / Member Date of Birth: 12/12/1977</p> <p>Ms. MaryAnn A. Hassan is an Executive Member of the Board of Governors at Nachu Technical and Vocational College, representing the Principal Secretary, State Department for TVET, Ministry of Education. She serves on both the Technical and Human Resources Committee and the Audit, Risk, and Compliance Committee. With over 24 years of experience in education administration, Ms. Hassan brings extensive expertise in educational policy, institutional management, and strategic planning. She holds a Master’s degree in Education Administration and Planning from the Catholic University of Eastern Africa and a Bachelor’s degree in Education (Science) from Kenyatta University. Her strong leadership and deep understanding of TVET governance contribute significantly to the college’s strategic direction, policy development, and effective management of technical and human resource functions.</p>

7.		<p>Dr. David Wanyonyi Wanyama, PhD – Member, Audit, Risk and Compliance Committee Date of Birth: 01/01/1965</p> <p>Dr. David Wanyonyi Wanyama, PhD, is an independent Member of the Board of Governors at Nachu Technical and Vocational College and serves on the Audit, Risk, and Compliance Committee. He is a seasoned professional in finance, accounting, strategy, and governance with over 20 years of experience in both commercial and consulting sectors. He holds a PhD and a Master’s degree in Finance, a Bachelor of Commerce (Management), and diplomas in Cooperative Management, Credit Management, and International Insurance. He is also a Certified Public Accountant (CPA-K) and a member of the Institute of Certified Public Accountants of Kenya and Australia. Currently, he is pursuing a Master of Laws (LL.M) at the University of East London. Dr. Wanyama has lectured at the University of Nairobi, Riara University, and JKUAT, and has held senior leadership roles including CEO of Masters Consultants Ltd, Davella LLP, Lead Consultants Ltd, and Takaful Insurance Company Ltd. His vast expertise enhances the Board’s capacity in financial oversight, strategy, risk management, and governance</p>
8.		<p>Rev. David Wakaba Ndungu – Member: Rev. David Wakaba Ndungu is a respected member of the Board of Governors at Nachu Technical and Vocational College, where he also serves on the Technical and Human Resources Committee. An ordained Anglican priest since 1990, Rev. Ndungu brings extensive experience in pastoral ministry, evangelism, and church administration, having served in various regions including Kiambu, Nairobi, and Kajiado. He holds both a Master’s and a Bachelor’s degree from the Catholic University of Eastern Africa and is currently pursuing PhD studies. Additionally, he holds a Diploma in Theology and has undertaken further training in Project Planning and Management, Strategic Planning, and Leadership. Rev. Ndungu’s commitment to education is evident in his active involvement in school governance, serving as a board member at Kihara High School, Kirangari High School, and Moi Girls High School Kamangu. His broad experience in leadership, governance, and education significantly enhances his contributions to the Technical and Human Resources Committee at Nachu Technical and Vocational College.</p>

<p>9.</p>		<p>Eng. Eunice Wanjiru Wambui – Member, Finance and Strategy Committee Date of Birth: 15/10/1983</p> <p>Eng. Eunice Wanjiru Wambui is an independent Member of the Board of Governors at Nachu Technical and Vocational College and serves on the Finance and Strategy Committee. She is a highly skilled civil engineer with extensive experience in infrastructure management and project oversight. Currently serving with the Kenya National Highways Authority, Eng. Wambui plays a vital role in managing large-scale engineering projects and ensuring compliance with technical and regulatory standards. Her expertise in strategic planning, operational management, and financial oversight strengthens the committee’s capacity in institutional development and governance. She holds a Master’s degree and a Bachelor of Science in Civil Engineering from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and is a registered member of the Engineers Board of Kenya</p>
<p>10.</p>		<p>Mrs. Magdalene Mwachofi – Principal / Secretary to the Board of Governors</p> <p>Mrs. Magdalene Mwachofi is the Principal of Nachu Technical and Vocational College and Secretary to the Board of Governors, positions she has held since January 2022. She is an accomplished educationist and administrator with over 28 years of experience in teaching, academic leadership, and institutional development. She holds a Master of Science in Entrepreneurship, a Bachelor of Arts degree, and a Postgraduate Diploma in Education (PGDE). Before joining Nachu TVC, she served for 16 years at The Eldoret National Polytechnic, where she was Head of the Department of Research, Partnerships, and Networking Development. A certified Lead Auditor for ISO 9001:2018, Mrs. Mwachofi has extensive experience in institutional quality assurance, strategic planning, and partnership development, contributing significantly to governance, innovation, and continuous improvement in vocational education.</p>

4. Key Management Team

<i>SN.</i>	<i>Member</i>	<i>Details</i>
1.		<p>Mrs. Magdalene Mwachofi – Principal / Secretary to the Board of Governors</p> <p>Mrs. Magdalene Mwachofi is the Principal of Nachu Technical and Vocational College and Secretary to the Board of Governors, positions she has held since January 2022. She is an accomplished educationist and administrator with over 28 years of experience in teaching, academic leadership, and institutional development. She holds a Master of Science in Entrepreneurship, a Bachelor of Arts degree, and a Postgraduate Diploma in Education (PGDE). Before joining Nachu TVC, she served for 16 years at The Eldoret National Polytechnic, where she was Head of the Department of Research, Partnerships, and Networking Development. A certified Lead Auditor for ISO 9001:2018, Mrs. Mwachofi has extensive experience in institutional quality assurance, strategic planning, and partnership development, contributing significantly to governance, innovation, and continuous improvement in vocational education.</p>
2.		<p>Mrs. Catherine Kinoti – Deputy Principal, Administration</p> <p>Mrs. Catherine Kinoti is the Deputy Principal in charge of Administration at Nachu Technical and Vocational College. With over 16 years of experience in technical education and training, she oversees the college’s administrative and financial operations, ensuring efficiency, accountability, and institutional integrity. Her career began at Meru National Polytechnic, where she served as Trainer, Head of Department, and Monitoring and Evaluation Officer—roles that strengthened her expertise in leadership, strategic planning, and institutional development. She holds a Master of Arts in English and Linguistics from Kenyatta University and a Bachelor of Education from the University of Nairobi, complemented by professional certifications in leadership, management, and educational governance. In her current role, Mrs. Kinoti manages human resources, procurement, infrastructure, budgeting, and non-teaching staff welfare, ensuring effective coordination and smooth institutional operations.</p>

		<p>Mr. David Kimani Njoroge – Deputy Principal Academics</p> <p>Mr. David Kimani Njoroge is the current Deputy Principal, Academics, at Nachu Technical and Vocational College. He brings a wealth of expertise, strong leadership, and a solid industry background to the institution's academic leadership team. He holds a Bachelor of Science degree in Electrical and Electronics Engineering from the Technical University of Mombasa, as well as a Postgraduate Diploma in Education. Before transitioning into the education sector, Mr. Njoroge worked for seven years as an Instrumentation and Control Engineer in the gas mining industry. This hands-on experience has been instrumental in aligning the college's academic programs with real-world industry needs, ensuring that students receive a well-rounded education that integrates both theoretical knowledge and practical, market-relevant skills. As Deputy Principal, Academics, Mr. Njoroge is responsible for overseeing academic programs, implementing curricula, and maintaining the overall quality of teaching and learning throughout the institution. His leadership is central to upholding high academic standards and fostering continuous innovation in the delivery of technical and vocational education.</p>
3.		<p>Ms. Jeannette Kemunto Omurwa – Dean of Students</p> <p>Ms. Jeannette Kemunto Omurwa is an accomplished educator and administrator with extensive experience in technical training and institutional management. She holds a Bachelor of Technology in Institutional Catering and Accommodation Management, a Postgraduate Diploma in Technical Education, and a Diploma in Food and Beverage. Since January 2024, she has served as the Dean of Students at Nachu Technical and Vocational College. Before joining Nachu TVC, she spent 11 years as Head of Department at Kamirithu Polytechnic and three years as an Industrial Liaison Officer, where she strengthened industry linkages and student attachment programs. MS. Omurwa has also contributed nationally to education quality and standards through her roles as a Technical Assessor with KNEC and as a curriculum tool developer, validator, and verifier with CDACC. Her expertise in curriculum design, assessment, and student affairs continues to enhance the college's academic excellence and student development initiatives.</p>

5. Chairperson's Statement

I am pleased to present the annual report for Nachu Technical and Vocational College for the year ended 30th June 2025. This year has been one of transformation, marked by significant achievements, operational progress, and key challenges. Our focus remains on delivering high-quality Technical, Vocational Education and Training, improving student experiences, and positioning Nachu TVC as a leading institution in Vocational education within Kikuyu Sub-county.

Key Achievements

1. Training, Learning & Curriculum Transition

We successfully adopted and implemented the revised CBET modular curriculum in April 2025, a vital step in aligning our programs with market needs. This transition included staff training and departmental support to ensure smooth delivery and improved student learning outcomes.

2. Academic Performance

We recorded an average pass rate of 89% across the November 2024, August 2024, and March 2025 exam series. Notably, we conducted our first TVET CDACC assessment in March 2025, followed by both KNEC and CDACC exams in July/August examination series, reflecting our commitment to academic excellence and implementation of directives as given.

3. Infrastructure Development

Construction of a new tuition block began this financial year, with Phase 1-Ground floor and the First floor being 43% complete. The ground floor is set to be in use by 31st August 2025, addressing the current space needs that have been driven by a growing student population.

4. Financial Performance

The institution's financial performance for the year was strong and well diversified across multiple revenue streams. Government grants and scholarships contributed a total of Ksh 11,060,823.29, while payments from parents and guardians amounted to Ksh 12,532,535.00. Additionally, the Higher Education Loans Board disbursed Ksh 7,634,461.49 to support students. Income Generating Activities brought in Ksh 416,065. These combined funds were instrumental in sustaining daily operations, supporting infrastructure development, and financing various student programs throughout the year.

5. Student Experience

Despite financial limitations, students engaged in internal sports and cultural events. We successfully held our first cultural celebration, fashion show and Mr. & Miss Nachu TVC competitions, as well as orientation for each new intake, contributing to a vibrant student life.

Key Challenges

1. Delayed and Non-Disbursement of Funds:

One of the most pressing challenges faced during the year was the delay and, in some cases, non-disbursement of government capitation, HELB and scholarship funds. These delays significantly disrupted the institution's cash flow, limiting our ability to promptly meet operational expenses, support needy students, and implement planned development projects.

2. Infrastructure Pressure Due to Population Growth:

The steady rise in student enrollment has outpaced the existing physical infrastructure. Although construction of a new tuition block is underway, the current facilities classrooms, workshops, laboratories, and recreational areas remain insufficient to support the growing population.

3. Inadequate Human Resources:

As enrollment numbers grow, the demand for qualified trainers and support staff has increased correspondingly. However, the institution continues to face challenges in recruiting and retaining enough personnel to match the rising workload.

The Way Forward

To sustain our growth and address emerging needs, we have outlined the following priorities:

- **Enhancing Financial Efficiency:** We will continue to streamline financial processes, work closely with HELB and other stakeholders, and seek alternative funding sources such as donor partnerships and income-generating activities to reduce reliance on government funding.
- **Expanding Infrastructure:** Completion of the new tuition block remains a priority. We also plan to invest in additional academic and co-curricular facilities, with a strong emphasis on donor and grant funding.
- **Strengthening Human Resources:** We are committed to hiring and retaining qualified trainers and staff by offering competitive compensation, capacity building and a positive working environment.
- **Leveraging Technology:** Continued integration of digital tools will enhance teaching and learning while improving operational efficiency.

Together with the Board of Governors and management, I express sincere appreciation to our staff, students, parents and government agencies. Your unwavering support is the foundation of our continued success.

Nancy Waringa
.....
Chairperson of the Board
Nancy Waringa Munene
Date: *10/11/2025*.....

6. Report of the Principal

I am honored to present the annual report for Nachu Technical and Vocational College for the financial year ending 30th June 2025. This reporting period has been marked by significant strides in academic excellence, curriculum transition, infrastructure development, and institutional growth. At the same time, we encountered key challenges that required strategic management, innovation and stakeholder collaboration. Our commitment to offering high-quality Technical and Vocational Education remains unwavering, and our efforts continue positioning Nachu TVC as a center of excellence in Vocational Education.

Key Achievements

1. Training, Learning & Curriculum Transition

One of the most transformative achievements this year was the successful adoption and implementation of the revised Competency-Based Education and Training (CBET) modular curriculum. This shift, which officially commenced in April 2025, is instrumental in aligning our training programs with the evolving needs of the modern labor market. The transition process has included a robust capacity-building initiative for our teaching staff, enabling them to effectively deliver the new content and assessment approaches. Additionally, academic departments were equipped with necessary instructional resources and guidance to ensure smooth implementation. This marked significant milestone in improving both the quality and relevance of education offered at Nachu TVC.

2. Academic Performance

Our commitment to academic excellence was reflected in excellent performance across the three external assessments. In the 2024/2025 academic year, we achieved an average pass rate of 89% across the November 2024, August 2024, and March 2025 examinations series. This improved performance is a testament to the hard work of both our students and teaching staff. Moreover, the college successfully conducted its first TVET CDACC assessment in March 2025. These developments have further integrated the college into the national quality assurance and certification framework, improving both credibility and employability of our graduates.

3. Infrastructure Development

In response to our growing student population, we initiated the construction of a new tuition block this year. By the close of the reporting period, construction of the ground and first floors had reached 43% completion. We anticipate that the ground floor will be ready for use by 31st August 2025. This infrastructure expansion is a critical step in addressing space constraints and creating a conducive learning environment. As we continue to grow, we recognize the urgent need for additional workshops, laboratories, and recreational facilities. Our infrastructure plan therefore remains central to our institutional development strategy.

4. Financial Performance

The financial performance of the institution remained stable, supported by a mix of funding sources. Total revenue during the year was as follows:

- **Government grants and scholarships:** Ksh 11,060,823.29
- **Parental contributions:** Ksh 12,532,535.00
- **HELB disbursements:** Ksh 7,634,791.67
- **Income Generating Activities (IGA):** Ksh 416,065

These resources were critical in supporting daily operations, infrastructure development, staff remuneration, and student services. While we appreciate the support received, there remains a need to find ways of supplementing the government funding that remains undisbursed yet critical to the institution running and performance.

5. Student Experience and Co-Curricular Engagement

Despite budgetary limitations, our students participated in a variety of co-curricular activities that contributed to their holistic development. Notable among these were friendly sports matches and internal ball game tournaments. A significant highlight of the year was the successful hosting of our first-ever Cultural Day Celebration and a fashion show that combined with the Mr. & Miss Nachu TVC pageant—an event that showcased talent, diversity, and student leadership. We also continued the tradition of orientation of new students for each new intake, fostering a welcoming and inclusive community. These activities help develop well-rounded graduates who are prepared for both professional and personal success.

Key Challenges

1. Delayed and Non-Disbursement of Government Funds

A major financial challenge was the delayed or incomplete disbursement of government funding particularly capitation and scholarship funds. These delays affected the college's ability to meet operational needs on time, created cash flow constraints, and impacted student welfare. Several students experienced difficulty staying enrolled due to delayed scholarship support which resulted to some students dropping out. Timely funding remains essential for planning, program continuity, and stability.

2. Infrastructure Pressure Due to Population Growth

Student enrollment has grown significantly, leading to overstretched facilities. Even with ongoing construction of a new tuition block, our workshops, laboratories, and recreational areas remain inadequate. This shortage has created a suboptimal learning environment and limited our ability to expand program offerings. Continued investment in infrastructure, including donor engagement, is required to meet future demand.

3. Inadequate Human Resources

With increased enrollment comes greater demand for competent teaching and support staff. Currently, the college is facing shortages in several academic departments, which risks compromising the quality of instruction. Recruiting, training, and retaining skilled personnel is therefore a top priority as we strive to maintain our standards of excellence and student satisfaction.

The Way Forward

To build on our achievements and address existing gaps, Nachu TVC will prioritize the following strategic areas in the coming year:

- **Enhancing Financial Efficiency:** We will continue to streamline financial management systems to improve resource allocation and accountability. Close collaboration with HELB and scholarship agencies will be maintained, while actively exploring partnerships, donor support, and income-generating initiatives to reduce reliance on government funding.
- **Infrastructure Expansion:** Completion of the ongoing tuition block is a top priority. We will also plan for additional workshops, laboratories, and student amenities, ensuring our infrastructure supports both academic and extracurricular development.
- **Human Resource Development:** The College is committed to hiring additional qualified staff and enhancing retention through competitive remuneration, professional development, and a supportive work environment that fosters innovation and performance.
- **Technology Integration:** We will continue to leverage digital tools to improve teaching, learning, and administrative operations. This includes the adoption of e-learning platforms and automated systems to enhance service delivery and efficiency.

I extend my heartfelt appreciation to the Government, Board of Governors, our dedicated staff, diligent students, supportive parents/guardians and all partners who contributed to our success. Your commitment and support have made this a year of impactful progress despite the challenges faced. Together, we will continue to grow Nachu TVC into a model institution of Technical and Vocational training.

..........

Magdalene Mwachofi

Principal/Secretary BOG

Date: ..10/11/2025.....

7. Statement of Performance against Predetermined Objectives

This statement outlines Nachu Technical and Vocational College's performance against the predetermined objectives for the financial year ending June 30th 2025. These objectives were established to ensure that the College remains aligned with its strategic goals and continues to deliver value to its stakeholders, drawing from the five strategic pillars of the FY 2020/2021- FY 2025/2026 Strategic Plan.

1. Achieve a Student Population of 2,500 with a 95% Course Completion Rate by 30th June 2026

FY 2024/2025 Target: Increase the student population with new admission of 1000 students in the September 2024, January 2025 and May 2025 with a 95% course completion rate.

Current Performance as of 30th June 2025:

- New admissions for FY 2024/2025 totaled 980 students, consisting of 535 males and 445 females.
- The current course completion rate for FY 2024/2025 stands at 89%.

Initiatives Implemented during FY 2024/2025:

- Launched a new marketing campaign specifically targeting demographics within Kabete and Kiambaa Sub-counties.
- Adopted and fully implemented a revised modularized curriculum, which effectively reduced the student's stay in college. This enhances efficiency and allows students to enter the workforce or pursue further studies more quickly

2. Achieve an 80% Student Employment/Enterprise Rate

FY 2024/2025 Target: Place all students due for industrial attachment and mentorship under the CBET curriculum, while strengthening follow-up mechanisms to track graduate employment and enterprise engagement.

Current Performance as of 30th June 2025:

- **Industrial Attachment and Mentorship:** A total of 184 students from various departments were successfully placed on industrial attachment and mentorship programs in alignment with the CBET curriculum.
- **Strategic Partnerships:** Partnered with Kikuyu Pipes and Fittings Company (KPFC) to facilitate a safety training program, organized by Henkel Kenya Limited. This initiative trained 30 trainees in Ruaraka, enhancing their employability and compliance with industry safety standards.

Initiatives Implemented (during FY 2024/2025):

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- Established a Career Services Office and appointed departmental Industry Liaison Officers (ILOs).
- Continued training for ILOs and the Dual Training Coordinator in close collaboration with GIZ Kenya.

3. Participate in an Innovation and Research Competition Annually

FY 2024/2025 Target: Ensure active participation in at least one national or regional innovation and research competition to promote a culture of creativity, problem-solving, and applied research among students and staff

Current Performance as of 30th June 2025:

- Although the KATTI Research and Innovation Competition was cancelled due to financial constraints that were experienced by all colleges, Nachu TVC proactively organized an internal departmental Research and Innovation Competition to maintain momentum and encourage student creativity.

Initiatives Implemented (during FY 2024/2025):

- Organized internal interdepartmental research and innovation competitions to promote a culture of creativity and problem-solving among students and trainers

4. Achieve Annual Revenue of Ksh X, with 10% Earned from Income-Generating Activities

FY 2024/2025 Target: Generate a total of Ksh 1,000,000 from income-generating activities, including short courses, sale of goods and services, and rental income.

Current Performance as of 30th June 2025:

- Successfully launched an additional new short course on Terrazzo Floor Installation in collaboration with Lenich Global Limited.
- Revenue from income-generating activities (IGAs) totaled Ksh 416,065, reflecting a notable improvement from the previous financial year's revenue of Ksh 315,173 — an increase of approximately 32%.

Initiatives Implemented (during FY 2024/2025):

- Engaged in strategic collaboration with industry players to ensure that short courses are demand-driven and market-relevant, enhancing enrollment and employability.
- Undertook strategic infrastructural development initiatives aimed at reducing operational overheads and increasing overall profitability such as equipping the catering department adequately with state of the art appliances.

Strategic Alignment and Board Performance

Nachu TVC continues to align its annual work plans with its five strategic pillars within the current Strategic Plan for FY 2020/2021- FY 2025/2026:

- **Pillar 1: Academic Excellence** - Offering market-relevant courses using the latest delivery approaches and tools for an exceptional course completion rate.
- **Pillar 2: Student Experience** - Contributing to the development of well-rounded individuals that excel professionally, in business, and employment.
- **Pillar 3: Innovation and Research** - Fostering a culture of innovation and research among students and Trainers.
- **Pillar 4: Industry Collaborations and Skills Development** - Integrating work-based learning, industry partnerships, and hands-on education for practical skills.
- **Pillar 5: Community Outreach** - Strengthening community engagement and social responsibility.

Assessment of the Board’s performance against its annual work plan for FY 2024/2025 was conducted on a quarterly basis. The College achieved its performance targets set for the FY 2024/2025, as indicated in the updated sections below.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Academic Excellence	Offering market relevant courses using the latest delivery approaches (CBET Modularized Curriculum) and tools for an exceptional course completion rate.	<ul style="list-style-type: none"> • Total student enrolment • Course completion rate 	<ul style="list-style-type: none"> • Expand academic programs to attract more students • Implement targeted marketing and recruitment campaigns • Enhance academic support services to improve course completion rates 	<ul style="list-style-type: none"> • Increased student enrolment to 1684 with 980 new students enrolled. • Penetrated new marketing demographics i.e. Kabete and Kiambaa sub-counties. • Introduced new courses i.e. Hospital support services and Office administration expanding the Business and liberal department.
Students experience	Contribute to development of well-rounded individuals that	<ul style="list-style-type: none"> • Student satisfaction scores 	<ul style="list-style-type: none"> • Improve college facilities and amenities 	<ul style="list-style-type: none"> • Participated in several Games tournaments.

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	excel professionally, in business and in employment.	<ul style="list-style-type: none"> Retention rates 	<ul style="list-style-type: none"> Offer a diverse range of extracurricular activities and clubs Provide comprehensive student support services, including counselling and career guidance. 	<ul style="list-style-type: none"> Hosted and organized the first cultural and fashion show competitions. Held and organized several health and mental health awareness forums.
Innovation and research	Create inquisitive minds and adopt a teaching approach that identifies creative solutions to real life problems.	<ul style="list-style-type: none"> Number of research projects initiated Participation in Research and innovation competitions and fairs. 	<ul style="list-style-type: none"> Participate annually in the TVET trade and skills fair 	<ul style="list-style-type: none"> Hosted and organized and innovation competitions
Industry collaborations and skills Development	Integrating work-based learning, industry partnerships, and hands-on education for practical skills.	<ul style="list-style-type: none"> Number of active industry partnerships established for dual training and mentorship. Number of students enrolled in dual training or placement/ attachment /mentorship. Number of industry-led workshops or training sessions 	<ul style="list-style-type: none"> Identify and on-board industry partners for dual training and internship programs Coordinate industrial attachments and apprenticeships for students in relevant programs. Organize industry-led training workshops and seminars for both students and trainers 	<ul style="list-style-type: none"> Coordinated placement and assessment of student placed on attachment /mentorship programmes. Collaborated in and participate in industry led training organized by Henkel Kenya Limited.

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		conducted annually		
Community outreach	Strengthen community engagement and social responsibility.	<ul style="list-style-type: none"> • Number of community outreach programs conducted. • Participation rates in community service activities. 	<ul style="list-style-type: none"> • Organize community service projects and volunteer opportunities for students and staff • Collaborate with local organizations and government bodies for community development initiatives • Promote sustainability and environmental awareness through community projects 	<ul style="list-style-type: none"> • Organized an active cleaning and environmental conservation of the Lusigeiti municipality market and police station. • Organize free barbering for all secondary and primary school pupils during barbering short course. • Donated 200 seedlings to Renguti primary school.

8. Corporate Governance Statement

Nachu Technical and Vocational College upholds high standards of corporate governance to ensure accountability, transparency, and effective leadership. Its governance framework aligns with the Constitution of Kenya (2010), the TVET Act (2013), other relevant legal frameworks, and *Mwongozo* – the Code of Governance for State Corporations – to promote public trust and drive strategic success.

Board Composition and Appointment

The Board of Governors (BoG) is appointed in line with the TVET Act (2013) through a merit-based nomination and vetting process involving key stakeholders. The final appointment, including that of the Chairperson, is made by the Cabinet Secretary for Education. As of 30th June 2025, the Board comprises ten (10) members with diverse expertise in education, finance, engineering, law, and community leadership. The College emphasizes diversity in gender, age, and professional background. Board members may be removed for misconduct, conflict of interest, or persistent absenteeism, following due legal process.

Board Charter

The College operates under a formal Board Charter defining the Board's roles, responsibilities, ethical standards, meeting procedures, and its relationship with management. The Charter is reviewed periodically to ensure alignment with governance best practices and changing regulatory requirements.

Board Roles and Functions

The Board provides strategic oversight in the following areas:

- Strategic planning and policy formulation
- Financial oversight and risk management
- Monitoring institutional performance and accountability
- Appointment and supervision of senior management
- Stakeholder engagement and communication
- Ensuring compliance with laws, standards, and ethical practices

Induction, Training, and Development

New Board members undergo comprehensive induction on the College's mission, structure, legal framework, and policies. Continuous professional development is facilitated through workshops and seminars on governance, finance, risk management, and emerging TVET trends.

Board Performance Evaluation

An annual performance evaluation is conducted to assess both individual and collective Board effectiveness, covering strategic oversight, attendance, participation, and ethical conduct. Evaluation outcomes inform continuous improvement, leadership development, and succession planning.

Succession Planning

The College has a structured **succession plan** to ensure leadership continuity and institutional stability. It identifies critical positions and prepares potential successors through targeted mentorship, capacity-building, and professional development. This plan supports smooth leadership transitions within management and governance structures.

Governance Audit

A **governance audit** is conducted periodically in compliance with *Mwongozo* guidelines to evaluate governance structures, systems, and practices. The audit assesses compliance, efficiency, and accountability, with recommendations implemented to strengthen institutional governance and performance.

Communication Policy

The College has a Communication Policy that promotes transparency, timely information sharing, and stakeholder engagement. It outlines communication protocols for internal and external stakeholders, ensuring consistency, accuracy, and alignment with institutional objectives.

Terms of Reference for Committees

Each Board Committee operates under clearly defined **Terms of Reference (ToR)**, detailing their mandates, authority, composition, and reporting responsibilities.

- **Audit, Risk and Compliance Committee:** Oversees financial integrity, internal controls, and risk management.
- **Finance and Strategy Committee:** Reviews financial performance, budgeting, and long-term strategic planning.
- **Technical and Human Resources Committee:** Manages HR policies, training, staffing, and technical program oversight.

These ToRs are reviewed periodically to maintain relevance and compliance with best practices.

Policy on Related Party Transactions

The College maintains a Policy on Related Party Transactions to ensure all dealings with Board members, management, or associated entities are conducted transparently, at arm's length, and in the best interest of the institution. All such transactions are disclosed, reviewed, and approved in line with the conflict of interest policy and financial governance standards.

Board Meetings and Attendance

In FY 2024/2025, the Board held a total of three (3) full Board meetings. In addition, the following committees met to discharge their oversight roles:

- Audit, Risk and Compliance Committee – 2 meetings
- Technical and Human Resources Committee – 2 meetings
- Finance and Strategy Committee – 3 meetings

Conflict of Interest Policy

A clear conflict of interest policy requires full disclosure and management of potential conflicts. A register is maintained, and members recuse themselves from related deliberations. Regular training ensures continued compliance.

Board Remuneration

Remuneration is guided by the Ministry of Education's guidelines and the College's budget, ensuring fairness, fiscal responsibility, and transparency. All payments are disclosed in the College's financial statements.

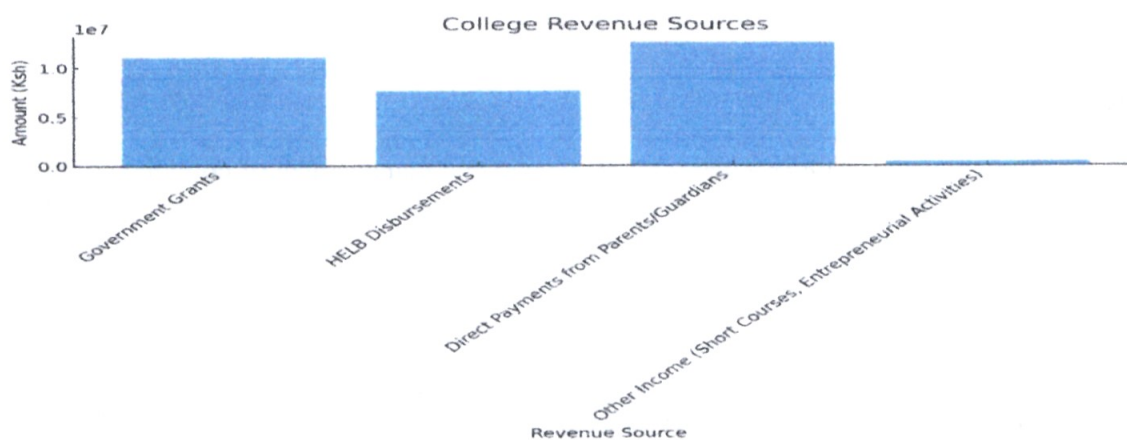
Ethics and Conduct

A Code of Ethics and Conduct governs the behavior of all Board members, staff, and students, promoting integrity, professionalism, respect, and accountability. Breaches are addressed through formal disciplinary processes to uphold the College's values and ethical culture

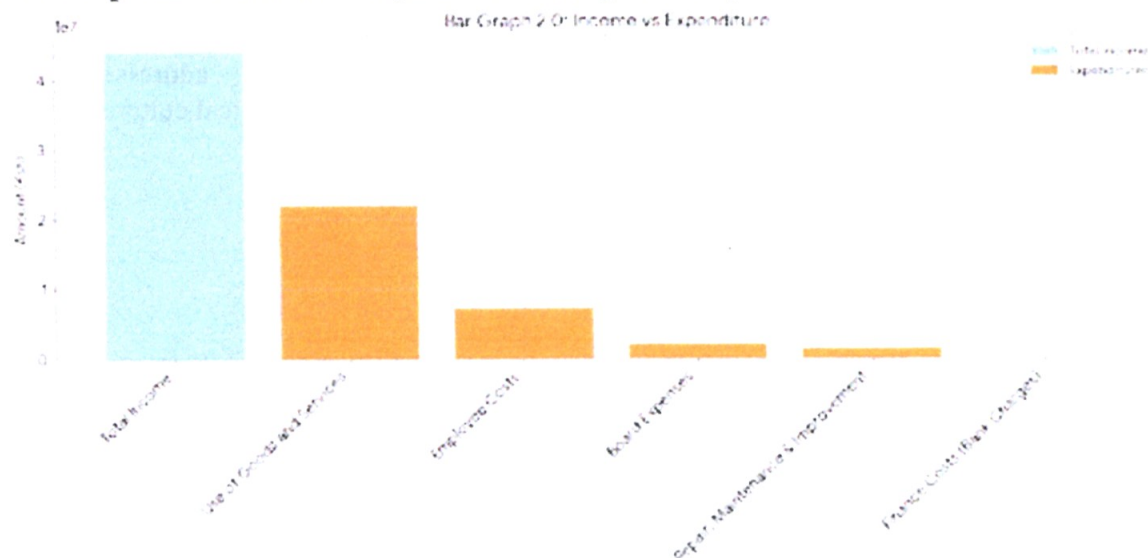
9. Management Discussion and Analysis
Section A: Operational and Financial Performance of the Entity

During the Financial Year 2024/2025, Nachu Technical and Vocational College continued to demonstrate stable financial performance, driven by a diversified portfolio of revenue sources. Total revenue for the period comprised fees from services rendered, government support, and income-generating activities. The College received a total of Ksh 11,060,823 in government grants. In addition to government support, the College received student-based funding as follows: HELB Disbursements: Ksh 7,634,792 and Direct Payments from Parents/Guardians: Ksh 12,532,535. Other income sources, including short courses and entrepreneurial activities, generated Ksh 416,065, highlighting efforts to diversify revenue streams and ensure financial sustainability.

Bar Graph 1.0: Revenue Sources for FY 2024/2025



Bar Graph 2.0: Performance (Income and Expenditure)



Section B: Compliance with Statutory Requirements

As a public institution, Nachu Technical and Vocational College remains compliant with all statutory obligations, including remittances for SHIF, NSSF, PAYE, NITA Levy, and Housing Levy. As at the end of the financial year, there were no outstanding balances for statutory deductions.

Section C: Key Projects and Investment Decisions

The College is currently undertaking the construction of a tuition block comprising a ground floor and two upper floors. The project is structured in two phases:

- **Phase 1:** Construction of the ground and first floors, including all associated finishing works (electrical fittings, doors, windows, and internal finishes)
- **Phase 2:** Construction of the second floor, pending the completion of architectural drawings and the bill of quantities (BQ) from the Department of Public Works

Construction commenced on 5th July 2024, and Phase 1 is expected to be fully completed by 31st December 2025. The ground floor is scheduled to be in use by 31st August 2025, allowing for partial operationalization of the facility ahead of the full project completion. Phase 2 will proceed once the required documentation is received and funding is secured. Additional planned projects include:

1. **Construction of a Washroom Block** – To support the growing student population (subject to funding availability).
2. **Acquisition of ERP Software** – To enhance administrative efficiency and service delivery.
3. **Equipping of Workshops** – To ensure all workshops are fitted with modern, industry-relevant equipment for quality training.

Section D: Major Risks Facing the Entity

a) Credit Risk

The College continues to face credit risk from delayed student payments and government disbursements such as capitation, HELB, and scholarships. Mitigation strategies include:

- Promoting student registration through KUCCPS.
- Encouraging students to apply for NG-CDF bursaries, and other funding sources

The College's credit exposure on its bank balances remains minimal due to the high creditworthiness of its government-owned banking partner.

b) Liquidity Risk

Due to the College's reliance on government funding, liquidity risk remains significant. The institution is mitigating this by:

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- Expanding access to alternative funding sources (e.g., NG-CDF and county bursaries)
- Ensuring cash flow forecasting and budget planning

c) Market Risk

Competition from older, more established institutions presents a market risk. The College is addressing this by:

- Expanding recruitment efforts beyond Kikuyu Constituency to other areas in Kiambaa constituency and neighboring counties
- Developing partnerships with industries to support hands-on training, internships, and dual training programs

Section E: Material Arrears in Statutory/Financial Obligations

As at the end of the financial year, the College has one material financial obligation — a soft loan from its mentor institution, The Kiambu National Polytechnic.

Section F: Financial Probity and Governance

The Board of Governors of Nachu Technical and Vocational College remains committed to upholding the highest standards of corporate governance. The Board provides strategic oversight, ensures transparency and accountability, and works collaboratively with the management team to guide the College towards achieving its mission and strategic goals.

10. Environmental and Sustainability Reporting Statement

Sustainability strategy and profile

At Nachu Technical and Vocational College (TVC), sustainability remains a core pillar of our strategic vision for FY 2024/2025, driven by the leadership of our Principal and top management. We recognize that political and macroeconomic trends including regulatory reforms, economic volatility, and shifting stakeholder expectations play a critical role in shaping our sustainability agenda. Our environmental strategy aligns with international frameworks such as the UN Sustainable Development Goals (SDGs) and Global Reporting Initiative (GRI) standards. While progress continues, we acknowledge ongoing challenges in achieving uniform stakeholder engagement and consistent sustainability indicators across all operational areas. Our FY 2024/2025 focus is to strengthen transparency, enhance community and internal engagement, and drive continuous environmental improvements in line with national priorities and global standards.

A. ENVIRONMENTAL PERFORMANCE REPORT

Environmental Policy Statement

Nachu TVC is committed to sustainable development and actively seeks to minimize its environmental footprint. We strive to comply with all relevant environmental legislation and adopt proactive, innovative practices to drive environmental stewardship.

Key Environmental Policy Guidelines

1. Compliance and Monitoring

Ensure full adherence to environmental laws and regulations, with continuous monitoring and periodic evaluations.

2. Tree Planting and Landscaping Initiatives

Expand the college's tree nursery and implement a structured beautification and landscaping program to promote biodiversity and enhance the college out look and environment.

3. Stakeholder Engagement

Promote awareness and shared environmental responsibility through active involvement of trainees, staff, and the surrounding community.

4. Resource Efficiency

Enhance the efficiency of energy, water, and materials use through smart technologies and sustainability-oriented operational practices.

Successes in FY 2024/2025

1. Water Conservation

- **Rainwater Harvesting System:** Fully operational across all college facilities, significantly reducing reliance on piped water for landscaping, sanitation, and general use.
- **Borehole Water Integration:** Successfully completed the piping and distribution of water from the recently commissioned borehole, ensuring a more reliable and sustainable water supply.

2. Biodiversity and Green Campus Development

- **Tree and Flower Planting:** Completed Phase One of the landscaping project, which involved the planting of trees and ornamental flowers throughout strategic areas of the campus.
- **Greenhouse Construction:** Constructed a new college greenhouse to facilitate the nurturing of seedlings, support ongoing landscaping efforts, and enhance environmental education.
- **Vegetable Garden Initiative:** Initiated the development of on-campus vegetable gardens to promote sustainable agriculture, improve food security, and offer practical training opportunities in agribusiness and environmental conservation.
- **Waste Management Enhancement:** Erected waste collection bins at multiple designated points around the college to promote proper waste disposal, enhance cleanliness, and support the College's sustainability and environmental management goals

B. EMPLOYEE WELFARE REPORT

This report outlines Nachu TVC's employee welfare programs and compliance with the Occupational Safety and Health Act (OSHA) 2007 for FY 2024/2025. Our commitment to health, safety, inclusivity, and career development remains central to our HR strategy.

Hiring Policies

Nachu TVC is committed to maintaining a fair and inclusive hiring process. Our hiring policies are designed to ensure equal opportunity for all candidates, regardless of gender, race, or background. We actively strive to achieve a balanced gender ratio by implementing specific recruitment strategies aimed at attracting diverse talent. Stakeholder engagement is integral to our hiring process; we regularly consult with internal and external stakeholders to align our hiring practices with the needs and expectations of the organization and the community. These policies are regularly reviewed to reflect best practices and to adapt to the evolving job market.

Skills Development and Career Management

We prioritize the continuous development of our employees' skills and the effective management of their careers. Our comprehensive training programs, professional development workshops, and mentorship opportunities are designed to enhance employees' competencies and prepare them for

future roles within the organization. We provide clear career progression pathways and regular feedback to help employees achieve their career goals.

Appraisal and Reward Systems

Our appraisal system is robust and transparent, aimed at objectively assessing employee performance. Regular performance reviews are conducted to provide constructive feedback and identify areas for improvement. Our reward system is designed to recognize and incentivize high performance, with a range of rewards including promotions, and other recognition programs to motivate and retain top talent.

Safety and Compliance with OSHA Act of 2007

Nachu TVC is fully committed to maintaining a safe and healthy work environment in compliance with the Occupational Safety and Health Act of 2007 (OSHA). We conduct regular safety audits and risk assessments to identify and mitigate potential hazards. Comprehensive safety training programs are provided to all employees to ensure they are aware of and adhere to safety protocols. Our safety committee meets regularly to review safety practices and update policies as necessary. Through these efforts, we strive to minimize workplace accidents and ensure the well-being of our employees.

C. MARKETPLACE PRACTICES REPORT

• Responsible Competition Practice

Nachu TVC is dedicated to ensuring responsible competition by adhering to strict ethical standards and legal requirements. Our anti-corruption policy is robust, encompassing clear guidelines to prevent and address any form of corruption or bribery. We maintain responsible political involvement by refraining from using corporate resources for political purposes and ensuring that any individual political activities do not conflict with college interests. Fair competition is a cornerstone of our operations; we comply with all antitrust laws and regulations, avoid unfair business practices, and respect our competitors by engaging in transparent and ethical conduct

• Responsible Supply Chain and Supplier Relations

Nachu TVC values integrity and fairness in its supply chain operations. We are committed to maintaining good business practices by fostering strong, respectful, and transparent relationships with our suppliers. Our procurement policies ensure that contracts are honored, and payments are made promptly, in accordance with agreed terms. We strive to select suppliers who share our commitment to ethical standards, sustainability, and social responsibility. Regular audits and assessments are conducted to ensure compliance with these standards, promoting a responsible and trustworthy supply chain.

• Responsible Marketing and Advertisement

Nachu TVC adheres to ethical marketing practices, ensuring that all advertising and promotional activities are honest, transparent, and respectful of consumer rights. Our marketing materials are designed to provide clear, accurate, and truthful information about our services. We avoid deceptive practices and ensure that all claims are substantiated and verifiable. Our commitment to

responsible marketing also includes respecting consumer privacy and adhering to data protection regulations.

- **Promoting Education, Sports, Healthcare, and Community Initiatives**

- i. **Education:** Nachu TVC supports educational initiatives by partnering with local secondary schools to enhance educational opportunities for young people through career guidance.
- ii. **Sports:** We promote physical fitness and team spirit by organizing community sports events, and providing facilities for recreational activities.
- iii. **Healthcare:** Our healthcare initiatives include wellness programs for students and supporting local healthcare facilities and health education campaigns.
- iv. **Labour Relations:** We maintain positive labour relations through fair employment practices, open communication channels, and active engagement with employee representatives and unions.
- v. **Staff Training and Development:** Continuous professional development is a priority, with a range of training programs and opportunities for career advancement provided to all employees.
- vi. **Water and Sanitation Initiatives:** Nachu TVC is committed to improving water and sanitation conditions in the communities we serve by funding clean water projects, promoting water conservation, and supporting sanitation infrastructure development.

D. CORPORATE SOCIAL RESPONSIBILITY

Nachu Technical and Vocational College (TVC) remains committed to making a positive and lasting impact on the community through targeted Corporate Social Responsibility (CSR) initiatives. In FY 2024/2025, our CSR efforts focused on key pillars including education, healthcare, environmental awareness, and social welfare—aligned with our mission of community development and inclusive growth. During the year, the College actively supported access to education for underprivileged learners by assisting 240 students to successfully apply for bursaries through the Kikuyu Constituency office. These efforts significantly reduced the financial burden on families, leading to improved student attendance, retention, and academic performance. As part of our barbering short courses, the College provided free haircuts to all primary and secondary school students within the local area. This initiative supported both community welfare and practical training for our students. The College also prioritized local economic empowerment by sourcing goods, services, and manual labor from members of the local community, fostering inclusive procurement practices and job creation.

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 Nachu TVC's affairs.

Principal activities

The principal activities of the entity continue to be focused on providing quality education and training to students by providing excellent academic programs and fostering conducive environment for learning and personal development.

Results

The results of the entity for the year ended June 30, 2025, are detailed in the financial statements set out on pages 1 to 6 as well as in the accompanying notes set out on pages 19 to 27. These documents provide a comprehensive overview of the college's financial performance and position, reflecting our operational achievements and overall financial health over the past year.

Board of Governors

The members of the Board who served during the year are listed on page viii to xliii. The former Board officially retired on 3rd November 2024, and a new Board of Governors was appointed on 24th May 2025. The Board members listed represent the current composition of the newly appointed Board, who are now responsible for providing strategic oversight and governance of Nachu Technical and Vocational College.

Auditors

The Auditor General is responsible for the statutory audit of the Nachu TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Nachu TVC's for the period ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

.....


Secretary of the Board

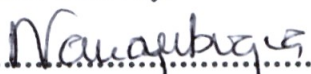
Magdalene Mwachofi.

12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the board members to prepare financial statements in respect of Nachu TVC, which give a true and fair view of the state of affairs of the Nachu TVC at the end of the financial year and the operating results of the Nachu TVC for that year. The Board members are also required to ensure that the Nachu TVC keeps proper accounting records which disclose with reasonable accuracy the financial position of the Nachu TVC. The council members are also responsible for safeguarding the assets of the Nachu TVC. The Board members are responsible for the preparation and presentation of the Nachu TVC'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 Nachu TVC (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances. The Board members accept responsibility for the Nachu TVC'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 and in the manner required by the PFM Act, 2012 and the TVET Act. The Board members are of the opinion that the Nachu TVC's financial statements give a true and fair view of the state of Nachu TVC's transactions during the financial year ended June 30, 2025, and of that Nachu TVC's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Nachu TVC which have been relied upon in the preparation of the Nachu TVC'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 Nachu TVC's ability to continue as a going concern. Nothing has come to the attention of the Board members to indicate that the Nachu TVC will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Nachu TVC's financial statements were approved by the Board on 22nd August 2025 and signed on its behalf by:


.....

Nancy Waitinga Munene
Chairperson of the Board


.....

Magdalene Mwachofi
Accounting Officer/Principal

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nachu Technical and Vocational College set out on pages 1 to 32 which comprise of the statement of the 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Nachu 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 (TVET) Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Financial Statements

The statement of cash flows reflects net cash flows from operating activities totalling Kshs.(189,584). However, the corresponding Note 26 to the financial statements on working capital adjustments reflects a Nil amount and did not take into consideration adjustments in both the current assets and current liabilities.

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

2. Long Outstanding Receivables

The statement of financial position reflects receivables balance of Kshs.71,361,743 as disclosed in Note 18 to the financial statements. Review of debtors' records provided revealed that Kshs.49,050,803 or 69% of the student debtors were outstanding for more than 360 days. Further discussion with Management revealed that a balance of Kshs.24,965 related to a former employee of the Institution who handled petty cash but left employment without surrendering the balance. In addition, there was no policy on the impairment of long outstanding fees arrears or loss from members of staff casting doubt on the fair statement of the receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance Kshs.71,361,743 could not be confirmed.

3. Lack of Imprest Management System

The statement of financial performance reflects use of goods and services amount of Kshs.21,832,422 as disclosed in Note 11 to the financial statements. Included in this amount is Kshs.1,490,610 in respect of local transport and travel. This expenditure was incurred by staff to carry out marketing and advertising events, trainings and workshops retreats. However, these were imprests issued to staff but were directly expensed in the financial records instead of being issued in form of cash advances to the officers. In

addition, the imprests issued were not supported by the formal applications from the officers concerned.

In the circumstances, the accuracy and completeness of use of goods and services amount of Kshs.21,832,422 could not be confirmed.

4. Lack of Land Ownership Documents

The statement of financial position reflects property, plant and equipment balance of Kshs.64,239,796 as disclosed in Note 20 to the financial statements. However, review of the fixed asset movement schedule revealed that the land on which the College stands had no value indicated and thus was excluded in the financial statements. Further, no title deed was provided for audit.

In the circumstances, the accuracy, ownership, completeness and existence of property, plant and equipment balance of Kshs.64,239,796 could not be confirmed.

5. Non-Adherence to Finance Policy in Depreciation of Assets

The statement of financial performance reflects depreciation and amortization expense amount of Kshs.5,837,101 as disclosed in Note 14 to the financial statements. However, review of documents provided for audit revealed that the College uses different depreciation rates and method against what is stipulated in the Finance Policy as follows;

Asset	Depreciation Rate Used	Depreciation Rate as per Finance Policy
Buildings	5%	2.5%
Plant and Equipment	10%	12.5%
ICT Equipment	33%	30%

Further, the College used the straight-line method for depreciation instead of reducing balance method as per the Finance Policy.

In the circumstances, the accuracy, regularity and completeness of depreciation and amortization expense of Kshs.5,837,101 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nachu 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 a final budget and actual on comparable basis of Kshs.88,141,175 and Kshs.65,509,020 respectively,

resulting to an under-funding of Kshs.22,632,155 or 26% of the budget. Similarly, the College spent Kshs.42,928,452 against actual receipts of Kshs.65,509,020 resulting to an under expenditure of Kshs.22,580,568 or 34% of the actual receipts.

The under-funding and under- expenditure of the planned activities 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 effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior years’ audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of Nachu Technical and Vocational College in 2024/2025 revealed that the following matters remained unresolved.

S/NO	Financial Year	Audit Issue
1	2023-2024	Unsupported School Fees Collection
2	2023-2024	Unremitted Fee to Technical and Vocational and Education and Training Authority and KUCCPS
3	2023-2024	Unsupported Short Courses
4	2023-2024	Property, Plant and Equipment - Non-Inclusion of Land Value
5	2023-2024	Long Outstanding Students’ Debtors
6	2023-2024	Budgetary Control and Performance
7	2023-2024	Irregular Use of Low Value Procurement in Purchase of Clean Water
8	2023-2024	Non-Compliance with Minimum Requirement on Employee Ethnic Balance
9	2023-2024	Lack of Trainers’ Credentials
10	2023-2024	Engaging Casual Laborers Without Policies

Other Information

The Management is responsible for the Other Information set out on page iii to xxxvi which comprise of Key Entity Information and Management, The Board of Directors, Key Management Team, Chairman’s Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement,

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Compliance with Affirmative Action

1.1 Non- Compliance with Minimum Requirement on Employee Ethnic Balance

Review of the College employee records revealed that the dominant ethnic community employed is 45 which constitutes 60% of the total population of seventy-five (75) staff members. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which requires that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff, and no public establishment shall have more than one third of its staff from the same ethnic community.

1.2 Non-Adherence to Regularity and Integrity on Recruitment of Persons Living with Disabilities

Review of the College Human Resource records revealed a total of seventy-five (75) employees. However, there was no employee living with disability contrary to the Persons Disability Act of 2025.

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

2. Failure to Tag College Assets

During the physical verification exercise at the College, it was noted that most assets which included printers, computers, chairs and tables had not been tagged. This was contrary to Section 139 of the Public Finance Management (National Government) Regulations, 2015, which requires that an Accounting Officer of a National Government entity shall take full responsibility and ensure that proper control systems exist for assets and that - Responsibility of an Accounting Officer of a National Government entity on assets. (a) Preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse; (b) Movement and conditions of assets can be tracked.

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

Basis for Conclusion

1. Failure to Maintain Imprest Register

The statement of financial performance reflects use of goods and services expenditure totalling Kshs.21,832,422 which as disclosed in Note 11 to the financial statements includes local transport and travel amount of Kshs.1,490,610. Review of records provided revealed that the College did not maintain an imprest register.

In the circumstances, the internal controls in management of issuance and surrender of funds advanced could not be confirmed.

2. Non-Functional Plant and Equipment

Physical verification conducted at the College identified several assets, detailed in the table below, which were not operational, and others required servicing and calibration.

No	Description	Assets No	Qty	Remarks
1	SQ 1000 feature phone	Not tagged	1	Not Working
2	Welding hanger	Nachu-weld-003/009	1	Missing parts
3	Welding hanger	Nachu-weld-003/010	1	Missing parts
4	Welding hanger	Nachu-weld-003/011	1	Missing parts
5	Welding hanger	Nachu-weld-003/012	1	Missing parts
6	Welding hanger	Nachu-weld-003/013	1	Missing parts
7	Welding hanger	Nachu-weld-003/014	1	Missing parts
8	Welding hanger	Nachu-weld-003/015	1	Missing parts
9	Welding hanger	Nachu-weld-003/016	1	Missing parts
10	Welding hanger	Nachu-weld-03/017	1	Missing parts
11	Welding hanger	Nachu-weld-003/018	1	Missing parts
12	Welding hanger	Nachu-weld-003/019	1	Missing parts
13	Welding hanger	Nachu-weld-003/020	1	Missing parts
14	3 Cross pein hammers	Not tagged	2	Faulty
15	Ratchet	Not tagged	1	Faulty
16	5 External circlip pliers	Not tagged	1	Faulty
17	Spray gun	Not tagged	3	Faulty
18	Tape Measure	Nachu-C/B-026/002	1	Faulty
19	Tape Measure	Nachu-C/B-024/003	1	Faulty
20	Tape Measure	Nachu-C/B-026/001	1	Faulty

Discussions held with Management revealed that these items were yet to be repaired or replaced.

In the circumstances, it was not clear why timely action had not been taken to address these non-functional items.

3. Inadequate Space for Inventories

The statement of financial position reflects inventories balance of Kshs.2,357,545 as disclosed in Note 19 to the financial statements. However, physical verification of the stores revealed that the stores lack adequate space and there were no lockable drawers to store light stationeries prone to pilferage such as safety pins and sticky notes. Further, items were crammed together making it difficult to identify the various inventory.

In the circumstances, the effectiveness of internal controls on stores management and security of inventories could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit


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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions

and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also 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

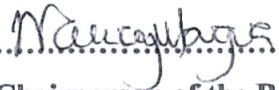
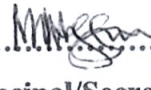

09 December, 2025

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

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

	Notes	30 th June 2025	30 th June 2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	21,142,791	13,193,648
Public contributions and donations	7	-	12,800,000
		21,142,791	25,993,648
Revenue from Exchange transactions			
Rendering of services- fees from students	8	43,950,164	47,240,703
Sale of goods and services	9	363,565	313,093
Rental revenue from facilities and equipment	10	52,500	44,040
		44,366,229	47,597,836
Total Revenue		<u>65,509,020</u>	<u>73,591,484</u>
Expenses			
Use of goods and services	11	21,832,422	21,842,177
Employee costs	12	7,106,348	6,632,238
Board Expenses	13	1,944,806	3,413,604
Depreciation and amortization expense	14	5,837,101	6,894,421
Repairs and maintenance	15	1,227,430	1,847,657
Finance costs	16	25,852	43,172
Total Expenses		<u>37,973,959</u>	<u>40,673,269</u>
Net surplus for the year		<u>27,535,061</u>	<u>32,918,215</u>

The Financial Statements set out on pages 1 to 6 were signed by:

		
.....
Chairperson of the Board	Principal/Secretary BOG	Finance Officer
Nancy Waringa Munene	Magdalene Mwachofi	Mercy Nyakundi
Date: 10/11/2025	Date: 10/11/2025	ICPAK No: 29992
		Date: 7/11/2025

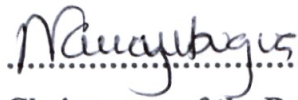
Nachu Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description	Notes	30 th June 2025	30 th June 2024
		Kshs	Kshs
<u>ASSETS</u>			
Current Assets			
Cash and cash equivalents	17	3,734,952	14,716,130
Receivables	18	71,361,743	49,402,302
Inventories	19	2,357,545	3,033,137
Total Current Assets		77,454,240	67,151,569
Non-Current Assets			
Property, plant, and equipment	20	64,239,796	57,660,473
Total Non-Current Assets		64,239,796	57,660,473
TOTAL ASSETS (A)		<u>141,694,036</u>	<u>124,812,042</u>
<u>LIABILITIES</u>			
Current Liabilities			
Trade and other payables	21	262,558	544,372
Refundable deposits from customers	22	870,000	406,000
Payments received in advance	23	-	86,573
Deferred income	24	-	10,000,000
Total Current Liabilities		1,132,558	11,036,945
Non-Current Liabilities			
Non- Current Borrowings	25	680,000	680,000
Total non- current liabilities		680,000	680,000
Total Liabilities (B)		1,812,558	11,716,945
<u>NET ASSETS (A-B)</u>			
Revenue Reserves		85,075,805	57,540,744
Accumulated Surplus		4,649,469	4,649,469
Capital Fund		50,156,204	50,904,884
NET ASSETS	16	139,881,478	113,095,097
TOTAL NET ASSETS AND LIABILITIES		<u>141,694,036</u>	<u>124,812,042</u>

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

The Financial Statements set out on pages 1 to 7 were signed by:


.....

Chairperson of the Board

Nancy Waringa Munene

Date: 10/11/2025.....


.....

Principal/Secretary BOG

Magdalene Mwachofi

Date: 10/11/2025.....


.....

Finance Officer

Mercy Nyakundi

ICPAK No: 24992.....

Date: 7/11/2025.....

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

16. Statement of Changes in Net Asset for the Year Ended 30th June 2025.

Description	Revenue reserve	Accumulated Fund	Capital Fund	Total
At July 1, 2023	24,622,529	4,649,469	45,080,516	74,352,514
Revaluation gain	-	-	-	-
Surplus for the year	32,918,215	-	-	32,918,215
Retained earnings during the year	-	-	5,824,368	5,824,368
At June 30, 2024	57,540,744	4,649,469	50,904,884	113,095,097
At July 1, 2024	57,540,744	4,649,469	50,904,884	113,095,097
Revaluation gain	-	-	-	-
Surplus for the year	27,535,061	-	-	27,535,061
Retained earnings during the year	-	-	(748,680)	(748,680)
At June 30, 2025	85,075,805	4,649,469	50,156,204	139,881,478

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

17. Statement of Cash Flows for the Year Ended 30th June 2025.

Description		30 th June 2025	30 th June 2024
	Notes	Kshs	Kshs
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts			
Transfers from National Government entities	6	11,142,791	23,227,927
Rendering of services- fees from students	8	20,505,028	28,568,047
Sale of goods and services	9	363,565	313,093
Rental revenue from facilities and equipment	10	52,500	44,040
Total Receipts		32,063,884	52,153,107
Payments			
Use of goods and services	11	21,684,377	21,472,206
Employee costs	12	7,028,725	6,527,137
Board Expenses	13	1,907,916	3,344,304
Repairs and maintenance	15	1,227,430	1,847,657
Finance cost	16	25,852	43,172
Total Payments		31,874,300	33,234,476
Net Cash Flows from operating activities		(189,584)	18,918,631
Working capital adjustments	26	0	240
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of property, plant, equipment and intangible assets		(10,791,594)	(5,120,351)
Net cash flows used in investing activities		(10,791,594)	(5,120,351)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		(10,981,178)	13,797,520
Cash and Cash equivalents at beginning of the year	17	14,716,130	918,610
Cash and Cash equivalents at end of the year.	17	3,734,952	14,716,130

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30th 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
Receipts		-				
Transfers other National Government entities	42,690,705.00	-	42,690,705.00	21,142,791	21,547,914	51%
Rendering of services- fees from students	44,360,470.00	-	44,360,470.00	43,950,164	410,306	1%
Sale of goods and services	1,000,000	-	1,000,000	363,565	636,435	64%
Rental revenue from facilities and equipment	90,000.00	-	90,000.00	52,500	37,500	42%
Total Receipts	88,141,175.00	-	88,141,175.00	65,509,020		
Payments		-				
Use of goods and services	42,267,375.00	-	42,267,375.00	21,832,422	20,434,953	48%
Employee costs	13,765,200.00	-	13,765,200.00	7,106,348	6,658,852.00	48%
Board Expenses	5,508,600.00	-	5,508,600.00	1,944,806	3,563,794.00	65%
Repairs and maintenance	2,400,000	-	2,400,000	1,227,430	1,172,570.00	49%
Finance cost	100,000	-	100,000	25,852	74,148.00	74%
Total Expenditure Payments	64,041,175.00	-	64,041,175.00	32,136,858		
Capital Expenditure Payments	24,100,000.00	-	24,100,000.00	10,791,594	13,308,406	45%
Surplus	-	-	-	22,581,068		

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	22,581,068
1	The primary reason for the difference is the application of different accounting bases. Revenue in the Statement of Financial Performance (and thus the budget surplus) is accounted for on an accrual basis, recognizing income when invoices are raised for students (both new and ongoing), regardless of whether the cash has been received	-
2	The Statement of Cash Flows, on the other hand, reports the actual movement of cash and cash equivalents within the year. It only recognizes revenue when the cash is physically received.	-
3	The surplus of Ksh 22,686,800 from the budget statement includes significant amounts of accrued income (e.g., student fees invoiced but not yet paid) and other non-cash items.	-
4	The closing cash and cash equivalent balance of Ksh 3,734,951.80 from the Statement of Cash Flows represents the actual, physical cash available to the institution at the end of the reporting period.	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	3,734,952

19. **Notes to the Financial Statements**

1. **General Information**

Nachu TVC is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to deliver high-quality technical and vocational training.

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

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

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

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

Standard	Effective date and impact:
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Expected Impact on Nachu Technical and Vocational College:</p> <ul style="list-style-type: none"> 1. Asset Valuation Changes: <ul style="list-style-type: none"> o The college may need to reassess how it measures property, equipment, and other non-financial assets, especially where assets are held for service delivery rather than sale. o Use of Current Operational Value may be more appropriate for service-delivery assets (e.g., classrooms, workshops, training tools) 2. Consistency and Transparency:

**Nachu Technical and Vocational College.
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	<ul style="list-style-type: none"> ○ Better comparability in financial reporting due to standardized measurement approaches. ○ Improved transparency in recognizing the full cost (including transaction costs) of acquiring and maintaining assets. <p>3. Disclosure Requirements:</p> <ul style="list-style-type: none"> ○ The college will need to enhance its disclosures related to measurement – including basis used, rationale, and assumptions. <p>4. Capacity Building:</p> <ul style="list-style-type: none"> ○ Staff may require training on applying new measurement guidance and calculating current operational value.
<p>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026</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>Expected Impact on Nachu Technical and Vocational College:</p> <ol style="list-style-type: none"> 1. Unified Revenue Recognition Framework: <ul style="list-style-type: none"> ○ Revenue from student tuition, grants, donations, and government funding will be recognized under a single model based on performance obligations. ○ The college must assess whether revenue arises from exchange (e.g., tuition) or non-exchange (e.g., government grants, donor support) transactions. 2. Performance Obligation Concept: <ul style="list-style-type: none"> ○ Revenue will be recognized when control is transferred or obligations are satisfied, not necessarily when cash is received. ○ This will affect timing of revenue recognition for tuition fees, training contracts, and government funding tied to specific deliverables. 3. New Disclosure Requirements: <ul style="list-style-type: none"> ○ More detailed notes on types of revenue, timing of satisfaction, judgments made, and risks associated with revenue collection. 4. System and Policy Updates: <ul style="list-style-type: none"> ○ Financial systems and accounting policies will need updating to align with the new recognition principles. ○ Staff training will be necessary to apply the standard consistently.

Early adoption of standards

Nachu TVC did not early adopt any new or amended standards in the financial year.

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 27th June 2024. No revisions or additional appropriations were made to the approved budget, as the mandate of the former Board ended on 3rd November 2024, and a new Board was appointed on 24th May 2025. As such, the entity did not undertake any budget amendments during this period due to the absence of an authorized approving authority. 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

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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

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) Property, plant and equipment

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

e) Research and development costs

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

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

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

f) 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.

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- 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

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 Nachu TVC.

g) Changes in accounting policies and estimates

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

h) Related parties

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

i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at 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.

j) Comparative figures

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

k) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

6. Transfers from National Government entities

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	5,288,000	6,362,328
Operational Grant	499,828	1,000,000
Scholarship grants	5,354,963	5,831,320
Total unconditional Grants		13,193,648
Conditional Grants recognised in revenue		
Tuition Block Grant	10,000,000	10,000,000
Total Government Grants and Subsidies	21,142,791.00	23,193,648.00

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	30 th June 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	21,142,791	-	-	11,142,791	23,193,648
Total	21,142,791	-	-	11,142,791	23,193,648.00

During the year ended 30th June 2025, an amount of Kshs 10,000,000, previously recognized as deferred income, was transferred to the income statement under conditional grants. This transfer corresponds to the Tuition block grant and has been included in the total government grants and subsidies for the period. This adjustment reflects the recognition of the grant as income following its fulfilment of the conditions required for income recognition. The details of the reconciliation have been included under appendix III.

7. Public Contributions and Donations

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Public Donations	-	12,800,000
Total Donations and Contributions	-	12,800,000.00

8. Rendering of Services

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Tuition Fees	43,950,164	47,240,703
Total Revenue from The Rendering of Services	43,950,164.00	47,240,703.00

Revenue from rendering of services primarily comprises tuition fees received from students enrolled in various academic programs offered by the institution. This represents the core income-generating activity and reflects the fees charged for instructional services during the academic year. The amounts invoiced are based on the approved government fee structures for TVET (Technical and Vocational Education and Training) institutions.

9. Sale of Goods and services.

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Sale of Tender Documents	1,000	12,000
Payment for short courses	237,150	186,300
Cafeteria sales	125,415	114,793
Total Revenue from Sale of Goods	363,565	313,093.00

This revenue is generated from the institution's support and auxiliary services. It includes fees charged to external suppliers and contractors for accessing procurement documents under the sale of tender documents. Income from short courses arises from offering specialized short-term training programs outside the regular academic curriculum. Additionally, cafeteria sales represent proceeds from the sale of food and beverages to staff, students, and visitors.

10. Rental revenue from facilities and equipment

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Rental Income	52,500	44,040
Total	52,500	44,040.00

This revenue relates to income earned from the rental of institutional space and facilities to third parties. Specifically, it includes rent received from the leasing of designated areas within the institution for cyber café and canteen operations. These rental arrangements provide additional non-core income to support the institution's operations.

Nachu Technical and Vocational College.**Annual Report and Financial Statements for the year ended 30th June 2025****11. Use of Goods and Services**

Description	30th June 2025	30th June 2024
	Kshs	Kshs
Insurance services	25,200	58,508
Local Transport and Travel	1,490,610	1,575,660
Performance Contracting expenditure	1,125,630	2,095,612
Printing and Stationery expenses	902,108	1,173,994
Project expenses	-	1,798,605
Recruitment expenses	-	259,100
Training and learning materials	3,612,909	1,339,779
Advertising and Marketing expense	1,353,380	936,830
Telephone and postage expenses	316,250	276,804
Training Seminars and workshops	1,970,635	2,258,570
Utilities expenditure	541,750	542,336
Internet expenses	125,220	125,079
Welfare expenses	283,998	756,825
Cleaning and other office consumables	563,206	380,265
Due, Subscriptions and charges	390,675	2,219,900
Examination expenditure	6,575,601	4,121,806
Industrial attachment and dual training	572,500	347,840
College activity expenditure	1,629,250	1,574,664
Research and Innovation expenses	353,500	-
Total good and services	21,832,422.00	21,842,177.00

12. Employee Costs

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Salaries and wages	6,736,424	6,632,238
Employee related costs	369,924	-
Employee Costs	7,106,348.00	6,632,238.00

13. Board Expenses

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowances	1,524,376	2,470,214
Transport allowances	375,230	851,180
Meals and refreshment provision	45,200	92,210
Total	1,944,806.00	3,413,604.00

14. Depreciation and Amortization expense

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Property, plant and equipment	5,837,101	6,894,421
Total depreciation and amortization	5,837,101.00	6,891,421.00

15. Repairs and Maintenance

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Property, plant and equipment	1,227,430	1,847,657
Total Repairs and Maintenance	1,227,430.00	1,847,657.00

16. Finance Costs

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Bank charges-current account	22,962.50	42,930.75
Bank charges-development account	2,889.50	241.50
Total Finance Costs	25,852.00	43,172.00

17. Cash and Cash Equivalents

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Current Account	2,092,157	4,687,139.25
Development account	1,642,210	10,005,172.85
Petty cash account	585	23,818
Total Cash and Cash Equivalents	3,734,952	14,716,130.00

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

Financial Institution	Account number	30 th June 2025	30 th June 2024
		Kshs	Kshs
a) Current account			
Kenya Commercial Bank	1232794767	2,092,157	4,687,139.25
Sub- Total		2,092,157	4,687,139.25
b) Development account			
Kenya Commercial Bank	1232795151	1,642,210	10,005,172.85
Sub- Total			10,005,172.85
c) Petty cash account			
Cash in hand		585	23,818
Sub- Total		585	23,818.00
Grand Total		3,734,952	14,716,130.00

18. Receivables

18 (a) Receivables from exchange transactions

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Student Debtors	71,336,778	49,402,302
Total receivables from exchange transaction	71,336,778.00	49,402,302.00

18 (b) Receivables from non-exchange transactions

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Other debtors	24,965	-
Total Receivables from non-exchange transactions	24,965.00	-

18 (c) Ageing Analysis of from exchange transactions.

Description	30 th June 2025		30 th June 2024	
	Kshs		Kshs	
	30 th June 2025	% of the total	30 th June 2024	% of the total
Less than 1 year	22,285,975.55	31%	20,957,961.07	42.42%
Between 1- 2 years	10,261,612.52	14%	18,834,171	38.12%
Between 2-3 years	38,789,189.55	54%	9,610,170	19.46%
Total	71,336,778.00	100%	49,402,302.00	100%

18 (d) Ageing Analysis on from non-Exchange Transactions

Description	30 th June 2025		30 th June 2024	
	Kshs		Kshs	
	30 th June 2025	% of the total	30 th June 2025	% of the total
Less than 1 year	24,965	100%	-	-
Total	24,965.00	100%	-	-

The overall increase in receivables during the year is mainly attributable to:

- **Delayed disbursement** of government capitation and scholarship funds.
- **Timing differences** in student fee collections towards the financial year-end.

This led to higher outstanding balances as at **30th June 2025**, particularly in older debt categories, as some payments were still being processed or awaited from external funding agencies.

19. Inventories

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Electrical stores	32,210	-
Stationery and Supplies Stores	514,820	-
ICT and Computers Stores	18,110	-
Building and Plumbing Stores	275,179	-
Welding and Fabrication Stores	1,042,777	-
Mechanical and Automotive Stores	194,536	-
Food and Beverage Stores	72,058	-
Fashion and Design Stores	122,205	-
Cosmetology Stores	84,650	-
Socks and Consumables Stores	-	3,033,137
Total Inventories	2,357,545.00	3,033,137.00

Detailed disclosure on inventories

	30 th June 2025	30 th June 2024
Opening balance	3,033,137	-
Additional Inventory in the year	539,744	3,033,137
Inventory expensed in the year	(1,215,336)	-
Closing balance	2,357,545.00	3,033,137.00

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20. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		5%		12.5%	30%	10%	-	
At 1st July 2023	-	58,336,611	-	223,160	-	2,074,934	-	60,634,705
Additions	-	1,712,926	-	753,170	13,797,000	1,657,255	-	17,920,351
Accumulated depreciation	-	(13,196,855)	-	(89,727)	-	(713,570)	-	(14,000,152)
Depreciation and impairment	-	(2,342,634)	-	(110,825)	(4,139,100)	(301,862)	-	(6,894,421)
Revaluation	-	-	-	-	-	-	-	-
At 30th June 2024	-	44,510,038	-	775,778	9,657,900	2,716,757	-	57,660,473
At 1st July 2024	-	60,049,537	-	976,330	13,797,000	3,732,189	-	78,555,056
Additions for the year	-	2,391,020	-	82,250	307,450	1,235,130	10,791,594	14,807,444
Disposals	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(15,539,489)	-	(200,552)	(4,139,100)	(1,015,432)		(20,894,573)
Depreciation and impairment	-	(2,345,053)	-	(107,254)	(2,989,605)	(395,189)		(5,837,101)
Revaluation	-	-	-	-	-	-		-
Transfers	-	-	-	-	-	-	(2,391,020)	(2,391,020)
At 30th June 2025	-	44,556,005	-	750,774	6,975,745	3,556,698	8,400,574	64,239,796
Net Book Values	-		-					
At 30th June 2024	-	44,510,038	-	775,778	9,657,900	2,716,757	-	57,660,473
At 30th June 2025	-	44,556,005	-	750,774	6,975,745	3,556,698	8,400,574	64,239,796

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).

20 (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	Additions	Depreciation	NBV
	Kshs		Kshs	Kshs
Buildings	58,336,611	4,103,946	17,768,664	44,671,883
Plant And Machinery	2,074,934	2,892,385	1,353,218	3,614,101
Computers and Related Equipment	-	14,104,450	6,775,892	7,328,558
Office Furniture, And Fittings	223,160	835,420	300,546	758,034
Capital work in progress	-	8,400,574	-	8,400,574
Total	60,634,705	30,336,775	26,198,320	64,773,150

21. Trade and Other Payables

Description	30 th June 2025		30 th June 2024	
	Kshs		Kshs	
Trade payables	78,195		287,723	
Statutory payables and tax liabilities	184,363		256,649	
Total Trade and Other Payables	262,558		544,372	
Ageing analysis:	30th June 2025	% of the Total	30th June 2024	% of the Total
Under one year	262,558	100%	544,372	100%
Total (to tie to totals above)	262,558	100%	544,372	100%

22. Refundable Deposits from Students

Description	30 th June 2025		30 th June 2024	
	Kshs		Kshs	
Caution money	870,000		406,000	
Total Deposits	870,000		406,000.00	
Ageing analysis:	30th June 2025	% of the Total	30th June 2024	% of the Total
Under one year	464,000	53%	406,000	100%
1-2 years	406,000	47%	-	-
Total (to tie to totals deposits above)	870,000	100%	406,000.00	100%

23. Payments received in advance.

Description	30 th June 2025		30 th June 2024	
	Kshs		Kshs	
Fees received in advance	-		86,573	
Total	-		86,573.00	
Ageing analysis:	30th June 2025	% of the Total	30th June 2024	% of the Total
Under one year	-	-	86,573	100%
Total	-	-	86,573	100%

24. Deferred Income

Description	30 th June 2025		30 th June 2024	
	Kshs		Kshs	
National Government	-		10,000,000	
Total Deferred Income	-		10,000,000.00	

The deferred income movement is as follows:

Description	National government	International funders/ donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	10,000,000	-	-	-
Additions during the year	-	-	-	-
Transfers to income statement	(10,000,000)	-	-	-
Balance carried forward	0	-	-	-

25. Borrowings

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Balance at beginning of the year	680,000	680,000
Domestic borrowings during the year		
Repayments of domestic borrowings during the year		
Balance at end of the year	680,000.00	680,000.00

25 a) Analysis of External and Domestic Borrowings

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Domestic borrowings		
Kenya shilling loan	680,000	680,000
Total balance at end of the year	680,000.00	680,000.00

25 b) Breakdown of Long and Short-Term Borrowings

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	680,000	680,000
Total	680,000.00	680,000.00

26. Working capital adjustments.

Surplus for the year before tax	30 th June 2025	30 th June 2024
	Kshs	Kshs
Surplus for:	-	31,812,215.50
Working Capital Adjustments		
Increase in Inventory	-	(3,033,137)
Increase in Receivables	-	(40,326,561.35)
Increase in Deferred Income	-	10,000,000
Increase in Payables	-	343,222.85
Increase in Payments received in advance	-	1,204,500
Net Cash Flow from Operating Activities	-	240

27. Financial Risk Management

The college's activities expose it to a variety of financial risks including credit and liquidity risks and effects of inflation. The college's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

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

(i) Credit risk

Credit risk refers to the possibility that a counterparty will fail to meet its obligations, causing financial loss to the college. This risk is inherent in various financial assets, including cash and cash equivalents, trade receivables, and other receivables. The college's management is responsible for evaluating and mitigating credit risk. This is achieved through:

- **Credit Quality Assessment:** Management assesses the credit quality of counterparties based on their financial positions, historical payment behaviour, and other relevant factors. This assessment is crucial in determining the likelihood of timely payments.
- **Risk Limits:** Individual credit risk limits are established by the college's Board of Governors (BOG) based on internal evaluations or external assessments. These limits help ensure that the exposure to any single counterparty remains within acceptable bounds

The table below summarizes the college's exposure to credit risk, broken down by the type of financial asset and its credit status (fully performing, past due, or impaired). The amounts listed represent the maximum exposure to credit risk, excluding any collateral that might have been obtained.

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30th June 2024				
Receivables	49,402,302.07	49,402,302.07	-	-
Bank balances	14,716,130.10	14,716,130.10	-	-
Total	64,118,432.17	64,118,432.17	-	-
At 30th June 2025				
Receivables	71,361,743	32,572,553	38,789,190	
Bank balances	3,734,951	3,734,951	-	
Total	77,381,880	77,381,880	-	

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(ii) Liquidity risk management

Liquidity risk refers to the risk that the college will encounter difficulty in meeting its obligations associated with financial liabilities as they fall due. The primary responsibility for managing this risk lies with the Board of Governors (BOG). The BOG has established a comprehensive liquidity risk management framework designed to ensure the entity can meet its short-term, medium-term, and long-term funding needs.

Key Strategies in Liquidity Risk Management:

- **Continuous Monitoring:** The entity continuously monitors its forecasts and actual cash flows, allowing it to anticipate potential liquidity shortfalls and take corrective action promptly.
- **Maintaining Cash Reserves:** The entity ensures that it maintains adequate cash reserves and access to funding to cover operational needs and unforeseen financial requirements.
- **Diversifying Funding Sources:** By diversifying its funding sources, the entity mitigates the risk of dependency on a single source of funds

The table below presents the cash flows payable by the entity under non-derivative financial liabilities based on their remaining contractual maturities at the reporting date. The amounts disclosed are the contractual undiscounted cash flows. For balances due within 12 months, the carrying amounts are assumed to equal the contractual amounts, as the impact of discounting is insignificant

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30th June 2024				
Trade Payables	544,372	-	-	544,372
Current Portion Of Borrowings	-	-	680,000	680,000
Deferred Income	-	-	10,000,000	10,000,000
Total	544,372	-	10,680,000	11,904,372
At 30th June 2025				
Trade Payables	184,363	78,195	-	262,558
Current Portion Of Borrowings	-	-	680,000	680,000
Deferred Income	-	-	-	-
Total	184,363	12,463	680,000	942,558

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(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	30 th June 2025	30 th June 2024
	Kshs	Kshs
Revenue Reserve	85,609,159	56,434,744.50
Accumulated funds	4,649,469	4,649,469
Capital Reserve	50,156,204	51,086,195.82
Total Funds	140,414,832	112,170,409.30
Total Borrowings	680,000	680,000
Less: Cash and Bank Balances	(3,734,952)	(14,716,130.10)
Net Debt/(Excess Cash and Cash Equivalents)	3,054,951	14,036,130.10
Gearing	2.2%	0.61%

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 college holding 100% of the 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) Board of governors;

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

Description	30 th June 2025	30 th June 2024
	Kshs	Kshs
Transactions with Related Parties		
a) Purchases from related parties		
Purchases of electricity from Kplc	451,750	301,011
Training and conference fees paid to govt. agencies	256,429	519,800
Subscriptions, dues charges and penalties paid to govt agencies.	114,000	2,183,000
Total	822,179	3,003,811.00
b) Grants /Transfers from the Government		
Grants from National Govt	21,060,824.00	13,227,927.30
Total	21,060,824.00	13,227,927.30

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29. Capital Commitments

Capital Commitments	30th June 2025	30th June 2024
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	11,381,176	10,000,000
Total	11,381,176.00	10,000,000.00

30. Events After The Reporting Period

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

31. Ultimate And Holding Entity

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

32. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	The student enrolment database contain errors and duplication of students and could not be relied upon as the amount was also not supported. Further, records provided revealed that the Institution charged an extra unapproved amount of Kshs.5, 900 per student which no records on amount collected was provided. Unremitted Fee to Technical and Vocational Education and Training Authority and Kenya Universities and Colleges Placement Services	<p>The institution levies an additional charge of Ksh. 5,900 per student, which was approved by the Nachu Technical and Vocational College (Nachu TVC) Board. This resolution is documented under Board Minute Reference MIN BOG 17/06/2023/6, under the agenda item titled “Consideration of the Draft Budget for the FY 2023/2024.” The college utilizes a centralized invoicing system where all amounts due—including tuition fees and additional charges—are consolidated into a single invoice per student for ease of payment and transparency. It noted that the government-recommended tuition fee of Kshs. 67,189, based on standardized vote heads that did not cover some essential institution-specific operational services. These include critical cost items such as:</p> <ul style="list-style-type: none"> • Student Identification Cards • Student Welfare programs and support services such as KUCCPS and TVETA remittances. 	Partially Resolved	30 th June 2026

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>As such, the additional Kshs. 5,900 was deemed necessary and was duly approved to meet these supplementary needs.</p> <p>➤ Regarding the TVETA Quality Assurance Fee of Kshs. 500, Management affirms that this fee is legally mandated through a Gazette Notice issued on 26th May 2017 by the Technical and Vocational Education and Training Authority (TVETA). While the audit noted that TVETA had not invoiced Nachu TVC for the Financial Year 2023/2024 at the time of this audit, Management confirms that:</p> <ul style="list-style-type: none"> • The institution has since received the official invoice in the third quarter of FY 2024/2025, for the last two financial years. <p>In relation to the Kshs. 1,500 KUCCPS Placement Fee, Management clarifies that:</p> <ul style="list-style-type: none"> • During admissions, the student's placement status is verified via the KUCCPS portal by the Admissions Officer. 		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>Each quarter, KUCCPS requests institutions to submit lists of newly admitted students for validation. Once the validation process is complete:</p> <ul style="list-style-type: none"> • KUCCPS issues an invoice of Kshs. 1,500 per validated walk-in student. • The institution processes the payment and, in return, receives a validated student list, which is submitted to the Directorate of Technical Education for capitation disbursement. <p>All supporting documentation—including Board minutes, approvals, government circulars, invoices, receipts, remittance evidence, and validation reports—are attached herewith as Annex 1 for thorough review and verification by the audit team</p>		
1.3	The statement of financial position reflects property, plant and equipment balance of Kshs.57, 660,473. However, the value of land where the Institution sits was not included under property, plant and equipment and the ownership documents were not provided for audit review.	The exclusion of the land value from the financial statements is due to the fact that the institution occupies land that was historically part of the neighbouring high school. The college has attempted to secure legal ownership for the land. The necessary documents for this process have been submitted to the Kiambu County Lands Office to process a title deed.	Not Resolved	30 th June 2027

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Attached to this response are supporting documents labelled as Annex 3.		

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Magdalene Mwachofi

Principal/Secretary BOG

Date ..10/11/2025.....

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Appendix II: Projects Implemented by Nachu TVC
Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Proposed Construction of Tuition block at Nachu Technical and Vocational College(Phase 1- Ground plus First floor)	Ksh.19,781,750	Ksh.8,400,574	43%	20,000,000	19,781,750	Development Grant from State department of TVET.

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity: State Department of TVET.

Name of beneficiary entity: Nachu Technical and Vocational College.

Confirmation of amounts received by Nachu Technical and Vocational College as at 30th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MOE/DTE/CAP9/38(79)	15 th July 2024	499,827.50	-	499,827.50	Received
MOE/DTE/SCHO/VOL 1(119)	24 th September 2024	3,016,786.10	-	3,016,786.10	Received
MOE/DTE/SCHO/VOL 1(128)	24 th September 2024	1,007,835.00	-	1,007,835.00	Received
MOE/DTE/SCHO/VOL 1(119)	24 th September 2024	87,345.70	-	87,345.70	Received
MOE/DTE/SCHO/VOL 1(118)	24 th September 2024	1,195,964.20	-	1,195,964.20	Received
MOE/DTE/SCHO/VOL 1(53)	24 th September 2024	47,032.30	-	47,032.30	Received
MOE/DTE/CAP/45 (98)	24 th September 2024	1,271,000	-	1,271,000	Received
MOE/DTE/CAP/46 (87)	14 th February 2025	4,017,000	-	4,017,000	Received
Total		11,142,790.80	-	11,142,790.80	

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

Head of Accounts Department - Beneficiary Entity:

Name DETHIS MWARIRA Sign [Signature] Date 7/11/25



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