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**REPORT**

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**THE AUDITOR-GENERAL**

**ON**

**MOLO TECHNICAL AND VOCATIONAL  
COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2023**





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*MOLO TECHNICAL AND VOCATIONAL COLLEGE*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2023**

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

MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

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1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

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2. Key Entity Information and Management

**(a) Background information**

Molo Technical and Vocational College was established under the TVET Act on 21<sup>st</sup> July 2021. The entity is domiciled in Kenya and has no branches. The institute is under the Ministry of Education, State Department of Technical and Vocational Training. The institution has nine academic departments namely: Electrical & Electronics, Mechanical Engineering, Automotive Engineering, Building and Technology, ICT, Liberal Studies, Cosmetology & Fashion & Design, Agriculture and Business studies. In addition, it has other administrative departments headed by: The Deputy Principal, The Registrar, Dean of Students, Finance Officer and Procurement officer.

**(b) Principal Activities**

The principal activity of Molo Technical and Vocational College-Elburgon is to be a center of excellence in technological training and to be a Competence Based Education and Training (CBET) focused institution.

**(c) Key Management**

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

- Board of Governors/Management etc.
- Accounting officer/ Principal

Management; Deputy Principal. Registrar, Dean of Students, Finance Officer, and Procurement officer.

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2023 who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	F.P.K. Tanui
2.	Head of Finance	Moses.M. Mbuki
3.	D/Principal	Dennis Kundu
4.	Registrar	Peter Kigen
5.	Dean of Students	Faith Bor

**e). Fiduciary Oversight Arrangements**

Molo Technical and Vocational College has in place three major fiduciary oversight committees that act as enablers of the institution

**i. Finance, Administration and Human Resource Committee:**

This committee sets up viable policies that dictate how the college's assets and funds are managed. It set up and advices on college human resource policy, college budgeting, financial reporting and is always available for consultation on financial matters affecting the college.

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It is chaired by John Samorai and its members include Mrs. Millicent Lukashire, the principal and the County Director Mr. Peter Cheruiyot.

**ii. *Education, Training and Project Committee***

The committee looks into and supports all academic matters of the college providing guidance on training methods and practices, courses and their uptake as well as advising management on education matters. The committee also advises the management on resource mobilization methods.

It's chaired by Hon. Florence Njoroge and its members include Mrs. Judith Okore, Mr. John Samorai and the principal.

**iii. *Audit, Risk Management and Governance Committee***

The committee looks into risk and internal control measures established by the institution for risk mitigation and control.

It's chaired by CPA Mr. Emmanuel Momanyi and its member include Hon. Florence Njoroge, Mrs. Ivy Chepkoech and the principal

**f). Entity Headquarters**

Molo Technical and Vocational College  
Next to D. O's office off Elburgon/Molo Road  
P.O. Box 405-20106,  
Molo, Kenya

**g). Entity Contacts**

Telephone:(+254) 0796044225  
E-mail: molotvce@gmail.com  
Website: [www.molotvce.ac.ke](http://www.molotvce.ac.ke)

**h). Entity Bankers**

National Bank of Kenya  
Molo Branch  
Molo, Kenya.

**i). Independent Auditors**



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

**j). Principal Legal Adviser**

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

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3. THE BOARD OF GOVERNORS

 <p>Eng. Daniel Ng'ang'a BoG Chairman Date of Birth:3/06/1980</p>	<p>Eng. Daniel Ng'ang'a is the emeritus <b>Chairman</b> of the Water Service Providers Association of Kenya (<b>WASPA</b>), <b>Chairman</b> Molo Technical and Vocational College from 2<sup>nd</sup> February 2022 and the Managing Director of Murang'a Water and Sanitation Company Limited. He has more than Fifteen (15) years' experience in the Design, Development and Management of water and sanitation utilities in major towns in Kenya.</p> <p>He holds a Bachelor of Science degree in Civil Engineering from JKUAT, Registered by EBK and an active corporate member of IEK, A Masters of Business Administration (MBA) and a Post Graduate Diploma in Community Development from ABMA (UK).</p>
 <p>Mr. Peter Cheruiyot TVET County Director. Nakuru/Baringo County Date of Birth:14/06/1969</p>	<p>Mr. Peter Cheruiyot is the current Nakuru/Baringo County TVET Director He holds a Bachelor of Education from Kenyatta University and a Masters Degree in Educational Management from Moi Universty.</p>

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Hon. Florence Wambui Njoroge  
BoG Vice Chairperson  
Date of Birth: 20/09/1972



Hon. Florence Wambui Njoroge was appointed as a member of the BoG for Molo TVC on 2<sup>nd</sup> February 2022 and serves as a member and Chairperson of the Education, Training and Project Committee, she also serves a member of Risk and Audit Committee.

She holds a Bachelor degree in Education from Kenyatta University. Currently she is a member of County Assembly Service Board (CASB) of Nakuru County. She also served as the first Elected Member of County Assembly of Elburgon ward under the first devolution government. She also previously served as a high school teacher. Hon. Florence brings on board vast management and leadership experience to Molo TVC-Elburgon Board of Governors

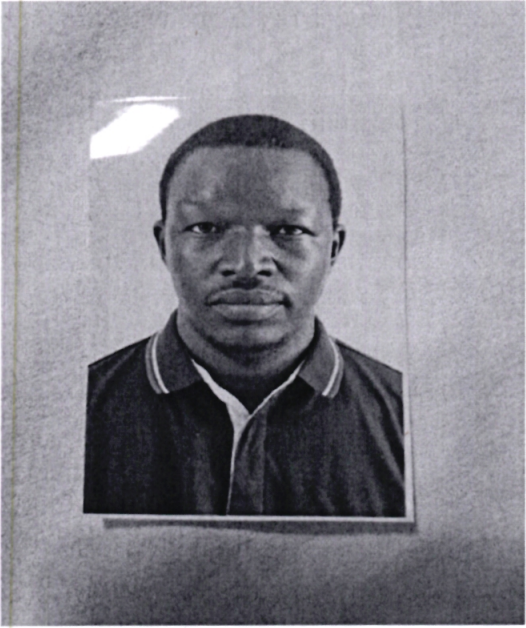

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 <p>Ms. Ivy Chepkoech Ronoh BoG Member Date of Birth: 16/04/1982</p>	<p>Ms. Ivy Chepkoech Ronoh was appointed as a member of the BoG for Molo TVC 2<sup>nd</sup> February 2022 and serves as a member of the Risk and Audit Committee.</p> <p>She holds a Master of Science degree in Environmental Health from University of Eldoret and a Bachelor of Science degree in Environmental Science from Moi University. Currently she is a Lecturer at University of Eldoret.</p> <p>She is a registered member of Environmental Institute of Kenya.</p>
 <p>Eng. Judith Amondi Okore BoG Member Date of Birth: 8/10/1979</p>	<p>Eng. Judith Amondi Okore was appointed as a BoG member for Molo TVC on 2<sup>nd</sup> February 2022, and she serves as a member of the Education, Training and Project Committee.</p> <p>She holds a Bachelor's of Science degree in Civil and Structural Engineering from Moi University.</p> <p>Currently she works as Roads Engineer with Kisumu County. Previously she worked as an Engineering Assistant with H &amp; Young Company.</p> <p>She is a registered member of Engineers Board of Kenya (EBK) and Institution of Engineers of Kenya (IEK).</p>

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 <p>Ms. Millicent Lukasile BoG Member Date of Birth:28/05/1995</p>	<p>Ms. Millicent Lukasile is an advocate of the high court of Kenya and a practicing advocate and was appointed as a member of the BoG for Molo TVC on 2<sup>nd</sup> February 2022 and serves as a member of the Risk and Audit Committee.</p> <p>She holds a Master of Laws from the University of Nairobi and a Bachelor's of Law (LLB) from Moi University.</p> <p>Currently she is a Legal Officer at Direct Line Assurance Company. She is a registered member of Law Society of Kenya (LSK).</p>
 <p>Mr.F.P. Kipchirchir Tanui Senior Principal &amp; Secretary to the BoG Date of Birth: 30/09/1963</p>	<p>Mr. F.P. Kipchirchir Tanui is the Senior Principal and Secretary to the Board of Governors of Molo Technical and Vocational College.</p> <p>Mr. Tanui F.P.K has a long-term experience in management having been a principal for over twenty years cutting across secondary and TVET Institutions all over Kenya. He holds a Bachelor of Education (Arts) from the University of Nairobi and currently pursuing a Master of Philosophy in Educational Economics at Moi University. He also undertook a Certified Public Course (C.P.S) with KASNEB and a Senior</p>

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 <p>Mr. John Samorai BoG Member Date of Birth: 18/7/1987</p>	<p>Management course at Kenya School of Government.</p> <p>Mr. John Samorai was appointed as a member of the BoG for Molo TVC on 2<sup>nd</sup> February 2022 and serves as a member and Chairperson of the Finance, Administration and Human Resource Committee as well as a member of the Education, Training and Project Committee.</p> <p>He holds a Master of Business Administration from St. Paul University and a Bachelor of Science degree in Health Services Management from Kenyatta University. Currently he is a Program Manager at Ogiek People’s Development Program and as a secretariat at Kenya National Dialogue implementing UNDP BES Solution fund. Previously he was a board member at ENSDA from 2015-2018.</p>
 <p>CPA Momanyi Emmanuel BoG Member Date of Birth: 12/06/1980</p>	<p>CPA Momanyi Emmanuel was appointed as a member of BoG for Molo TVC and serve as a member and chairperson of Audit, Risk Management and Governance committee</p> <p>CPA Momanyi has a solid, wide range of finance management and leadership skills. He has over 13 years of work experience. CPA Momanyi holds a Master of Business Administration (Finance Option)-JKUAT, Bachelor of Business Administration (Finance Option)-Maseno University, Certified Public Accountant and Certified Credit professional certificates.</p> <p>CPA Momanyi is a registered full member-Institute of Certified Public Accountants of</p>

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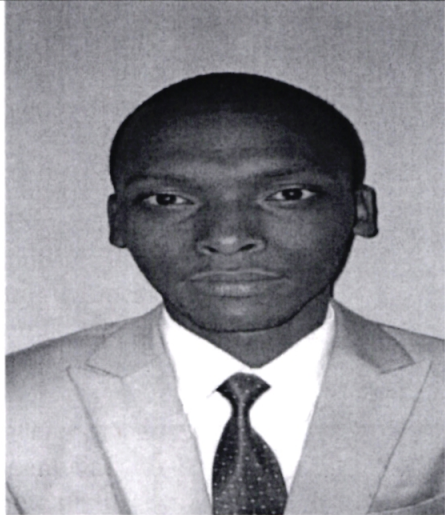
	<p>Kenya; The Institute of Internal Auditors Kenya; Institute of Risk Management (Kenya) and member-The Kenya Institute Management.</p> <p>CPA Momanyi has been trained in Strategic Leadership Development Program; Management Challenge Course; Senior Management Course; Public Sector Finance Management, all from Kenya School of Government. CPA Momanyi is trained in Accounting, Public Financial Management and Reporting, Project Management, Auditing, Risk Management, Corporate Governance, Policy Development, among other workshops attended &amp; organized by the National Treasury &amp; Deloitte Kenya. CPA Momanyi is the Chairperson Audit, Risk Management &amp; Governance Committee.</p>
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4. THE MANAGEMENT TEAM

<i>SN.</i>	<i>Member</i>	<i>Details</i>
1.	 <p>Mr.F.P. Kipchirchir Tanui Senior Principal Date of Birth: 30/09/1963</p>	<p>Mr. F.P. Kipchirchir Tanui is the Senior Principal and Secretary to the Board of Governors of Molo Technical and Vocational College.</p> <p>Mr. Tanui F.P.K has a long-term experience in management having been a principal for over twenty years cutting across secondary and TVET Institutions all over Kenya.</p> <p>He holds a Bachelor of Education (Arts) from the University of Nairobi and currently pursuing a Master of Philosophy in Educational Economics at Moi University. He also undertook a Certified Public Course (C.P.S) with KASNEB and a Senior Management course at Kenya School of Government.</p>
2.	 <p>Mr.Dennis Wepukhulu Kundu Deputy Principal Date of Birth: 26/05/1983</p>	<p>Mr. Dennis Wepukhulu Kundu is the current Deputy Principal Of Molo TVC.He has served as a technical trainer working in multiple departments including Building and Technology, land survey, Civil Engineering and Plumbing among others in his long and vast training career.</p> <p>He is a holder of Bachelor of Science in environmental Science from Egerton University and a Diploma in Technical Education from KTTC.He is a registered NEMA member as EIA Associate Expert.</p>

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<p>3.</p>	 <p>Moses Muthondu Mbuki Ag. Finance Officer</p> <p>Date of Birth: 24/11/1988</p>	<p>Mr. Moses Muthondu Mbuki is the Ag. Finance Officer of Molo TVC. He has previously worked in the public sector and private sectors in various accounting and management roles thus amassing a wealth of experience of over Eight (8) years as a professional accountant.</p> <p>He holds a Bachelor of Agribusiness Management from Egerton University and he is also a CPA holder.</p>
<p>4.</p>	 <p>Mr. Peter Kipyegon Kigen Ag. Registrar</p> <p>Date of Birth: 26/07/1987</p>	<p>Mr. Peter Kigen is the Ag. Registrar of Molo TVC. He has served as a Technical trainer working in multiple departments including Agriculture, Business departments among others in his long and vast training career.</p> <p>He is a holder of Bachelor Degree in Agribusiness Management from Chuka University and a Diploma in Technical Education from KTTC.</p>

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5.	 <p>Mrs. Faith Chelangat Bor Ag. Dean of Student Date of Birth: 12/03/1979</p>	<p>Mrs. Faith Chelangat Bor is the Ag. Dean of Students. She is a trainer in the Agriculture Department and a holder of Bachelor of Science in Agricultural Education and Extension (AGED) from Egerton University and a Diploma in Dairy Technology from Egerton University.</p>
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## 5. CHAIRMAN'S STATEMENT

It is my pleasure to present to you the inaugural Annual Report and financial statements of Molo Technical and Vocational College for the 16 months' period ended June 2023. For Molo TVC, it was a remarkable year as we look forward to celebrating our second birthday since we opened door in March 2021. Nearly two years and half down the road I am happy to report that we are now in full operation despite the numerous challenges that we encountered as we took few months of infancy steps to setting up the institutional structures and frameworks. As an institution we are now ready to take up our position in this region in helping our youths nurture their potentials.

### **i).The importance of TVET and Its Contribution to Sustainable Development.**

The history of Technical and Vocational Education and Training (T.V.E.T) in Kenya is as old as the formal education. The British government used this type to produce critical human resources needed to develop the then Kenya colony. TVET dates to 1967 with the registration of the Kenya polytechnic as a post-secondary education institution. Its principal mandate was to offer training largely in the technical fields.

Over the years the quality of TVET and its programs have been negatively profiled. Most young people disregarded taking up training in these institutions as they viewed them as set aside for low academic performers and basically failures. They also said to lack clear frameworks of education advancement. To change these social perspectives and unlock the potential of technical and vocational training in the country, the ministry of Education State Department of Technical and Vocational Training has embarked on some sector reforms and frequent campaigns to turn around the potential learners' perspectives. It is true that these efforts are yielding bouquet of fruits as our youths have now come to embrace training in these institutions. In 2021, about 1,500 students who had been placed to undertake various degree programs in universities opted to enrol in TVET.

Technical and Vocational education and training (TVET) is steadily gaining popularity at the global debates and government priorities for education and national development agendas. The vision 2030 has however placed special demands on TVET as the leading engine that the economy must essentially rely upon to produce adequate levels of the middle level manpower needed to drive the economy towards the attainment of the vision.

Tertiary education is set to undergo tremendous changes that appear to favour TVET institutions. There is a deliberate effort by the government to expand training at TVET institutions country wide driven by the need to align the sector with development ambitions of the country. This, coupled with pursuit by the government of the Big 4 Agenda and the Kenya Vision 2030, has made it necessary to expand TVET in Kenya.

The two development strategies call for technical skills in large numbers which cannot be realized under the current set up.

Kenya has the largest unemployment rate in East Africa at 39%. The expectation is that technical and vocational training will help reduce the acute youth unemployment burden as most of the youth lack employability skills.

### **ii). Key Achievements during the 12 Months period**

The year 2022/2023 will remain remarkable as the year that Molo TVC received its first KUCCPS placement. After the inauguration of the Board of Governors, critical decisions had to be made in order to prepare for the first intake in September 2022. Since then, we feel the challenge is to continue pressing on and on.

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**iii). Enrolment and Courses Commencement**

The institution so far has a student population of 578 and the demand is growing by day. The students are undertaking different courses that we have managed to introduce to fit the demand market, ranging from diploma, certificates and craft certificates. The courses already undertaken in the institution include;

Course	Level(s)	No of Students
ICT	Diploma, Certificate	21
Building & Technology	Diploma, Craft, Artisan	162
Electrical Engineering	Diploma, Certificate, Artisan	89
Mechanical Engineering	Diploma, Certificate, Artisan	113
Agriculture	Craft, Artis	13
Social Work	Diploma, Craft	13
Fashion and Design	Craft	9
Mass Communication	Diploma, Craft	36
Business	Diploma, Craft	43
Cosmetology	Diploma	79

**Challenges**

**i. Handing over of the college premises.**

It is worth reporting at this time that the college premises have never been handed to the BOG for easier management. The BOG has been in force since April 2022 and this has limited the management in making the required and urgent changes pertaining to the current design of the

**ii. Shortage of Trainers**

The first last one year of our operation was characterized shortage of trainers. This resulted to the BOG hiring quite a number of the required trainers to ensure smooth learning and is translated to incurring high wage bills. However, the government has attached seven (7) public service trainers and it's our hope that we get more allocation of public service trainers in the current ongoing recruitment of 3,000 trainers in public TVET thus reducing the wage bill.

**iii. Inadequate Facilities**

The current enrolment stands at 578 students with only 8 standard classrooms. As we desire to expand, we are severely faced with both classrooms and workshops bearing in mind we are just about to receive a lot of new students from September this year.

It is also our desire that if we can have boarding facilities, we will be able to attract many students from outside the Molo Constituency.

**Way Forward**

As a board of management, we're looking forward to improve on the college infrastructure, get more land /space for co-curricular activities as well as procuring an MIS for efficiency in operation.

  
Chairman, Board of Governors

## 6. REPORT OF THE PRINCIPAL

It is worth noting that Molo Technical and Vocational College is a new Technical under the State Department of Vocational and Technical Training in the Ministry of Education. It was constructed at a total cost of Ksh.57,570,912.55. The construction of the facility was completed in late 2020 but it was not until 2021 March, that the institution admitted its first students due to some challenges.

The institution sits on a five-acre piece of land at Elburgon area, off Elburgon-Molo Road within Molo constituency. It was among the over two hundred Technical and Vocational Colleges which were constructed by the government of Kenya to fulfill its promise of constructing and equipping at least one Technical and Vocational College in every constituency.

### **Achievements/success**

#### **i. Trainers**

The government through the Public Service Commission has embarked on recruitment exercise of vocational trainers and Molo Technical and Vocational College is earmarked to benefit from the same. Already it has seven (7) trainers hired by the public Service Commission.

#### **ii. Computer lab**

Through our limited resources the institution has managed to set up a modern computer lab, well-served with a decent Internet connection, though with limited number of computers. Apart from serving Information and Communication Technology students, it cuts across departments because it is a requirement that all students enrolled in our institution should learn ICT.

#### **iii. Enrolment**

Since the institution opened its doors two and half years ago, it has witnessed a steady increase in terms of student enrolment. Currently the student population stands at five hundred and seventy-four (574). Considering the fact that we opened our doors for the first students in March 2021, this figure is quite encouraging. This can be attributed partly to the school's location which is situated around the vicinity of Elburgon town which in turn attracts a lot of prospective students. The Kenya Universities and Colleges Central Placement Service placed 273 students in September 2023, but only 40 students who turned up for admission.

#### **iv. Community Support/Partnership**

Bearing in mind that the institution is new and has no boarding facilities, the community has stepped in to bridge that gap. The institution in partnership with the community, there are private hostels for the students who normally come from far. The community has taken up the challenge and come up with nice and affordable hostels around the institution which accommodates our students. Being a cosmopolitan, Molo TVC attracts students from all over the county. i.e., from the forty-seven (47) counties, thus the need for accommodation facilities.

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**v. Permanent Source of Water**

The college is yet to be self-sufficient in terms of having a permanent source of water which can only be achieved by drilling its own borehole for steady supply of water. We currently depend on Kasarani Water Project which is a community project and whose supply isn't steady hence not sustainable.

**vi. Internet facility**

Despite some challenges, especially the distance from town, the institution has managed to install an internet connection which is supposed to enable students access learning materials online.

**vii. Suppliers**

Beginning this financial year 2022/2023, the institution advertised for pre-qualification of supplies and now it has a list of pre-qualified suppliers. This is a step forward because now the institution will be able to acquire its items through competitive tendering at fair prices.

**viii. Ablution Block**

Due to an increase in enrolment, the Management committee deemed fit to construct an ablution block which is yet to start to cater for the large number of students.

**Challenges**

Despite the fact that the College has made great strides in terms of successes, there are also a number of challenges that have held it back since its inception. Some of these challenges are:

- i. **Handing over the facility.** Since the facility was completed in 2020, the contractor is still to hand over the building to the management despite the numerous requests to do so. We are operating on a facility which has not been officially handed over by the mentor institution. It has been a real challenge because there are some things we cannot do without the handing over report. An example, for instance, is that we are not able to get a completion certificate of the institution without the report which the mentor institution has retained to date.
- ii. **Perimeter wall.** The institution does now have a complete perimeter wall. In terms of security, the institution is practically secure.
- iii. **Work Shops.** Lack of well-equipped workshops in other disciplines to cater for the large numbers of trainees who are eager to pursue these courses. The notable courses lacking equipment include Automotive Engineering, Electrical Engineering, Building and Technology, Civil Engineering, Land Survey, Agriculture (Green House Technology) and Carpentry and Joinery.
- iv. **Lack of lecture rooms and chairs.** There are no enough lecture rooms and chairs to cater for the large number of students joining the college. There is need to construct more lecture rooms and acquire more chairs for the classrooms.
- v. **Lack of library and books.** Currently the institution lacks a well-equipped library. It is our desire to have a modern library which should be equipped with books/learning materials as well as computers so that students could access materials online.

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- vi. **Lack of staffroom and offices.** At the moment, the staffroom used by the trainers is very small. It can only accommodate ten (10) trainers comfortably, not any more than that. There is also need for offices because HODs do not have offices. Most of the still share the small staffroom with other trainers.
- vii. **Lack of Dining Hall.** there is need for a place where students can sit and have their meals from as well as a kitchen to prepare food for them.
- viii. **Lack of hostels.** There is need for hostels to cater for students who are coming from afar. We have had cases in the past where students have declined to report citing lack of hostels.
- ix. **Lack of playing fields.** The current fields we have need to be properly levelled and marked as playing fields. This will enable students to participate in extra curriculum activities. Some will want to explore their talents in sport but there are no playing fields.
- x. **Lack of secure doors.** The doors aren't properly fitted and require reinforcements by adding grills on them. There is also need to put drills on the windows in order to safeguard college properly. As an added layer of security, we would like to have a CCTV system installed on the premises.
- xi. **Lack of transportation.** There is a challenge when it comes to college transportation. The institution needs a college van for official operations and emergencies, like in cases when a student is sick and the nearest government health facility, Elburgpon Sub-County (Nyayo), is over 3 kilometers away from the college.
- xii. **Lack of a proper sewerage system.** since there is no sewerage line nearby, we are using septic tank. This tank, however, is small in size and its location is not ideal. In future, it will have to be moved back than where it currently is, in the middle of the field.
- xiii. **Lack of enough staff development programs.** In order to properly implement CBET Curriculum, it is our desire that our trainers get equipped with the relevant skills especially with the help of our development partners. If they can be trained in industry-standard practices, it will go a long way in elevating the students' learning experience.

**High level financial performance**

During the 2023/2024 financial year the college managed to receive kshs.15,270,760 from rendering of services, kshs.6,982,000 from non-exchange transactions totalling to a revenue of kshs.22,252,760 against total expenditure of kshs.23,882,993 with receivables from exchange transactions and payables being kshs.2,568,863 and kshs.872,470 respectively. Due to delay in government remittances, reduced remittance per student by 50%(from ksh.7,500 to ksh.ksh.3,500),the institution hasn't been able to perform at the highest financial performance level expected thus affecting service delivery negatively.

  
Principal/ Secretary to the Board

MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

7. Statement of Performance against Predetermined Objectives

**Review of Molo Technical and Vocational College's performance for FY 2022/2023**

Section 81 subsection 2 (f) of the public finance management act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Molo Technical and Vocational College has the following strategic objectives and strategies of attaining them:

Strategic objectives	Strategies	Performance Indicators	Key Activities
1. To build the human resource capacity of the Institution to produce quality graduates in their areas specialization.	1. Review and rationalize college human Resou requirements for growth and Development. 2. Attract and retain effective a efficient Staff. 3. Establish institutional staff train and Development programmes in order to Improve the effectiveness and efficient Of the institution.	-Reduced employee Turnover. -Increased employee Retention rate -Increased employee productivity due to job Satisfaction.	-Recruitment & selection Done with accordance to the Approved HR manual. -Continuous employee Training and development. -Employee performance Evaluation. -Identifying, attracting & Retaining high performing Employees. -Career development through Mentorship, coaching and career path programme
3. To upgrade infrastructure including processes, Systems, and facilities to standards t guarantee effective institutio management, first class training	1. Develop and implement development Plan. 2. Improve institutional equipment, an And service delivery. Transport facilit and systems	-Infrastructure projects Being completed in Good time -90% project usage	-Detailed planning and Design -Testing and Commissioning -Established continuous Monitoring and maintenance
3. To increase financial resources support the Institution's structures and operations	1. Lobby the ministry and other Funding agencies to increase budgetar Allocations to the college. 2. Broaden the framework for raising Appropriation in aid (a-in-a) from College activities.	-Reduced bills -Better remuneration for employee. -Increased efficiency	-Aggressive marketing to Boost the numbers. -More sponsorship from the Area Member of National Assembly. -Prudent management of financial resources.

Molo Technical Vocational College develops its annual work plans based on the above *guidelines*. Assessment of the board's performance against its annual work plan is done on a quarterly basis.

## MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

### 8. Corporate Governance Statement

The Board of Governors of Molo Technical and Vocational College have been meeting on quarterly basis over the course of the year for both general meetings and committee meetings with high attendance levels by the members. During 2022/2023 financial year the Board management managed to have two full board meetings with three executive committee meeting. The roles and the functions of the board are oversight and management of the college activities as stipulated in the college board charter which exists. Members have been able to provide any and every assistance that has been asked of them by the management team and are also able to advice on policies and growth strategies for the betterment of the institution. To declare any conflict of interest, there exist a conflict-of-interest register.

Board of Management remuneration (Meeting allowances, daily subsistence allowances, if any, commuter reimbursement) are paid as spelled out in the government circular on board sitting allowance.

In June 2022, members of the Board took part in an induction exercise organized by the Kenya Association of Technical Training Institutes (KATTI) where they were able to undergo proper training in the areas of policy making, oversight roles and their expected contribution to the growth of the Institution. The induction was a success as it brought about a change in accountability measures especially where management of the institution's funds are concerned.

The board is also keen on enhancing the growth of the college and through meetings several strategies were passed which included marketing the college extensively via media sources as well as introducing various courses in the institution and enabling funding to buy equipment for these courses to be able to thrive and attract more students especially technical courses that are in demand from the myriads of inquiries that were recorded at the college. So far there have been no cases of conflict of interest or ethical misconduct as the board remains united in delivering its mandate of ensuring Molo Technical and Vocational College grows to be one of the leading Technical Institutions in the country.

In the financial year 2022-2023, board targets and obligations were met satisfactorily eg. increased psc staff, more classrooms, student enrolment e.t.c.

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9. Management Discussion and Analysis

Molo Technical and Vocational College was able to admit it's first batch of students in March 2021, with successful intakes thereafter.

*The table below is a sample of the enrolment;*

**TOTAL POPULATION OF STUDENTS, GENDER, DURATION AND MIN ENTRY**

S/NO	COURSE	MALE	FEMALE	TOTAL	MIN ENTRY	DURATION YEARS
1.	Diploma in social work and community dvpt	1	3	4	C-	3
2.	Craft in social work and community dvpt	2	7	9	D	2
3.	Diploma in Accounting	0	1	1	C-	3
4.	Craft in Accounting	-	1	1	D	2
5.	Diploma in Automotive Engineering	3	2	5	C-	3
6.	Craft in Automotive Engineering	4	2	6	D	2
7.	Diploma in Civil Engineering	2	0	2	C-	3
8.	Craft in Civil Engineering	-	-	-	D	2
9.	Diploma in Mechanical Engineering	8	4	12	C-	3
10.	Craft in Mechanical Engineering	4	2	6	D	2
11.	Diploma in General Agriculture	1	3	4	C-	3
12.	Craft in General Agriculture	2	2	4	D	2
13.	Diploma in Banking and Finance	2	1	3	C-	3
14.	Craft in Banking and Finance	0	1	1	D	2
15.	Diploma in Supply Chain Management	0	1	1	C-	3
16.	Craft in Supply Chain Management	0	0	0	D	2
17.	Diploma in Electrical and Electronics	12	5	17	C-	3
18.	Craft in Electrical and Electronics	30	13	43	D	2
19.	Diploma in Human Resource Management	3	2	5	C-	3

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20.	Craft in Human Resource Management	6	4	10	D	2
21.	Craft in Plumbing	32	10	42	D	2
22.	Diploma in Information Science	0	2	2	C-	3
23.	Craft in Information Science	3	1	4	D	2
24.	Diploma in ICT	1	2	3	C-	3
25.	Craft in ICT	5	6	11	D	2
25.	Diploma in Business Management	2	2	2	C-	3
27.	Craft in Business Management	5	7	12	D	2
28.	Diploma in Tourism	0	0	0	C-	3
29.	Craft in Tourism	-	1	1	D	2
30.	Diploma in Journalism	9	10	19	C-	3
31.	Craft in Journalism	10	7	17	D	2
32.	Diploma in Land Survey	1	-	1	C-	3
33.	Craft in Land Survey	4	2	6		2
34.	Diploma in Mechanical Engineering	13	8	21	C-	3
35.	Craft in Mechanical Engineering	20	10	30	D	2
36.	Diploma in Building and Construction	18	9	27	C-	3
37.	Craft in Building and Construction	20	12	32	D	2
38.	Craft in Hair Dressing and Beauty Therapy	6	63	69	D	2
39.	Craft in Welding and Fabrication	1	2	3	D	2
40.	Craft in Fashion and Design	1	5	6	D	1
41.	Artisan in Masonry	2	6	8	D-	1
42.	Artisan in Automotive Engineering	4	10	14	D-	1
42.	Artisan in General Agriculture	3	2	5	D-	1
44.	Artisan in Welding and Fabrication	5	3	8	D-	1
45.	Artisan in Store keeping	-	7	7	D-	1
46.	Artisan in Electrical Installation	21	8	29	D-	1

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<b>47.</b>	Artisan in Motor Vehicle Mechanics	<b>14</b>	<b>5</b>	<b>19</b>	<b>D-</b>	<b>1</b>
<b>48.</b>	Artisan in Plumbing	<b>24</b>	<b>20</b>	<b>44</b>	<b>D-</b>	<b>1</b>
	<b>TOTAL</b>	<b>304</b>	<b>274</b>	<b>578</b>		

During the 2022-2023 financial year, the college couldn't achieve full potential in its operations and financial performance due to reduced and delayed remittance of funding from the government that's putting the college at the risk of not meeting its financial obligations and meeting its budgetary needs.

There was no key projects or decisions undertaken implemented during the financial year (2022-2023). The college is fully compliant in all statutory obligations.

## 10. Environmental and Sustainability Reporting Statement

Molo Technical and Vocational College exists to transform lives by instilling skills to the trainee that will make them resourceful the surrounding communities and the Nation as a whole. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Student first, delivering quality training, and improving operational excellence.

### **Environmental performance**

With the guidance of National Environment policy 2013, Molo Technical and Vocational College seek to reduce negative environmental impact caused by improper way of living in several ways such as:

1. Encouraging proper disposal of non-decomposing items.
2. Continuous planting of tree.
3. Water harvesting so as to ensure that there is clean water for consumption in case of drought.
4. Participating in World Environmental Day in June 2023.

### **Employee welfare**

#### **Non-discrimination in employment**

This is a clause that is found in section B subsection 2.12 of the MTVC human resource manual. This subsection has part b and part "a" state that Molo TVC Shall promote equal opportunity in employment and will not discriminate directly or indirectly against an employee on any ground including race, gender, pregnancy, marital status, health status, ethnicity or social origin. Colour, age, disability religion belief or culture.

Part B states that MOLO –TVC will end over to have a gender balance staff by gradually ensuring that not more than 2/3 of position in its establishment are filled by either gender.

<b>POSITION</b>	<b>MALE GENDER</b>	<b>FEMALE GENDER</b>	<b>TOTAL STAFF</b>	<b>RATIO</b>
Trainers	17	18	35	0.49:0.51
Essential staff	3	2	5	0.6:0.4
Grounds persons	2	4	6	0.3:0.7
Security officer	3	1	4	0.75:0.25
<b>TOTAL STAFF</b>	<b>25</b>	<b>25</b>	<b>50</b>	<b>0.5:0.5</b>

Following the above statistic, the institution has observed gender balance as stated in the policy.

2. Training programs section H sub section 8.3 The manual states that training programs shall complies both short- and long-term courses in specific professions that are intended to impact required knowledge, skills and attitude to enhance staff performance.

The trainings shall be tailored to the need after training need-based assessment.

The purpose of training shall be to ascertain the availability of:

- i) Professionally qualification and experienced trainers
- ii) Training programs that are cost effective

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iii) Effective feedback system to assess impact of the training  
the following officers have been facilitated to undergo training specific to their professions.

OFFICE	TRAINING	INSTITUTION	DURATION
Principal	Management practice	Kstvet	2 wek
Deputy principal	CBET implementation	Kstvet	2 weeks
Accountant	Financial management	Kistvet	2 weeks
Procurement	Procurement management	Kistvet	2 weeks
Career service Office	Career guidance	Kemi	1 weeks
HOD.S	Guidance and concealing		
Dean of student	Management practice	Kstvet	2 weeks
Registrar	Student welfare management	Kstvet	2 weeks
i.l.o	Record management cbet implimantation	Kstvet	4 weeks
Grounds men	Industrial linkages	Kstvet	2 weeks
	Tree nursery assessment	Kfse	1 week

The capacity building and enhance trainings is a continuous process.

3. Performance management section I subsection.

The human resource manual states that system for enhancement of efficiency and effectiveness of services delivery. The institution has developed the following performance management systems.

i) Staff Performance Appraisal System (PAS) in this system the supervisors together with their supervises sit and set quarterly and annual appraisal is conducted according the performance appraisal and eventually annual appraisal is conducted according the pro-set target and expected results to be achieved.

**ii) Performance Contracting**

This involves the institution management where the augment is entered between the board/ministry and the institution management .it involves

1. Target setting
2. Work planning
3. Implementation
4. Review and evaluate

This is done on yearly basis.

**iii) Monitoring Evaluations and Reporting.**

This is done on continues basis when spas are reported half-yearly while PC is reported on monthly basis.

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**REWARDS AND ENATIONS**

The overall goals and rewards and sanctions is to establish a basis for rewarding employer performance and administering sanction for poor performance. The human resource manual addresses this in Section I Sub-Section 9.6

**A) Rewards.**

1. Preparing a party after general good performance
2. Proration of commendation centres and certificates.
3. Monitoring appreciation in terms of airtime
4. Public recognition during staff meeting
5. Making a tea appointment with the board top management.
6. Field trip for well performing department.

**B) Sanctions**

1. Recommend for guiding and counselling
2. Recommend for training
3. Recommend for improvement program
4. working environment, health and safety

The manual outlines the procedure and processes to be observed to ensure prevention and protection of office against accidents and occupational hazards arising at the work place the manual in section G sub section 7.1 to 7.15 addresses all the aspects of health safety and environment and welfare of the staff. The following measures have been taken to ensure compliance on the above matters.

**Emergency Preparedness**

Several drills done to create awareness on what to do in case of an emergency

**Fire Prevention.**

Several firefighting equipment's are installed, well labelled fire exits as well as creation of fire assembly point.

**Medical Examination**

The institution facilitates the staff to contract periodic medical examination and were necessary help the staff seek appropriate medical attention.

**Provision of Protective Equipment (PPE)**

Employees are provided with appropriate PPE according to the serving of the job

**Reporting of Accident**

Any injuries accident or illness at work place are reported immediately to the immediate supervisor and escalated fraction in case the immediate supervisor is overwhelmed. It is the responsibility of the institution to facilitate for first aid in case of injury at work the institution has adapted and is implemented **OSHA 2007**.

## MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

### **Market place practices-**

In regard to market place practices, Molo TVC strive to enhance the following:

- a) Responsible competition practice.  
Molo TVC has strived and enhanced a corruption free zone thus fostering an anti-corruption environment, being a nonpartisan in any political affiliations as way of responsible political involvement. Molo TVC believe in fair competition and respect for competitors.
- b) Responsible Supply chain and supplier relations- Despite the financial constraints, Molo TVC have managed to maintain good business practices, by treating its own suppliers responsibly by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement-All marketing activities of Molo TVC observe all ethical marketing practices.
- d) Product stewardship- Molo TVC observes high levels of professionalism in safeguarding consumer rights and interests.

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

Molo Technical and Vocational College has taken part in a clean-up exercise initiated by the Nakuru County Government, in various surrounding shopping centres including Salama shopping Centre and Elburgon town as well as participating in world environmental day in June 2023. Led by the Senior Principal, staffs and students, the institution was able to take part in the noble community activity.

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

The Board members submit their report together with the audited financial statements for the year ended 30<sup>th</sup> June 2023 which show the state of Molo Technical and Vocational College's affairs.

**Principal activities**

The principal activities of the entity are providing world class technical and vocational training for the people of Kenya.

**Results**

The results of the entity for the period ended 30<sup>th</sup> June 2023 are set out on page 1-55

**BOARD OF GOVERNORS**

The members of the Board who served during the period are shown on page v-xi. During the period none of the directors retired/resigned.

**Auditors**

The Auditor General is responsible for the statutory audit of Molo Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya, in accordance with Section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor on his behalf.

By Order of the Board



.....  
Secretary of the Board/Council  
Nairobi.  
Date.

## 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 council members to prepare financial statements in respect of Molo Technical and Vocational College which give a true and fair view of the state of affairs of Molo Technical and Vocational college at the end of the financial year and the operating results of Molo Technical and Vocational College for that year. The board members are also required to ensure that Molo Technical and Vocational College keeps proper accounting records which disclose with reasonable accuracy the financial position of Molo Technical and Vocational College. The board members are also responsible for safeguarding the assets of Molo Technical and Vocational College.

The board members are responsible for the preparation and presentation of Molo Technical and Vocational College's financial statements, which gives a true and fair view of the state of affairs of Molo Technical and Vocational College for and as at the end of the financial year (period) ended on June 30<sup>th</sup> 2023. These responsibilities include; (i) maintaining adequate financial management arrangements and ensuring that this 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 Molo Technical and Vocational College; (v) Selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

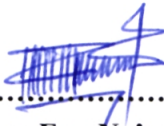
The board members accept responsibility for Molo Technical and Vocational College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The council members are of the opinion that Molo Technical and Vocational college's financial statements give a true and fair view of the state of Molo Technical and Vocational College's transactions during the financial period ended 30<sup>th</sup> June 2023, and of Molo Technical and Vocational College's financial position as at that date. The council members further confirm the completeness of the accounting records maintained for Molo Technical and Vocational College, which have been relied upon in the preparation of Molo Technical and Vocational College's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the board members to indicate that the Molo Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement.

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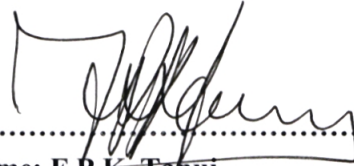
**Approval of the financial statements**

Molo Technical and Vocational College financial statements were approved by the Board on  
17/03/2023 2023 and signed on its behalf by:



.....

**Name: Eng. Ng'ang'a Daniel**  
**Chairperson of the Board**

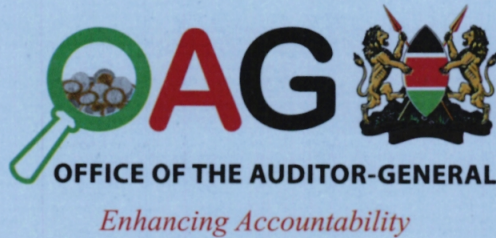


.....

**Name: F.P.K. Tanui**  
**Accounting Officer/Principal**

# REPUBLIC OF KENYA

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**HEADQUARTERS**  
Anniversary Towers  
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P.O Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON MOLO TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Molo Technical and Vocational College set out on pages 1 to 56, which comprise the statement of financial position as

at 30 June, 2023, 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 Molo Technical and Vocational College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracy of Transfers from Other National Government Entities**

The statement of financial performance reflects transfers from other National Government entities amounting to Kshs.6,982,000 as further disclosed in Note 6 to the financial statements. A review of the College's cashbook and bank statements revealed that Kshs.7,982,000 was received resulting to an unreconciled variance of Kshs.1,000,000. Management explained that the variance of Kshs.1,000,000 is capitation for Lodwar Technical and Vocational College which was erroneously transferred to Molo Technical and Vocational College by the State Department for Technical and Vocational Education and Training. However, no verifiable documentary evidence in support of the explanation was provided for audit review.

In the circumstances, the accuracy and completeness of transfers from other National Government entities amounting to Kshs.6,982,000 could not be confirmed.

#### **2. Inaccuracy of Current Portion of Receivables from Exchange Transactions**

The statement of financial position reflects current portion of receivables from exchange transactions totalling Kshs.2,568,863 as further disclosed in Note 27(a) to the financial statements. However, the amount includes receivables totalling Kshs.2,333,433 as disclosed in Note 27(c) to the financial statements which has been outstanding for more than one year and ought to be disclosed as long-term receivables from exchange transactions.

Further, no provision has been made for impairments and Management has not instituted measures to recover these long outstanding receivables.

In the circumstances, the accuracy, completeness and recoverability of current portion of receivables from exchange transactions totalling Kshs.2,568,863 could not be confirmed.

#### **3. Inaccuracy of Inventories**

The statement of financial position reflects inventories totalling Kshs.17,500 and as further disclosed in Note 29 to the financial statements. However, Note 29 to the financial statements reflects Nil total inventories resulting in unreconciled variance of Kshs.17,500.

In the circumstances, the accuracy and completeness of inventories totalling Kshs.17,500 could not be confirmed.

#### **4. Inaccuracy of Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment totalling Kshs.76,904,058. The amount includes land amounting to Kshs.17,500,000 as disclosed in Note 31 to the financial statements in respect of five (5) acre parcel of land occupied by the College. However, valuation and title deed in support of the land was not provided for audit review.

Further, Note 31 to the financial statements reflects buildings amounting to Kshs.57,972,440. However, valuation report in support of the buildings was not provided for audit review.

In addition, Note 31 to the financial statements reflects property, plant and equipment net book value totalling Kshs.76,904,058 which differs with the prior year audited property, plant and equipment net book value totalling Kshs.83,121,253 resulting in an unexplained variance of Kshs.6,217,195.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment totalling Kshs.76,904,058 could not be confirmed.

#### **5. Unsupported Non – Current Borrowings**

The statement of financial position reflects non-current borrowings amounting to Kshs.2,600,000 as further disclosed in Note 43 to the financial statements. The amount relates to a loan obtained from Ol'lessos Technical Training Institute in the year 2021. However, approval by the Board of Governors/Management, loan statement, loan agreement with details of when the loan was taken, the principal amount and the interest rate applicable and approval by the Cabinet Secretary were not provided for audit review. This was contrary to Section 51 (2) of the Public Finance Management Act, 2012 which states that a National Government entity shall obtain the approval of the Cabinet Secretary for its intended program of borrowing, refinancing and repayment of loans.

Further, the loan which has been outstanding for more than two (2) years had not been repaid.

In the circumstances, the accuracy, completeness and existence of non-current borrowings totalling Kshs.2,600,000 could not be confirmed.

#### **6. Inaccuracy of Capital Fund**

The statement of financial position reflects capital fund totalling Kshs.83,356,780. The amount includes opening balance totalling Kshs.83,356,780 as reflected in the statement of changes in net asset. However, the opening balance differs with the prior year audited

nil capital fund reflected in the statement of financial position resulting in an unexplained variance of Kshs.83,356,780.

In the circumstances, the accuracy and completeness of capital fund totalling Kshs.83,356,780 could not be confirmed.

## **7. Inaccuracies in the Statement of Cash flows**

The statement of cash flows reflects cash and cash equivalents at the end of the year amounting to Kshs.1,201,908 which differs with cash and cash equivalents balance of Kshs.1,156,908 shown in the statement of financial position resulting to an unreconciled variance of Kshs.45,000.

Further, the statement reflects rendering services fees from students amounting to Kshs.11,583,737 which differs with the rendering services fees from students amounting to Kshs.15,270,760 reflected in the statement of financial performance resulting in unreconciled variance of Kshs.3,687,023.

In addition, the statement reflects use of goods and services totalling Kshs.11,004,213 which differs with the use of goods and services totalling Kshs.11,245,310 reflected in the statement of financial performance resulting in unreconciled variance of Kshs.241,097.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, eleven (11) issues were raised under the Report on Financial Statements, Other Matter and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given any explanation for failure to resolve the issues.

## **Other Information**

Management is responsible for the other information set out on page iii to xxx which comprise of Key Entity Information and Management, the Board of Governors, the 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 the Board of Governors , and Statement of Board of Governor's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 3000 and 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**

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

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

## **Basis for Conclusion**

### **1. Lack of Approved Human Resource Manuals and Policies**

Review of the Human Resource records revealed that the College had no approved staff establishment, customized scheme of service, career progression guidelines, casuals' engagement policy and HR development policy.

In the circumstances, it was not possible to confirm whether the College operated with an optimal number of staff.

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

The College had not established an internal audit function for oversight of the operations of the Management. This was contrary to Section 73 (1) (a) of the Public Finance Management Act, 2012 which states that a National Government entity shall ensure that it has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board.

In the circumstances, the oversight on effectiveness of internal controls, risk management and overall governance could not be confirmed.

### **3. Lack of Imprest Register**

Review of the effectiveness of internal controls on imprest management revealed that the Management did not maintain an imprest register. This is contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to ensure that details of applicants including the amount applied for are recorded in the imprest register before issuing temporary imprests.

In the circumstances, controls on issuance of imprests are not effective.

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

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

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

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

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

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

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


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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

05 May, 2025

MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

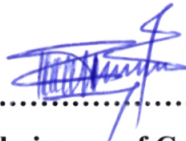
14. Statement of Financial Performance For The Year Ended 30 June  
2023

	Notes	2022/2023	2021/2022
		Kshs	Kshs
<b>Revenue from non-Exchange transactions</b>			
Transfers from other National Government entities	6	6,982,000	5,535,000
Grants from donors and development partners	7	000	000
Transfers from other levels of government	8	000	2,800,000
Public contributions and donations	9	000	000
		<b>6,982,000</b>	<b>8,335,000</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	10	15,270,760	11,334,180
Sale of goods	11	000	000
Rental revenue from facilities and equipment	12	000	000
Finance income	13	000	000
Miscellaneous income	14	000	000
<b>Revenue from Exchange transactions</b>		<b>15,270,760</b>	<b>11,334,180</b>
<b>Total Revenue</b>		<b>22,252,760</b>	<b>19,669,180</b>
<b>Expenses</b>			
Use of goods and services	15	11,245,310	10,023,682
Employee costs	16	5,131,620	4,737,134
Board /Council Expenses	17	218,600	451,000
Depreciation and amortization expense	18	6,725,095	7,421,500
Repairs and maintenance	19	803,465	1,146,705
Contracted services	20	000	000
Grants and subsidies	21	000	000
Finance costs	22	000	200,000
<b>Total Expenses</b>		<b>24,124,090</b>	<b>23,979,771</b>
<b>Other Gains/(Losses)</b>			
Gain on sale of assets	23	000	000
Gain/ Loss on fair value of investments	24	000	000
Impairment loss	25	(000)	(000)
<b>Total Other Gains/(Losses)</b>		<b>000</b>	<b>000</b>
<b>Net surplus/(deficit) for the year</b>		<b>(1,871,330)</b>	<b>(4,310,591)</b>

MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

(The notes set out on pages 9 to 55 form an integral part of the Annual Financial Statements).

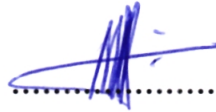
The Financial Statements set out on pages 1 to 8 were signed by:



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

**Date**

17/03/2025



.....  
**Finance Officer**

**ICPAK No** Assoc 890

**Date**

17/03/2025



.....  
**Principal**

**Date**

17/03/2025

MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

15. Statement of Financial Position As At 30th June 2023

Description	Notes	2022/2023	2021/2022
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	26	1,156,908	256,369
Current portion of receivables from exchange transactions	27(a)	2,568,863	2,689,950
Receivables from non-exchange transactions	28	000	000
Inventories	29	17,500	511,590
Investments in financial assets	30	000	000
<b>Total Current Assets</b>		<b>3,743,271</b>	<b>3,457,909</b>
<b>Non-Current Assets</b>			
Long term receivables from exchange transactions	27(b)	000	000
Investments	30	000	000
Property, plant, and equipment	31	76,904,058	83,121,253
Intangible assets	32	000	000
Investment property	33	000	000
Biological Assets	34	000	000
<b>Total Non-Current Assets</b>		<b>76,904,058</b>	<b>83,121,253</b>
<b>Total Assets</b>		<b>80,647,329</b>	<b>86,579,162</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	35	872,470	522,382
Refundable deposits from customers	36	000	000
Current provisions	37	000	000
Finance lease obligation	38	000	000
Deferred income	39	000	000
Employee benefit obligation	40	000	000
Payments received in advance	41	000	000
Current portion of borrowings	43	000	000
Social Benefits	45	000	000
<b>Total Current Liabilities</b>		<b>872,470</b>	<b>522,382</b>
<b>Non-Current Liabilities</b>			

MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

Description	Notes	2022/2023	2021/2022
		Kshs	Kshs
Finance lease obligation	38	000	000
Deferred income	39	000	000
Non-Current Employee Benefit Obligation	40	000	000
Non-Current Provisions	42	000	000
Non- Current Borrowings	43	2,600,000	2,600,000
Service Concession Liability	44	000	000
Social benefits	45	000	000
<b>Total non- current liabilities</b>		<b>2,600,000</b>	<b>2,600,000</b>
<b>Total Liabilities</b>		<b>3,472,470</b>	<b>3,222,382</b>
<b>Net Assets</b>		<b>77,174,859</b>	<b>83,356,780</b>
Revaluation Reserves		000	000
Accumulated Deficit		(6,181,921)	(4,310,591)
Capital Fund		83,356,780	000
<b>Total Net Assets and Liabilities</b>		<b>77,174,859</b>	<b>79,046,189</b>

The Financial Statements set out on pages 1 to 8 were signed by:

  
.....  
Chairman of Council/Board

Date 17/03/2025

  
.....  
Finance Officer

ICPAK No K500890

Date 17/03/2025

  
.....  
Principal

Date 17/03/2025

16. Statement of Changes in Net Asset for The Year Ended 30 June  
2023

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
<b>At July 1, 2021</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>
Revaluation gain	000	-	-	<b>000</b>
Surplus/(deficit) for the year	-	-4,310,591	000	-4,310,591
Capital grants received during the year	-	-	000	000
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	000	(000)	-
<b>At June 30, 2022</b>	<b>000</b>	<b>-4,310,591</b>	<b>83,356,780</b>	<b>79,046,189</b>
<b>At July 1, 2022</b>	<b>000</b>	<b>-4,310,591</b>	<b>83,356,780</b>	<b>79,046,189</b>
Revaluation gain	<b>000</b>	<b>000</b>	-	<b>000</b>
Surplus/(deficit) for the year	-	-1,871,330	-	-1,871,330
Capital grants received during the year	-	-	000	000
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	000	(000)	-
<b>At June 30, 2023</b>	<b>000</b>	<b>-6,181,921</b>	<b>83,356,780</b>	<b>77,174,849</b>

MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

17. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities	6	6,982,000	5,535,000
Grants from donors and development partners	7	000	000
Transfers from other levels of government	8	000	2,800,000
Public contributions and donations	9	000	000
Rendering of services- fees from students	10	11,583,737	11,334,180
Sale of goods	11	000	000
Rental revenue from facilities and equipment	12	000	000
Finance income	13	000	000
Miscellaneous income	14	000	000
<b>Total Receipts</b>		<b>18,565,737</b>	<b>19,669,180</b>
<b>Payments</b>			
Use of goods and services	15	11,004,213	10,023,682
Employee costs	16	5,131,620	4,737,134
Board /Council Expenses	17	218,600	451,000
Repairs and maintenance	19	803,465	1,146,705
Contracted services	20	000	000
Grants and subsidies	21	000	000
<b>Total Payments</b>		<b>17,157,298</b>	<b>16,558,521</b>
<b>Net Cash Flows from operating activities</b>	46	<b>1,408,439</b>	<b>500,809</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	31	(507,900)	(000)
Proceeds from sale of property, plant and equipment	31	000	000
<b>Net cash flows used in investing activities</b>		<b>(507,900)</b>	<b>(000)</b>
<b>Cash flows from financing activities</b>			
Proceeds From Borrowing	43	000	000
Repayment Of Borrowings	43	(000)	(200,000)
<b>Net cash flows used in financing activities</b>		<b>(000)</b>	<b>(200,000)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>900,539</b>	<b>300,809</b>
Cash and Cash equivalents at 1 JULY	26	300,809	000
<b>Cash and Cash equivalents at 30 JUNE</b>	26	<b>1,201,908</b>	<b>300,809</b>

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	12,900,000	(000)	12,900,000	6,982,000	(5,918,000)	45.88%
Grants from donors and development partners	000	000	000	000	000	0%
Transfers from other levels of government	000	000	000	000	000	0%
Public contributions and donations	000	000	000	000	000	0%
Rendering of services- fees from students	11,360,600	(000)	11,360,600	15,270,760	3,910,160	34.4%
Sale of goods	000	000	000	000	000	0%
Rental revenue from facilities and equipment	000	000	000	000	000	0%
Finance income	000	000	000	000	000	0%
Miscellaneous Income	000	000	000	000	000	0%
<b>Total Income</b>	<b>24,260,600</b>	<b>(000)</b>	<b>24,260,600</b>	<b>22,252,760</b>	<b>(2,007,840)</b>	<b>8.3%</b>
<b>Expenses</b>						
Use of goods and services	12,607,590	000	12,607,590	11,245,310	(1,362,280)	10.8%
Employee costs	3,955,900	(000)	3,955,900	5,131,620	1,175,720	25.72%
Board /Council Expenses	2,090,000	000	2,090,000	218,600	(1,871,400)	77.89%
Repairs and maintenance	1,180,000	000	1,180,000	803,465	376,535	32%
Contingencies	520,000	000	520,000	000	000	00%
Grants and subsidies	000	000	000	000	000	00%
Depreciation	6,644,025	(000)	6,644,025	6,725,095	81,070	1.22%
<b>Total Expenditure</b>	<b>26,997,515</b>	<b>(000)</b>	<b>26,997,515</b>	<b>24,124,090</b>	<b>(2,873,425)</b>	<b>10.6%</b>
<b>Deficit For the Period</b>	<b>(2,736,915)</b>	<b>000</b>	<b>(2,736,915)</b>	<b>(1,871,330)</b>	<b>(865,585)</b>	<b>31.64%</b>
<b>Capital Expenditure</b>	<b>987,500</b>	<b>000</b>	<b>987,500</b>	<b>567,900</b>	<b>419,600</b>	<b>42.5%</b>

MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
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**Budget notes**

a. Kshs. 5,918,000 deficit transfers from government entities: Movements is due less fund received from the government.

b. Kshs.3,910,160 increases in fee from rendering of services. Movement is due to increased number of students from the expected 430 to 578.

c. Kshs. 1,603,377 savings on use of goods and services. Movement is due to adoption of effective cost cutting measures.

d. Kshs. 1,175,720 increase on employee costs. Movement is due to increase in human resources during the year.

e. Kshs. 1,871,400 savings on board expenses. Movement is due to adoption of virtual meetings for B.o.G and scarce resources.

f. Kshs. 376,535 saving in RMI expenses. Controlled repairs within the institution.

g. Kshs. 81,070 increases in depreciation. Movement is due to additions of assets (computers, furniture's and salon equipment's)

## 19. Notes to the Financial Statements

### 1. General Information

Molo Technical and Vocational College entity is established by and derives its authority and accountability from Technical and Vocational Education Training (TVET) Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is offering Technical and Vocational Education to the Kenyan public.

### 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 judgement in the process of applying the *Molo Technical and Vocational College* accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Molo 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.

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

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

**i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.**

<b>Standard</b>	<b>Effective date and impact:</b>
<p><b>IPSAS 41: Financial Instruments</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42: Social Benefits</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b> The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p>

MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement.</b> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul>

ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.**

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

iii. **Early adoption of standards**

Molo Technical and Vocational College did not early-adopt any new or amended standards in year 2023.

**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 has 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. However, Molo Technical and Vocational College didn't realise such revenue during the financial year 2022/2023.

**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. However, Molo Technical and Vocational College didn't realise such revenue during the financial year 2022/2023.

**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. However, Molo Technical and Vocational College didn't realise such revenue during the financial year 2022/2023.

**Notes to the Financial Statements (Continued)**  
**Summary of Significant Accounting Policies (Continued)**

**b) Budget information**

The original budget for FY 2022/2023 was approved by the Council or Board on **29/09/2023**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 7 under section 7 of these financial statements.

**c) Taxes**

***Current income tax***

The entity is exempt from paying taxes as per schedule **1** of the ***Income Tax Act***. The entity pays and remits Pay as You Earn (PAYE) for its employees and therefore does not incur income tax liability by virtue of it not being a corporate entity that makes profit.

***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.

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

**Summary of Significant Accounting Policies (Continued)**

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**e) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, where the institution adopted the following rates for different categories of assets: Furniture-10%, Computers-30% and building-10% all on reducing balance method Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**f) Leases**

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

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payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term. Molo TVC-Elburgon had no leases in the period of consideration.

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

**Summary of Significant Accounting Policies (Continued)**

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

**i) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Molo TVC does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Molo TVC didn't hold any financial assets during the financial year 2022/2023.

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

**Summary of Significant Accounting Policies (Continued)**

*Financial assets*

*Classification*

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

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

**Summary of Significant Accounting Policies (Continued)**

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL). Molo TVC did not assess for impairment during the FY 2022/2023

***Financial liabilities***

***Classification***

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

**j) Inventories**

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

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

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

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

**Summary of Significant Accounting Policies (Continued)**

**Inventories (Continued)**

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

**k) Provisions**

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

***Contingent liabilities***

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

***Contingent assets***

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

**l) Social Benefits**

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

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

**Summary of Significant Accounting Policies (Continued)**

**m) Nature and purpose of reserves**

Molo Technical and Vocational College didn't create and maintains reserves in terms of specific requirements during the FY 2022/2023.

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

Molo Technical and Vocational College recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**o) Employee benefits**

**Retirement benefit plans**

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

**Foreign currency transactions**

Molo TVC didn't have any foreign transactions during the F/Y 2022/2023. However, Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**p) Borrowing costs**

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

**q) Related parties**

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

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

**Summary of Significant Accounting Policies (Continued)**

**r) Service concession arrangements**

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

**s) 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.

**t) Comparative figures**

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

**u) 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, 2023.

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

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

The preparation of the Molo 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. Molo TVC 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 Molo TVC.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

**Provisions**

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. *E.g.* Molo TVC yet provides a provision for bad and doubtful debts.

MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	5,482,000	4,035,000
Operational Grant	1,500,000	1,500,000
Unconditional Development grants	000	000
Other Grants	000	000
<b>Total unconditional Grants</b>	<b>6,982,000</b>	<b>5,535,000</b>
<b>Conditional Grants amortised/ recognised in revenue</b>		
Library Grant	000	000
Hostels Grant	000	000
Administration Block Grant	000	000
Laboratory Grant	000	000
Learning Facilities Grant	000	000
Other Organizational Grants	000	000
<b>Total Government Grants and Subsidies</b>	<b>6,982,000</b>	<b>5,535,000</b>

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of Vocational and Technical Training	6,982,000	00	00	6,982,000	5,535,000
Other Government Ministry	00	00	00	00	00
<b>Total</b>	<b>6,982,000</b>	<b>00</b>	<b>00</b>	<b>6,982,000</b>	<b>5,535,000</b>

The details of the reconciliation have been included under appendix III

Notes to the Financial Statements (Continued)

7. Grants from Donors and Development Partners

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
JICA- Research Grant	000	000
World Bank Grants	000	000
In-Kind Donations	000	000
Donations transferred to revenue-conditions met	000	000
Other Grants	000	000
<b>Total Grants from Development Partners</b>	<b>000</b>	<b>000</b>

(a) Reconciliations of grants from donors and development partners

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<b>Balance unspent at beginning of year</b>	<b>000</b>	<b>000</b>
Current year receipts	000	000
Conditions Met - Transferred to Revenue	000	000
<b>Conditions Yet To Be Met - Remain Liabilities</b>	<b>000</b>	<b>000</b>

(Molo TVC didn't have the above category of revenue during FY 2022/2023)

8. Transfers from Other Levels of Government

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Transfer from Oll'essos Technical Training Institute	000	2,800,000
<b>Total Transfers</b>	<b>000</b>	<b>2,800,000</b>

9. Public Contributions and Donations

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Public Donations	000	000
Donations from Local Leadership	000	000
Donations from Religious Institutions	000	000
Donations from Alumni	000	000
Other Donations	000	000
<b>Total Donations and Contributions</b>	<b>000</b>	<b>000</b>

(Molo TVC didn't have the above category of revenue during FY 2022/2023)

MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

Notes to the Financial Statements (Continued)

10. Rendering of Services

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Tuition Fees	15,270,760	11,334,180
Activity Fees	000	000
Industrial Attachment Fees	000	000
Examination Fees	000	000
Library Fees	000	000
Facilities And Materials	000	000
Registration Fees	000	000
Others ( <i>Specify</i> )	000	000
<b>Total Revenue from The Rendering of Services</b>	<b>15,270,760</b>	<b>11,334,180</b>

(The above Revenue is based on 578 students)

11. Sale of Goods

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Sale of Books	000	000
Sale of Publications	000	000
Sale of Farm Produce	000	000
Cafeteria sales	000	000
Other sales	000	000
<b>Total Revenue from Sale of Goods</b>	<b>000</b>	<b>000</b>

(Molo TVC didn't have the above category of revenue during FY 2022/2023)

12. Rental revenue from facilities and equipment

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Hire of Facilities and Equipment	000	000
Contingent Rentals	000	000
Operating Lease Revenue	000	000
<b>Total</b>	<b>000</b>	<b>000</b>

(Molo TVC didn't have the above category of revenue during FY 2022/2023)

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

**13. Finance Income**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Cash investments and fixed deposits	000	000
Interest income from treasury bills	000	000
Interest income from treasury bonds	000	000
Interest from outstanding debtors	000	000
<b>Total finance income</b>	<b>000</b>	<b>000</b>

*(Molo TVC didn't have the above category of revenue during FY 2022/2023)*

**14. Miscellaneous Income**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Insurance recoveries	000	000
Consultancy fees	000	000
Income from sale of tender	000	000
Services concession income	000	000
Reimbursements and refunds	000	000
Graduation fees	<b>000</b>	<b>000</b>
Bad debts recovered	000	000
Income written back	000	000
Miscellaneous income	<b>000</b>	<b>000</b>
<b>Total other income</b>	<b>000</b>	<b>000</b>

*(Molo TVC didn't have the above category of revenue during FY 2022/2023)*

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

**15. Use of Goods and Services**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Teaching and learning materials	785,195	606,825
Industrial attachment costs	129,000	95,100
Electricity	497,785	427,200
Water	17,310	19,970
Sanitation	430,117	387,945
Professional and consultancy services	000	160,750
Subscriptions-KATTI	20,000	352,600
Advertising/Marketing and publicity	842,150	796,947
Examination expenses	432,854	821,275
Audit fees	000	000
Catering, conferences, and delegations	921,991	786,320
Travelling and accommodation	796,170	396,670
Fuel and oil	132,525	65,826
Activity expenses	592,897	390,703
Student council expenses	474,499	244,930
Licenses and permits	000	8,620
Office labelling expenses	65,000	000
Postage and Rental address box	9,525	24,715
Printing and stationery	915,020	531,345
Library and logbooks expenses	84,300	82,675
Medical expenses	51,995	14,000
Administrative expenses	2,041,680	2,525,405
Telephone expenses/airtime	50,300	200,240
Internet expenses	359,440	39,400
Training expenses	1,588,400	1,471,590
Other (Bank Charges)	7,157	16,631
<b>Total good and services</b>	<b>11,245,310</b>	<b>10,023,682</b>

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

**16. Employee Costs**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Salaries and wages	4,700,900	4,644,161
Employee related costs - contributions to pensions and medical aids	000	000
Travel, motor car, accommodation, subsistence and other allowances	000	000
Housing benefits and allowances	000	000
Casual payments	120,720	00
Internship	310,000	92,973
<b>Employee Costs</b>	<b>5,131,620</b>	<b>4,737,134</b>

**17. Board/Council Expenses**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Chairman's Honoraria	000	30,000
Directors Emoluments	000	000
Other Allowances	000	172,000
Other Board/Council Expenses	218,600	249,000
<b>Total</b>	<b>218,600</b>	<b>451,000</b>

**18. Depreciation and Amortization expense**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Property, plant and equipment	6,725,095	7,421,500
Intangible assets	000	000
Investment property carried at cost	000	000
<b>Total depreciation and amortization</b>	<b>6,725,095</b>	<b>7,421,500</b>

**19. Repairs and Maintenance**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Property	597,395	750,250
Investment property – earning rentals	000	000
Equipment and machinery	77,935	105,335
Vehicles	000	000
Furniture and fittings	62,085	250,780
Computers and accessories	66,050	40,340
<b>Total Repairs and Maintenance</b>	<b>803,465</b>	<b>1,146,705</b>

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

**20. Contracted Services**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Actuarial valuations	000	000
Investment valuations	000	000
Property valuations	000	000
Other	000	000
<b>Total contracted services</b>	<b>000</b>	<b>000</b>

**21. Grants and Subsidies**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Community Development	000	000
Education Initiatives and Programs	000	000
Social Development	000	000
Social benefits expenses	000	000
Community Trust	000	000
Sporting Bodies	000	000
<b>Total Grants and Subsidies</b>	<b>000</b>	<b>000</b>

**22. Finance Costs**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Borrowings (Amortized Cost)*	000	000
Finance Leases (Amortized Cost)	000	000
Unwinding of Discount from lease liabilities	000	000
Interest on Bank Overdrafts	000	000
Interest on Loans from Commercial Banks	000	000
<b>Total Finance Costs</b>	<b>000</b>	<b>000</b>

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

**23. Gain On Sale of Assets**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Property, Plant and Equipment	000	000
Intangible Assets	000	000
Other Assets not capitalised	000	000
<b>Total Gain On Sale of Assets</b>	<b>000</b>	<b>000</b>

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

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Fair value on equity investments	000	000
Fair value arising from investment property	000	000
Fair value arising from biological assets	000	000
Fair value- other financial assets	000	000
<b>Total Gain</b>	<b>000</b>	<b>000</b>

**25. Impairment Loss**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Property, Plant and Equipment	000	000
Intangible Assets	000	000
<b>Total Impairment Loss</b>	<b>000</b>	<b>000</b>

**26. Cash and Cash Equivalentents**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Current Account	1,156,908	256,369
On - Call Deposits	000	000
Fixed Deposits Account	000	000
Staff Car Loan/ Mortgage	000	000
Others	000	000
<b>Total Cash and Cash Equivalentents</b>	<b>1,156,908</b>	<b>256,369</b>

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**Notes To The Financial Statements (Continued)**

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

Financial Institution	Account number	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
<b>a) Current Account</b>			
National Bank of Kenya		1,156,908	256,369
<b>Sub- Total</b>		<b>1,156,908</b>	<b>256,369</b>
<b>b) On - Call Deposits</b>			
National Bank of Kenya		000	000
<b>Sub- Total</b>		<b>000</b>	<b>000</b>
<b>c) Fixed Deposits Account</b>			
National Bank of Kenya		000	000
<b>Sub- Total</b>		<b>000</b>	<b>000</b>
<b>d) Staff Car Loan/ Mortgage</b>			
National Bank of Kenya		000	000
<b>Sub- Total</b>		<b>000</b>	<b>000</b>
<b>e) Others</b>			
Cash in Transit		000	000
Cash in Hand		000	000
Mobile Money account		000	000
<b>Sub- Total</b>		<b>000</b>	<b>000</b>
<b>Grand Total</b>		<b>1, 156,908</b>	<b>256,369</b>

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Notes to the Financial Statements (Continued)

27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	2,568,863	2,689,950
Rent Debtors	000	000
Consultancy Debtors	000	000
Other Exchange Debtors	000	000
Less: Impairment Allowance	(000)	(000)
<b>Total Current Receivables</b>	<b>2,568,863</b>	<b>2,689,950</b>

27 (b) Long- term Receivables from Exchange transactions

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<b>Non-Current Receivables</b>		
Refundable Deposits	000	000
Advance Payments	000	000
Public Organizations	000	000
Less: Impairment Allowance	(000)	(000)
<b>Total</b>	<b>000</b>	<b>000</b>
Current Portion Transferred To Current Receivables	(000)	(000)
<b>Total Non-Current Receivables</b>	<b>000</b>	<b>000</b>
<b>Total Receivables</b>	<b>000</b>	<b>000</b>

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	FY 2022/2023		FY 2021/2022	
	Kshs		Kshs	
	<b>Current F</b>	<b>% of total</b>	<b>Comparative FY</b>	<b>% of total</b>
Less than 1 year	231,430	9.2 %	439,950	16.4%
Between 1- 2 years	2,333,433	90.8%	2,250,000	83.6%
Between 2-3 years	000	0%	000	0%
Over 3 years	000	0%	000	0%
<b>Total (a+b)</b>	<b>2,568,863</b>	<b>100%</b>	<b>2,689,950</b>	<b>100%</b>

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

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At the beginning of the year	000	000
Provisions during the year	000	000
Recovered during the year	(000)	(000)
Write offs during the year	(000)	(000)
At the end of the year	<b>000</b>	<b>000</b>

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

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*	000	000
Transfers from Other Govt. entities	000	000
Undisbursed Donor Funds	000	000
Other Debtors (Non-Exchange Transactions)	000	000
Less: Impairment Allowance	(000)	(000)
<b>Total Current Receivables</b>	<b>000</b>	<b>000</b>

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

Description	FY 2022/2023		FY 2021/2023	
	Kshs	% of the total	Kshs	% of the total
	<b>FY 2022/2023</b>	<b>% of the total</b>	<b>FY 2021/2022</b>	<b>% of the total</b>
Less than 1 year	000	%	000	%
Between 1- 2 years	000	%	000	%
Between 2-3 years	000	%	000	%
Over 3 years	000	%	000	%
<b>Total</b>	<b>000</b>	<b>%</b>	<b>000</b>	<b>%</b>

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

Description	FY 2022/2023	FY 2021/2023
	Kshs	Kshs
At the beginning of the year	000	000
Additional provisions during the year	000	000
Recovered during the year	(000)	(000)
Written off during the year	(000)	(000)
At the end of the year	<b>000</b>	<b>000</b>

**29. Inventories**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Consumable stores	17,500	204,636
Maintenance stores	000	133,013
Health Unit stores	000	000
Electrical stores	000	107,434
Cleaning Materials stores	000	61,391
Catering stores	000	5,116
Less: Impairment allowance	000	000
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>000</b>	<b>511,590</b>

Notes to the Financial Statements (Continued)

30. Investments in financial assets

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<b>a) Investment in Treasury Bills and Bonds</b>		
<b>Financial Institution</b>		
CBK	000	000
CBK	000	000
<b>Sub- Total</b>	<b>000</b>	<b>000</b>
<b>b) Investment with Financial Institutions/ Banks</b>		
National Bank of Kenya	000	000
<b>Sub- Total</b>	<b>000</b>	<b>000</b>
<b>Grand Total</b>	<b>000</b>	<b>000</b>

(Molo TVC didn't have any financial assets investment during the FY 2022/2023)

d) Shareholding in other entities

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

Name of Entity where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	FY 2022/2023	FY 2021/2023
	%	%	%	Kshs	Kshs	Kshs
Entity A	00	00	00	000	000	000
Entity B	00	00	00	000	000	000
	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>

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Notes to the Financial Statements (Continued)

31. 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
<b>At 1 July 2021</b>	<b>17,500,000</b>	<b>71,570,913</b>	<b>000</b>	<b>886,590</b>	<b>585,000</b>	<b>000</b>	<b>000</b>	<b>90,542,503</b>
Additions	000	000	000	-	000	-	000	000
Disposals	(000)	(000)	-	-	(000)	-	(000)	(000)
Transfers/Adjustments	000	(000)	000	(000)	(000)	-	00	(000)
<b>At 30<sup>th</sup> June 2022</b>	<b>17,500,000</b>	<b>71,570,913</b>	<b>000</b>	<b>886,590</b>	<b>585,000</b>	<b>000</b>	<b>000</b>	<b>90,542,503</b>
Additions	000	000	000	120,000	151,400	236,500	000	507,900
Disposals	(000)	-	-	-	(000)	-	(000)	(000)
Transfer/Adjustments	(000)	000	000	(000)	(000)	-	000	(000)
<b>At 30<sup>th</sup> June 2023</b>	<b>17,500,000</b>	<b>71,570,913</b>	<b>00</b>	<b>1,006,590</b>	<b>736,400</b>	<b>236,500</b>	<b>000</b>	<b>91,050,403</b>
<b>Depreciation And Impairment</b>								
<b>At 1 Jun 2022</b>	-	(000)	(000)	(000)	(000)	000	(000)	(000)
Depreciation	-	(7,157,091)	(000)	(88,659)	(175,500)	000	(000)	(7,421,250)
Disposals	-	-	-	-	000	-	000	000
Impairment	-	-	-	-	(000)	-	-	(000)
<b>At 30 Jun 2022</b>	<b>17,500,000</b>	<b>64,413,822</b>	<b>000</b>	<b>917,931</b>	<b>560,900</b>	<b>236,500</b>	<b>000</b>	<b>83,629,153</b>
Depreciation	-	(6,441,382)	(000)	(91,793)	(168,270)	(23,650)	(000)	(6,725,095)
Disposals	-	-	-	-	000	-	000	000
Impairment	-	(000)	-	000	(000)	-	-	(000)
Transfer/Adjustment	-	(000)	(000)	000	(000)	-	(000)	000
<b>At 30<sup>th</sup> Jun 2023</b>	<b>17,500,000</b>	<b>57,972,440</b>	<b>000</b>	<b>826,138</b>	<b>392,630</b>	<b>212,850</b>	<b>000</b>	<b>76,904,058</b>
<b>Net Book Values</b>								
<b>At 30<sup>th</sup> Jun 2022</b>	<b>17,500,000</b>	<b>64,413,822</b>	<b>000</b>	<b>917,931</b>	<b>560,900</b>	<b>000</b>	<b>000</b>	<b>76,904,058</b>
<b>At 30<sup>th</sup> Jun 2023</b>	<b>17,500,000</b>	<b>57,972,440</b>	<b>000</b>	<b>826,138</b>	<b>392,630</b>	<b>212,850</b>	<b>000</b>	<b>76,904,058</b>

No work in progress during FY 2022/2023

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

**Valuation**

Land and Buildings are yet to be valued.

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

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	17,500,000	000	000
Buildings	71,570,913	13,598,473	57,972,440
Plant And Machinery	236,500	23,650	212,850
Motor Vehicles including Motorcycles	000	000	000
Computers and Related Equipment	736,400	343,770	392,630
Office Equipment, Furniture, And Fittings	1,006,590	180,452	826,138
<b>Total</b>	<b>91,050,403</b>	<b>14,146,345</b>	<b>76,904,058</b>

**32. Intangible Assets**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	000	000
Additions	000	000
<b>At end of the year</b>	000	000
Additions–internal development	000	000
<b>At end of the year</b>	00	000
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	000	000
Amortization	000	000
<b>At end of the year</b>	000	000
Impairment loss	000	000
<b>At end of the year</b>	000	000
<b>NBV</b>	000	000

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Notes to the Financial Statements (Continued)

33. Investment Property

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<b>At beginning of the year</b>	<b>000</b>	<b>000</b>
Additions	000	000
Disposal during the year	(000)	(000)
Depreciation	(000)	(000)
Impairment	(000)	(000)
Gain or loss on fair value- if fair value is elected	000	000
<b>At end of the year</b>	<b>000</b>	<b>000</b>

34. Biological Assets

	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Cattle	000	000
Trees	000	000
Others	000	000
<b>Total</b>	<b>000</b>	<b>000</b>

35. Trade and Other Payables

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Trade payables	191,482	124,464
Fees paid in advance	000	000
Salary deductions	383,988	000
Third-Party Payments	000	000
Other Payables	297,000	397,464
<b>Total Trade and Other Payables</b>	<b>872,470</b>	<b>522,382</b>

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	FY 2022/2023	% of the Total	FY	% of the Total
<b>Ageing analysis:</b>				
Under one year	000	%	000	00
1-2 years	872,470	100%	522,382	100
2-3 years	000	%	000	000
Over 3 years	000	%	000	000
<b>Total (to tie to totals above)</b>	<b>872,470</b>	<b>100%</b>	<b>522,382</b>	<b>100%</b>

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

Description	FY 2022/2023		FY 2021/2022	
	Kshs		Kshs	
Consumer deposits	000		000	
Caution money	000		000	
Other refundable deposits	000		000	
<b>Total Deposits</b>	<b>000</b>		<b>000</b>	
	FY 2022/2023	% of the Total	FY 2021/2022	% of the Total
<b>Ageing analysis:</b>				
Under one year	000	%	000	%
1-2 years	000	%	000	%
2-3 years	000	%	000	%
Over 3 years	000	%	000	%
<b>Total (to tie to totals deposits above)</b>	<b>000</b>	<b>%</b>	<b>000</b>	<b>%</b>

**37. Current Provisions**

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Balance at The Beginning of The Year</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>
Additional Provisions	000	000	000	000	000
Provision Utilised	(000)	(000)	(000)	(00)	(000)
Change Due To Discount And Time Value For Money	(000)	(000)	(000)	(000)	(000)
Transfers From Non -Current Provisions	000	000	000	000	000
<b>Total Provisions</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>

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**38. Finance Lease Obligation**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<b>At the start of the year</b>	<b>000</b>	<b>000</b>
Discount interest on Lease Liability	000	000
Paid during the year	(000)	(000)
<b>At end of the year</b>	<b>000</b>	<b>000</b>

**Maturity Analysis**

Period	Amount
	Kshs
Year 1	000
Year 2	000
Year 3	000
Year 4	000
Year 5 and Onwards	000
Less: Unearned Interest	(000)
<b>Total</b>	<b>000</b>

**Analysed as:**

Description	Amount
	Kshs
Current	000
Non- Current	000
<b>Total</b>	<b>000</b>

**39. Deferred Income**

Description	FY	Insert Comparative FY
	Kshs	Kshs
National Government	000	000
International Funding Bodies	000	000
Public Contributions and Donations	000	000
<b>Total Deferred Income</b>	<b>000</b>	<b>000</b>

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The deferred income movement is as follows:

Description	National government	International funders/donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	000	000	000	000
Additions during the year	000	000	000	000
Transfers to capital fund	(000)	(000)	(000)	(000)
Transfers to income statement	(000)	(000)	(00)	(000)
Other transfers	(000)	(000)	(000)	(000)
Balance carried forward	000	000	000	000

Analysed as:

Description	Amount
	Kshs
Current	000
Non- Current	000
<b>Total</b>	<b>000</b>

40. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	FY 2022/2023	FY 2021/2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	000	000	000	000	000
Non-Current Benefit Obligation	000	000	000	000	000
<b>Total Employee Benefits Obligation</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>

Retirement benefit Asset/ Liability

Molo Technical and Vocational and College currently doesn't operate a defined benefit scheme for all full-time employees.

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Discount Rates	0%	0%
Future Salary Increases	0%	0%
Future Pension Increases	0%	0%

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Mortality (Pre- Retirement)	0%	0%
Mortality (Post- Retirement)	0%	0%
Withdrawals	00	00
Ill Health	00	00
Retirement	0 years	0 years

**Recognition of Retirement Benefit Asset/ Liability**

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

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
The return on defined plan assets	00	00
Actuarial gains/ losses arising from changes in demographic assumptions	00	00
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	00	00
Actuarial gains and losses arising from experience adjustments	00	00
Others	00	00
Adjustments for restrictions on the defined benefit asset	00	00
<b>Remeasurement of the net defined benefit liability (asset)</b>	<b>000</b>	<b>000</b>

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

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Present value of defined benefit obligations(a)	000	000
Fair value of plan assets(b)	(00)	(00)
Funded status(=a-b)	<b>00</b>	<b>00</b>
Restrictions on asset recognised	00	00
Others	00	00
Net asset or liability arising from defined benefit obligation	<b>00</b>	<b>00</b>

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The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 1,589 per employee per month.

**41. Payments received in advance.**

Description	FY 2022/2023		FY 2021/2022	
	Kshs		Kshs	
Fees received in advance	000		000	
Others (Specify)	000		000	
<b>Total</b>	<b>000</b>		<b>000</b>	
Ageing analysis:	FY 2022/2023	% of the Total	FY 2021/2022	% of the Total
Under one year	000	%	000	%
1-2 years	000	%	000	%
2-3 years	000	%	000	%
Over 3 years	000	%	000	%
<b>Total</b>	<b>000</b>	<b>%</b>	<b>000</b>	<b>%</b>

**42. Non-Current Provisions**

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	000	000	000	000	000
Additional Provisions	000	000	000	000	000
Provision utilised	(000)	(000)	(000)	(000)	(000)
Change due to discount and time value for money	000	000	000	000	000
Less: Current portion	(000)	(000)	(000)	(000)	(000)
<b>Total deferred income</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>	<b>000</b>

**43. Borrowings**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Balance at beginning of the year	2,600,000	2,800,000
External borrowings during the year	000	000
Domestic borrowings during the year	000	000
Repayments of external borrowings during the year	(000)	(200,000)
Repayments of domestic borrowings during the year	(000)	(000)
<b>Balance at end of the year</b>	<b>2,600,000</b>	<b>2,600,000</b>

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

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<b>External borrowings</b>		
Dollar denominated loan	000	000
Sterling pound denominated loan	000	000
Euro denominated loan	000	000
<b>Domestic borrowings</b>		
Kenya shilling loan	000	000
<b>Total balance at end of the year</b>	<b>000</b>	<b>000</b>

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

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Short Term Borrowings(Current Portion)	000	000
Long Term Borrowings	000	000
<b>Total</b>	<b>000</b>	<b>000</b>

**44. Service Concession Arrangements**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	000	000
Accumulated depreciation to date	(000)	(000)
Net carrying amount	<u>000</u>	<u>000</u>
Service concession liability at beginning of the year	000	000
Service concession revenue recognized	(000)	(000)
Service concession liability at end of the year	<u>000</u>	<u>000</u>

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**45. Social Benefit Liabilities**

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Health social benefit scheme	000	000
Unemployment social benefit scheme	000	000
Orphaned and vulnerable benefit scheme	000	000
People Living with disabilities benefit scheme	000	000
Elderly social benefit scheme	000	000
Bursary social benefits	000	000
<b>Total</b>	<b><u>000</u></b>	<b><u>000</u></b>
Current social benefits	000	000
Non- current social benefits	000	000
<b>Total (tie to totals above)</b>	<b><u>000</u></b>	<b><u>000</u></b>

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

**46. Cash generated from operations.**

Surplus for the year before tax	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<b>Adjusted for:</b>		
Depreciation	6,725,095	7,421,250
Non-Cash grants received	(000)	(000)
Contributed assets	(6,909,333)	(681,283)
Impairment	000	000
Gains and Losses on Disposal of Assets	(000)	(000)
Contribution to provisions	000	000
Contribution to impairment allowance	000	000
Finance Income	(000)	(2,800,000)
Finance Cost	000	000
<b>Working Capital Adjustments</b>		
Decrease in Inventory	1,471,590	(1,471,590)
Decrease in Receivables	121,087	(2,689,950)
Increase in Deferred Income	000	000
Increase in Payables	000	522,382
Increase in Payments received in advance	000	000
<b>Net Cash Flow from Operating Activities</b>	<b>1,408,439</b>	<b>300,809</b>

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

**47. Financial Risk Management**

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

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

**(i) Credit risk**

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2022</b>				
Receivables from exchange transactions	2,689,950	2,689,950	000	000
Receivables from non-exchange transactions	000	000	000	000
Bank balances	300,809	300,809	000	000
<b>Total</b>	<b>2,990,759</b>	<b>2,990,759</b>	<b>000</b>	<b>000</b>
<b>At 30 June 2023</b>				
Receivables from exchange transactions	2,568,863	2,568,863	000	000
Receivables from non-exchange transactions	000	000	000	000
Bank balances	1,156,908	1,156,908	000	000
<b>Total</b>	<b>3,725,771</b>	<b>3,725,771</b>	<b>000</b>	<b>000</b>

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

**Financial risk management (continued)**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2022</b>				
Trade Payables	000	000	522,382	522,382
Current Portion Of Borrowings	000	000	2,600,000	2,600,000
Provisions	000	000	000	000
Deferred Income	000	000	000	000
Employee Benefit Obligation	000	000	000	000
<b>Total</b>	<b>000</b>	<b>000</b>	<b>3,122,382</b>	<b>3,122,382</b>
<b>At 30 June 2023</b>				
Trade Payables	000	000	872,470	872,470
Current Portion Of Borrowings	000	000	2,600,000	2,600,000
Provisions	000	000	000	000
Deferred Income	000	000	000	000
Employee Benefit Obligation	000	000	000	000
<b>Total</b>	<b>000</b>	<b>000</b>	<b>3,472,470</b>	<b>3,472,470</b>

**Notes to the Financial Statements (Continued)**  
**Financial risk management (continued)**

**(iii) Market risk**

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

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

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

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

**a) Foreign currency risk**

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2023</b>			
Financial Assets (Investments, Cash, Debtors)	000	000	000
Liabilities			
Trade and Other Payables	000	000	000
Borrowings	000	000	000
Net Foreign Currency Asset/(Liability)	<b>000</b>	<b>000</b>	<b>000</b>

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

**Notes to the Financial Statements (Continued)**  
**Financial risk management (continued)**

**Foreign currency sensitivity analysis**

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

v	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>20xx</b>			
Euro	10%	000	000
Usd	10%	000	000
<b>20xx</b>			
Euro	10%	000	000
Usd	10%	000	000

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

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

**Notes to the Financial Statements (Continued)**  
**Financial risk management (continued)**

**iv) Capital Risk Management**

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

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Revaluation Reserve	000	000
Retained Earnings	000	000
Capital Reserve	000	000
<b>Total Funds</b>	<b>000</b>	<b>000</b>
Total Borrowings	000	2,300,000
Less: Cash and Bank Balances	(1,156,908)	(300,809)
Net Debt/(Excess Cash and Cash Equivalents)		
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

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

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

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

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

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
<b>a) Sales to related parties</b>		
Sales of electricity to govt agencies	000	000
Rent income from govt. agencies	000	000
Water sales to govt. agencies	000	000
Others	000	000
<b>Total</b>	<b>000</b>	<b>000</b>
<b>B) Purchases from related parties</b>		
Purchases of electricity from kplc	000	000
Purchase of water from govt service providers	000	000
Rent expenses paid to govt agencies	000	000
Training and conference fees paid to govt. agencies	000	000
Others	000	000
<b>Total</b>	<b>000</b>	<b>000</b>
<b>b) Grants /Transfers from the Government</b>		
Grants from National Govt	000	000
Grants from County Government	000	000
Donations in Kind	000	000
<b>Total</b>	<b>000</b>	<b>000</b>
<b>c) Expenses incurred on behalf of related parties</b>		
Payments of Salaries and Wages for Employees	000	000
Payments for Goods and Services	000	000
<b>Total</b>		
<b>d) Key Management Compensation</b>		
Directors' emoluments	000	000
Compensation to Key Management	000	000
<b>Total</b>	<b>000</b>	<b>000</b>

**49. Segment Information**

*Molo TVC doesn't operate another branch in a different geographical area*

MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
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Notes to the Financial Statements (Continued)

50. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements	000	000
Assets arising from determination of Court Cases	000	000
Reimbursable Indemnities and Guarantees	000	000
Others	000	000
<b>Total</b>	<b>000</b>	<b>000</b>

Contingent Liabilities

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<b>Contingent Liabilities</b>	000	000
Court Case against Molo Technical and Vocational College	000	000
Bank guarantees in favour of subsidiary	000	000
Contingent liabilities arising from Contracts including PPPs	000	000
Others	000	xxx
<b>Total</b>	<b>000</b>	<b>000</b>

*(No contingent liabilities)*

51. Capital Commitments

Capital Commitments	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Authorised for	000	000
Authorised and Contracted for	000	000
<b>Total</b>	<b>000</b>	<b>000</b>

*(No capital commitments)*

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

**52. Events After The Reporting Period**

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

**53. 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.

**54. Currency**

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

13. Appendices

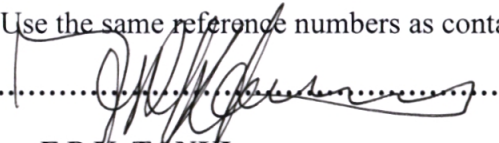
**Appendix 1: Implementation Status of Auditor-General Recommendations**

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	In-accuracies in the financial statements	Responded into accordingly	Resolved	
2.0	Unsupported balances	Responded into accordingly and supporting documents/correspondences obtained	Resolved	
2.1	Under-statement of revenue from exchange transactions	Responded into accordingly and nominoll roll cleaned	Resolved	
4	In accuracies in Property, plant and equipment- Property Valuation	The institution to engaged a government valuer upon availability of resources	Not resolved	31/12/2024
5	Lack of hand over reports	Official hand over to be organized later in collaboration with the local NMP and Ol'essos TTI	Not resolved	30/06/2024
6	Lack of Internal Audit Function	Internal Audit unit to be initiated	Not resolved	31/12/2023

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;

.....  


Name: F.P.K. TANUI  
 Accounting Officer  
 Chief Principal

Date 17/03/25

MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

**Appendix II: Projects Implemented by *Molo Technical and Vocational College***

**Projects**

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

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

**Status of Projects completion**

(Molo TVC didn't have any project)

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

MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

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



Molo Technical and Vocational College  
P.o. Box 405-20106,  
Molo

Molo Technical and Vocational College wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 20xx as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

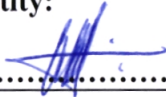
Confirmation of amounts received by Molo Technical and Vocational College as at 30 <sup>th</sup> June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2023				Amount Received by [Beneficiary Entity] (Kshs) as at 30 <sup>th</sup> June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
DTE/CAP9/32(37)	06/07/2022	500,000			500,000		
DTE/CAP9/31(37)	06/07/2022	500,000			500,000		
	26/10/2022	890,000			890,000		
	26/10/2022	500,000			500,000		
DTE/CAP9/30(42)	26/01/2023	2,296,000			2,296,000		

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DTE/CAP9/36(95)	27/06/2023	2,296,000			2,296,000		
Total		<u>6,982,000</u>			<u>6,982,000</u>		

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

**Head of Accountants department of beneficiary Entity:**

Name Mbuki Moses ..... Sign  ..... Date 17/03/2025 .....

MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

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

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

Molo TVC didn't incur any climate relevant expenditure

MOLO TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

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

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

Molo TVC didn't incur any disaster management expenditure