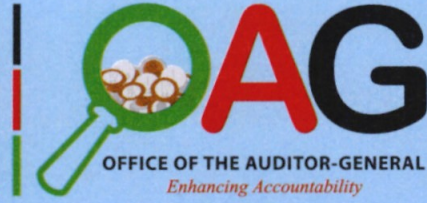


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THE AUDITOR-GENERAL

ON

**MWATATE TECHNICAL AND VOCATIONAL
COLLEGE**

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



MWATATE TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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Mwatate Technica and Vocational College
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1. Acronyms and Definition of Key Terms

A. Acronyms

BETA	Bottom-up economic transformation agenda
BOG	Board of Governors
GOK	Government of Kenya
MOE	Ministry of education
MTVC	Mwatate Technical Vocational College
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KNEC	Kenya National Examination Council
CDACC	Curriculum Assessment and Certification Council
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
TVET	Technical and Education Training.

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Mwatate Technical and Vocational College was incorporated/established under the TVET Act No.29 of 2013 by the government to provide business and technical skills. The College is domiciled in Kenya in Taita Taveta County, Mwatate Sub County on the hills along the Mwatate Wundanyi road ,about 188 km North of Mombasa and 353 km from the Nairobi City. The College is under the Ministry of Education. MTVC is built on a 7 acres piece of land registered by the TVETA as per the TVET Act 2013. The College implements both KNEC and CDACC curriculum as developed and examined by the examining boardies respectively. MTVC is partly staffed by the Ministry of Education through the State Department of Vocational and Technical Training, Directorate of TVET together with Board of Governors.

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

MTVC is furnished with the state of the art mechanical machines and equipment fully funded by the government of Kenya through the ministry of education. Since its inception in 2019 the institution has been faced with the challenge of low enrollment. This has affected adversely the operations of the institution. The College has tried to work closely and in collaboration with the local leaders to ensure growth, however minimum returns have been realized.

(b) Principal Activities

The principal activity of the College is to provide technical, vocational, entrepreneurship training and research.

(c) Key Management

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

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

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(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Mr. Gideon Gitonga
2	Deputy principal Academics	Mr. Chief Omwenga
3	Registrar (s)	Mr. Benard Ruto
4	Dean of students	Mr. Japhet Mutuku
5	Head of Finance	Outsourced - Taita Taveta National Polytechnic
6	Head of procurement	Outsourced – Taita Taveta National Polytechnic

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Audit and risk committee activities

Roles

Review Annual reports and financial statements.

Review the Quarterly Internal Audit reports, Internal Audit policies and Risk management policies.

Finance and operations committee activities

Roles.

Review draft Annual budgets and report to the full Board.

Review Annual reports and quarterly financial statements.

Academic committee activities

Roles

Formulate, review and recommend academic policies for implementation

(f) Entity Headquarters

Mwatate Technical and Vocational College

P.O. Box 215-80305

Mwatate-Kenya

(g) Entity Contacts

Telephone: 0778917185

Email: admin@mwatetetvc.ac.ke | mwatetetvc@gmail.com

Website: www.mwatetetvc.ac.ke

(h) Entity Bankers

Kenya Commercial Bank

Voi-Branch

Account Number-1276995253

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(i) Independent Auditors

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







Key Entity Information and Management (Continued)

(j) Principal Legal Adviser





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

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3.The Board of Governors





<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 CHRISTINE NYAMBURA MWAENGO	DOB: 23/09/1959 Key Qual.: B.Ed. Education Work Experience:32 Years Executive Member – Chair BOG
2.	 BONIFACE LEWELA MAGHANGA	DOB: 05/11/1983 Key Qual.: Bachelor of Business Management Work Experience:8 Years Executive Member – Finance ad HR Committee
3.	 JOHNSON MJOMBA MWAMBURI	DOB: 24/11/1952 Key Qual.: Business Administration Work Experience:33 Years Executive Member – Academic Committee
4.	 PETER MWAZIGHE JUMWA	DOB: 28/03/1977 Key Qual.: BSc Electrical and Electronic Engineering Work Experience:16 Years Independent Member – Audit and Risk Committee
5.	 ESTHER NJOKI	DOB: 28/11/1984 Key Qual.: MSc. Construction Project Management Work Experience: 13 Years Executive Member – Academic Committee
6.	 ALICE OLUDHE	DOB: 25/05/1961 Key Qual.: Masters in business administration – Strategic Management Work Experience: 25 Years Executive Member – Audit Committee

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7.	 RAPHAEL CHOLA	DOB: 07/07/1974 Key Qual.: Masters in electrical and Electronics Engineering Work Experience: 27 Years Executive Member – Representative of Governor – Academic Committee
8.	 ELIZABETH KATIO	DOB: 23/01/1983 Key Qual.: BSc. in Business Information Systems Work Experience: 8 Years Executive Member – Finance and HR Committee
9.	 GIDEON GITONGA	DOB: 30/06/1968 Key Qual.: B`ed business studies and economics Work Experience: 29yrs Executive Member – Secretary
10.	 PETER MWANGI	DOB: 1967 Key Qual.: Bachelor of Education Work Experience: 27 Years Executive Member – CD TVET – Academic and Audit Committee

Mwatate Technica and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

4. Key Management Team

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 GIDEON GITONGA	DOB:30/06/1968 Key Qual.: B`ed business studies and economics Work Experience: 25 Years Executive Member – Principal / Secretary to the Board of Governors.
2.	 PETER CHIEF OMWENGA	DOB:24/12/1968 Key Qual.: Bachelor of Education Work Experience: 25 Years The Deputy Principal
3.	 JAPHETH MUNYAO MUTUKU	DOB:15/03/1996 Key Qual.: Bachelor of mechanical engineering Work Experience: 3 Years Dean of student.
4.	 BENARD RUTOH KIPROTICH	DOB:07/01/1987 Key Qual.: Bachelor of Information Communication Technology Work Experience: 3 Years Registrar

5. Chairman's Statement

On behalf of the Board of Governors of Mwatate Technical and Vocational College (Mwatate TVC), I am pleased to present the Chairperson's Statement accompanying the Financial Statements for the year ended 30th June 2025. This statement reflects our oversight role in guiding institutional development, resource stewardship, and alignment with national, regional, and global frameworks.

The Constitution of Kenya (2010) provides the foundation for our governance, accountability, and inclusivity. Guided by the national values and principles of governance enshrined in Article 10, Mwatate TVC has ensured equity, transparency, and participation in resource allocation, program delivery, and decision-making. The college continues to uphold the Bill of Rights, particularly in guaranteeing access to education and skills training for all, including youth from marginalized communities.

The TVET Act (2013) establishes TVET institutions as engines of skills development and innovation for national transformation. Under this Act, the Board of Governors has exercised its mandate to ensure effective governance, quality assurance, and prudent financial management. During the year under review, the Board enhanced oversight of curriculum alignment, resource mobilization, and infrastructure development, ensuring Mwatate TVC remains compliant with statutory obligations while positioning itself as a model of excellence in vocational education. The Board has also overseen the rollout of Competency-Based Education and Training (CBET), ensuring that programs are market-driven and industry-aligned.

Our programs and investments continue to contribute to the global SDG agenda. Specifically:

- SDG 4 (Quality Education): Expanding access to competency-based education and training.
- SDG 8 (Decent Work and Economic Growth): Equipping trainees with employable skills that promote entrepreneurship and industrial growth.
- SDG 9 (Industry, Innovation, and Infrastructure): Investing in modern laboratories, ICT integration, and linkages with industry.
- SDG 13 (Climate Action): Mainstreaming greening practices through sustainable infrastructure, energy efficiency, and waste management.

Through financial accountability and targeted investments, Mwatate TVC continues to serve as a driver of local, national, and regional development in line with the SDGs.

Performance Contracting has remained a cornerstone of accountability and efficiency in the public sector. The Board ensured that all institutional targets for FY 2024/2025 were aligned with the performance contracting framework set by the Ministry of Education. Regular monitoring, evaluation, and reporting mechanisms were strengthened to track performance in areas such as quality training delivery, financial stewardship, human resource development, and stakeholder engagement.

This policy document recognizes TVET as the bedrock of industrial and socio-economic transformation in Kenya. Guided by Sessional Paper No. 1 of 2019, Mwatate TVC has prioritized the integration of industry linkages, competency-based training, and inclusivity in education. The

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Board approved targeted investments in infrastructure, staff training, and industry partnerships, ensuring the college is responsive to labour market demands.

The Board of Governors has provided strategic direction in aligning the institution to the Government's BETA Agenda. By emphasizing agriculture value-chain training, MSME support, ICT and digital skilling, and creative economy incubation, Mwatate TVC has enhanced its role as a partner in advancing the five priority pillars of BETA. Investments approved by the Board during FY 2024/2025 were aimed at enhancing graduate employability and entrepreneurship, particularly among the youth and women in Taita-Taveta County and beyond.

As we move into FY 2025/2026, the Board remains committed to strengthening governance structures, promoting financial sustainability, and deepening collaborations with county, national, and regional stakeholders. Our focus will continue to be on:

- Expanding infrastructure and modern training facilities.
- Enhancing digital learning platforms and greening initiatives.
- Scaling up entrepreneurship incubation and industry partnerships.
- Ensuring compliance with statutory, constitutional, and international obligations.

On behalf of the Board of Governors, I extend sincere appreciation to the Ministry of Education, development partners, the county government, management, staff, trainees, and all stakeholders for their dedication and partnership. Together, we have ensured that Mwatate TVC remains a beacon of hope, empowerment, and transformation in the region.

Md.....

Chair of the Council/Board

DATE........

6. Report of the Principal

Dear Stakeholder,

It is my distinct honour and privilege to present the Principal's Statement accompanying the Financial Statements for the year ended 30th June 2025. . This period has been characterized by both opportunities and challenges, but most importantly, it has provided Mwatate Technical and Vocational College (Mwatate TVC) with a renewed commitment to its mandate of providing quality technical and vocational training in line with national, regional, and international development frameworks. This report captures the financial performance and resource utilization for the college.

The Government of Kenya's BETA agenda underscores the central role of Technical and Vocational Education and Training (TVET) institutions in driving inclusive growth through skills development, job creation, and enterprise support. Mwatate TVC has aligned its training programs, partnerships, and financial management practices to contribute directly to the five key pillars of BETA: agricultural transformation, MSME development, housing and settlement, universal health coverage, and the digital and creative economy. During FY 2024/2025, our institution prioritized resource allocation towards curriculum development, expansion of practical training workshops, and collaborations with industry players to ensure graduates acquire market-relevant competencies that feed into this transformation agenda.

As the country continues its journey towards achieving Vision 2030, Mwatate TVC remains committed to producing a skilled workforce that drives industrialization, innovation, and entrepreneurship. Our financial planning has consistently emphasized investments in modern training equipment, ICT integration, and staff capacity building. These investments are intended to enhance quality training and research output, supporting Kenya's positioning as a globally competitive knowledge-based economy.

Regional integration within the EAC prioritizes harmonization of skills, qualifications, and labour mobility. Mwatate TVC continues to align its training and financial resource allocation with the EAC TVET harmonization framework. The college has strengthened collaborations with institutions across the region, enabling benchmarking and joint initiatives that promote employability of our graduates within the EAC labour market.

The TVET Blueprint and Vocational Training strategy emphasize inclusivity, quality assurance, industry linkages, and greening of TVET. In FY 2024/2025, Mwatate TVC prioritized budgetary allocations towards enhancing occupational health and safety, modernizing laboratories, and promoting sustainable practices such as energy efficiency and waste management in our workshops. These initiatives demonstrate our institutional commitment to developing resilient and environmentally conscious graduates.

Guided by the TVET Act of 2013 our institution has maintained prudent financial management practices anchored in transparency, accountability, and compliance with statutory requirements. During the year, we enhanced governance structures by strengthening the role of the Board of

Mwatate Technica and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Governors and the Finance Committee in ensuring effective oversight of resource mobilization and utilization.

Completion of renovations in the Welding and Fabrication Workshop, upgrades in ICT laboratories, and phased improvements in the Electrical Installation Lab.
Training and upskilling of staff in competency-based education and training (CBET) methodologies to align with global best practices.

Engagement with county government, private sector, and development partners to support acquisition of training materials, ICT infrastructure, and expansion of scholarship opportunities. Increased allocation to bursaries, mentorship programs, and entrepreneurship incubation centres, enabling wider access to training for youth from vulnerable backgrounds.

The FY 2024/2025 financial statements reflect our commitment to fiscal responsibility and efficient resource utilization. Despite fiscal constraints at national and county levels, we maintained prudent expenditure patterns while prioritizing critical areas such as training delivery, staff welfare, and infrastructure maintenance. We also continued to explore diversified revenue streams through consultancy services, income-generating units, and strategic partnerships with industry players.

As we transition into FY 2025/2026, Mwatate TVC will intensify efforts to:

- Deepen integration of ICT and digital learning in all programs.
- Expand industry linkages to enhance dual training opportunities.
- Strengthen research, innovation, and entrepreneurship incubation aligned with the BETA Agenda and Kenya Vision 2030.
- Mainstream greening initiatives in line with global sustainability goals and the Vocational Training 2030 framework.
- Enhance financial sustainability by implementing robust revenue diversification strategies.

I wish to express gratitude to the Board of Governors, management team, staff, trainees, partners, and all stakeholders for their unwavering support in realizing the institutional mandate. Our joint efforts continue to transform Mwatate TVC into a centre of excellence for skills training and innovation.

With firm commitment to our national, regional, and institutional priorities, I affirm that Mwatate TVC remains steadfast in its pursuit of producing competent, innovative, and ethical graduates who will shape the future of Kenya and the East African region.


.....
Mr. Gideon G.G

Principal/ BOG Secretary

Date.....

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7. Statement of Performance against Predetermined Objectives

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

MTVC develops its annual work plans based on 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2024/2025 period for its 4 strategic pillars, as indicated in the table below:

Strategic Pillar		Objective	Key Performance Indicators.	Activities	Achievements
Pillar 1:	Human Resource Development	To improve human resource capacity	Number of additional BOG staff engaged.	Employ more BOG staff	Additional BOG staff employed.
Pillar 2:	ICT	To fully integrate ICT in the Institute.	Number of ICT Equipment purchased and installed.	Purchase additional ICT equipment for the Institute. Train staff on needs of ICT.	ICT equipment purchased. More staff and technicians trained under the ODEL/LMS project.
Pillar 3:	Gender and youth development	To develop responsible youth to contribute to national development.	Number of Drug and substance Abuse and HIV/AIDS sensitization forums conducted.	Conduct Free medical camps, talks on Drug abuse Put free condoms at every strategic point in the institution	Information on drugs and substance abuse and HIV/AIDS provided by the Guidance and Counselling office.
Pillar 4:	Education and training	New and modern methods of Training enhanced	Introduce modern ICT learning and training methods.	New modern methods of Training enhanced.	Modern Training techniques in place such as online classes.

8. Corporate Governance Statement

Mwatate Technical and Vocational College is committed to the values and principles of good corporate governance as an integral part of corporate culture and guides the manner in which its Council, management, staff and students conduct the business of the organization. As a public organization dedicated to providing quality service to its stakeholders, the Institute's decisions are guided by the core tenets prescribed in the Public Officers Ethics Act, The Leadership and Integrity Act, The Authorities Code of Conduct, Corporate Governance Guidelines and Council Committee Charters. The Institute endeavours to develop, strengthen and sustain the trust that the Government, employees, students and general public has placed in it. The Council is committed to regular evaluation of national and international emerging standards in a responsible, transparent and efficient management, with a view of enhancing corporate governance at the Institution and consistently delivers on its statutory mandate.

Role of the Board of Governors

The primary function of the Council is to provide effective strategic leadership and direction to enhance the long-term achievement of the Institute's strategic plan. The strategic plan overall objective is to enhance the achievement of the Institute's objectives on priority basis and in line with the policies of the Ministry of Education (MOE), the Vision 2030 and the BETA agenda of the government.

The Board Size, Composition and Independence

The Council is made up of 10 members. Its composition draws a perfect mix of Qualifications, skills, experience, training and proficiencies in various fields.

Board Remunerations

The non-executive Council members earn sitting allowances for every meeting attended. Council fees are paid to non-executive Council members who do not represent any Government institution. The Board had four committees constituted as follows:

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Name of the Committee	Members
1. Audit and Risk Management committee.	Ms. Oudhe Alice Ms. Esther Njoki Mr. Peter Mwazighe
2. Finance and Human Resources Management committee.	Ms. Elizabeth Ndonge Mr. Boniface Lewela Mr. Raphael Chola Mr. Peter Mwangi
3. Academic, Research, Innovation and Student Affairs Committee	Mr. Joseph Mjomba Mr. Peter Mwangi Ms. Esther Njoki Mr. Raphael Chola

Board members are appointed by the Ministry of Education and serve a maximum of two terms of three years each. BOARD remuneration is in the form of sitting allowances for physical and virtual meetings attended.

9. Management Discussion and Analysis

Mwatate TVC continues to be the leading technical training institution in the region. In line with the Institute growth aspirations, the strategic plan (2023-2027) was based on the vision 2030, the BETA Agenda and other strategic priorities of the government as outlined in the constitution of Kenya 2010.

The Institute's core values have played a great role in realizing the Institute's dream of impacting skills for self-reliance. Other repair and maintenance works have also been done in the existing classrooms to ensure that the students stay in a conducive environment.

Mwatate TVC continues to face pressure on existing resources due to inadequate learning infrastructure caused by the increasing student enrolment.

The teachers and non-teaching staff to student ratio remain low.

We are looking forward to harnessing the strategic plan (2023 - 2027) to guide the Institute's future developments, improve service delivery and achieve set goals and objectives. We anticipate an increase in student enrolment, attain adequate staffing levels and improve learning infrastructure. I take this opportunity to thank our stakeholders for their continued support and partnership in the realization of our mandate.

10. Environmental And Sustainability Reporting Statement

Mwatate TVC exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer first, delivering relevant technical and practical training, and improving operational excellence. Below is a highlight of strategies and activities that promote the organization's strategic objectives.

Sustainability strategy and profile

The management of Mwatate TVC through its Board of Directors is committed towards achieving sustainability in its operations. They have put in measures to ensure minimal interference and maximum focus towards achieving its strategic goals. The management has put in great strides to gain political goodwill that is vital for the existence, growth and expansion of the institution. There have been engagements with local leaders on issues affecting the institute.

Environmental performance

Mwatate TVC continues to take an interest in environmental conservation and management. It boasts a strong department managing environmental conservation, engaging in activities such as tree planting activities at least once every term, an activity that brings on board both the management and the students.

The students also participate in tree planting and waste collection and management activities within the surrounding environments including Voi town area especially during the college community days in an attempt to speed up environmental conservation and keep the environment safe.

Employee welfare

Human Resource development remains a major strategic pillar of Mwatate TVC. Staffs are hired on merit through a thorough recruitment process starting from the advertisements to shortlisting to interviews.

The Institute staff gender ratio is balanced with people with disabilities and women given priority during the recruitment process. Staffs are continually appraised as this helps to improve their efficiency with promotions done when necessary. Outstanding members of staff are awarded during the college open days for their performances. The institute also undergoes Health and safety checks done by the County Government department of health services to ensure its environments are fit for stay.

Market place practices-

a) Responsible competition practice.

The institute ensures adherence to principles of fair competition as outlined in the constitution. It also creates awareness and has made tremendous efforts in the fight against corruption through sensitization forums and corruption reporting boxes installed at strategic places. The institute conducts its activities and engagements in respect to the community values but does not bend to any political influence as it seeks to provide equal opportunities to all. There is an open and transparent registration and recruitment process.

b) Responsible Supply chain and supplier relations

The institute has committed to maintain good working relationships with its creditors by ensuring equal and fair treatment when it comes to award of tenders. It also operates in line with the public procurement laws. Creditors are paid on time following availability of funds. The creditors are however required to provide high quality goods and services.

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

The Institute has continued to conduct extensive marketing of its services through legal and reputable print, audio and visual media sources. There has also been road show and door to door distribution of brochures as it strives to have a personal touch with the outside community and clients. Prompt feedback and good customer relationships also enables the institute to maintain a good relationship with its customers

d) Product stewardship or Awareness Creation

The institute offers high quality accredited academic programs and has highly qualified trained personnel. Students are given an equal opportunity to participate in sports, games and other extra-curricular activities. The institute has a dispensary and a trained nurse in an attempt to ensure access to emergency healthcare. Staffs are given an equal opportunity in their career advancements by attending seminars, workshops and trainings.

Corporate Social Responsibility / Community Engagements

In line with its mission and values, MTVC is sensitive to the impact of our activities on our students, employees, partners and other stakeholders, as well as on the community and its environment.

The College is committed to maintaining standards, respect and accountability across all its activities, including: treating employees fairly and with respect, support staff development through allowing staff to attend trainings and workshops, volunteering in community, county, and national government activities

Most of the students reside within the college. This has boosted local investments especially through construction of more hostels, rental houses and food joints.

The College purposes to continue collaborating with all stakeholders on issues that benefit the development of the country, growth of industries as well as giving back to the society. MTVC therefore shall continue to play its crucial role towards attainment of vision 2030 and the BETA Agenda as spelt out clearly in the Government priorities areas under the social, political and economic pillars.

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

11. Report of the Council/Board of Governors

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

Principal activities

The principal activities of the *MTVC* is to train skilled workforce that is suitable for further professional development through high quality inclusive market oriented TVET programmes, responsive to national and global needs.

Results

The results of the entity for the year ended June 30th 2025 are set out on page 1

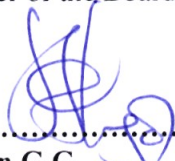
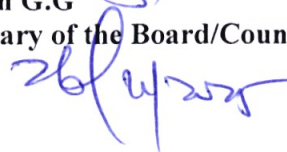
Council/Board of Governors

The members of the Board /Council who served during the year are shown on page Vii - Viii. During the year no director retired/ resigned and none was appointed with effect from July 1st 2024.

Auditors

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

By Order of the Board


.....
Gideon G.G
Secretary of the Board/Council
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 Board members to prepare financial statements in respect of that MTVC, which give a true and fair view of the state of affairs of the MTVC at the end of the financial year/period and the operating results of the entity for that year/period. The Board members are also required to ensure that the MTVC keeps proper accounting records which disclose with reasonable accuracy the financial position of the MTVC. The council members are also responsible for safeguarding the assets of the MTVC.

The Board members are responsible for the preparation and presentation of the MTVC financial statements, which give a true and fair view of the state of affairs of the MTVC for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the MTVC, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the MTVC 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. The Board members are of the opinion that the MTVC financial statements give a true and fair view of the state of MTVC transactions during the financial year ended June 30, 2025, and of the MTVC financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the MTVC, which have been relied upon in the preparation of the MTVC financial statements as well as the adequacy of the systems of internal financial control.

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

Mwatate Technica and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Approval of the financial statements

The MTVC financial statements were approved by the Board on 29-08-2025 and signed on its behalf by:

.....
Name:
Chairperson of the Board/Council

.....
Name:
Accounting Officer/Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mwatate Technical and Vocational College set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of change in net assets, statement of cash flows, 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 Mwatate Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Educational Training Act No. 29 of 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccurate Transfers from the National Government

The statement of financial performance reflects transfers from the National Government of Kshs.2,000,000 while Note 6 to the financial statements discloses an amount of Kshs. 2,500,000. The resulting variance of Kshs 500,000 was not reconciled or explained.

In the circumstances, the accuracy and completeness of transfers from the National Government of Kshs.2,000,000 could not be confirmed.

2. Long Outstanding Student Accounts Receivables

The statement of financial position and Note 14 to the financial statements reflect current portion of receivables from exchange transactions balance of Kshs.17,289,770. Review of the supporting documentation revealed that Kshs.12,092,458 of the balance has been outstanding for a period exceeding two years. No evidence of steps undertaken to recover the long outstanding amounts was provided for audit review.

In the circumstances, the valuation and recoverability of current portion of receivables from exchange transactions balance of Kshs.17,289,770 could not be confirmed.

3. Inaccurate and Unsupported Property, Plant and Equipment Balance

The statement of financial position and Note 17 to the financial statements reflects property, plant and equipment balance of Kshs.183,098,442. However, property, plant and equipment balance was not subjected to depreciation as required. Further, some classes of assets owned by the College were omitted from the asset movement schedule including the parcel of land on which the College is constructed which was not supported by land ownership documents

In the circumstances, the completeness, ownership, existence, and valuation of property, plant and equipment of Kshs.183,098,442 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mwatate Technical and Vocational College Management in accordance with ISSAI 130 on the Code of Ethics.

I have fulfilled other ethical responsibilities in accordance with the ISSAI and in

accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipt budget and actual on a comparative basis of Kshs.10,207,830 and Kshs.5,510,519 respectively resulting in an income shortfall of Kshs.4,697,311 or 46% of the budget. Similarly, Management spent Kshs.4,748,776 against actual receipts of Kshs.5,510,519 resulting in under absorption of Kshs.761,743 or 14% of the actual receipts.

The under realization and under absorption affected implementation of planned activities and negatively impacted on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the College in 2024/2025 revealed that the following eight (8) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Irregular approval of financial statement
2	2023/2024	Property Plant and Equipment
3	2023/2024	Late submission of financial statements
4	2023/2024	Un-approved Budget
5	2023/2024	Failure to remit statutory deduction
6	2023/2024	Non-Functional Audit Committee
7	2023/2024	Lack of Internal Audit Services
8	2023/2024	Lack of Risk Management Policy

Other Information

The Management is responsible for the Other Information set out on page iv to xxiii which comprise of Key college Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Corporate Governance Statement, Management Discussion and Analysis, Environmental and

Sustainability Reporting, Report of the Board of Governors, Statement of Directors Responsibilities and Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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. Weak Governance on Audit and Risk Management Framework

Review of the governance and internal control structures of the College revealed significant weaknesses in risk management systems. Although the College reported having four board committees, including audit and risk management committee, no evidence of committee activities, minutes, or board expenses was provided for audit review. Further, the College did not provide a risk management policy framework or demonstrated the existence of fraud prevention mechanisms.

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

2. Non-Compliance with Governance Requirements for Training Institutions

Review of the College's governance framework revealed that no meetings of the board of governors or committees were held during the year under review. Management did not provide board minutes, attendance registers, resolutions, or any evidence of meetings convened to demonstrate compliance with governance requirements under the Technical and Vocational Education Training Act. This is contrary to Paragraph 11(1) of the Second Schedule to the Technical and Vocational Education Training (TVET) Act, 2013, which requires that a Board of Governors meet at least once every four months to provide strategic direction, oversight, and effective institutional governance.

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

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

Responsibilities of the Management and Board of Management

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

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

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

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

The Board of Management is responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that

effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 December, 2025

Mwatate Technica and Vocational College
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14. Statement of Financial Performance For The Year Ended 30 June 2025

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from Non - Exchange transactions			
Transfers from the National Government – grants/ gifts in kind		2,000,000	2,000,000
Total Revenue from non-exchange transactions		2,000,000	2,000,000
Revenue from Exchange transactions			
Rendering of services- fees from students	7	8,207,831	6,725,040
Revenue from Exchange transactions		8,207,831	6,725,040
Total Revenue		10,207,831	8,725,040
Expenses			
Use of goods and services	8	3,315,981	3,213,410
Employee costs	9	1,394,835	995,500
Board /Council Expenses	10	14,000	180,500
Depreciation	11	0	-
Repairs and maintenance	12	23,960	3,500
Total Expenses		4,748,776	4,392,910
Net surplus/(deficit) for the year		5,459,055	4,332,130

The notes set out on pages 8 to 40 form an integral part of the Annual Financial Statements.

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

.....
Chairman of Council/Board
Date 28/6/25

.....
Principal
Date 28/6/25

.....
Finance Officer
ICPAK No
Date 28/6/25

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

Description	Notes	2024-2025	F2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	13	899,072	137,329
Current portion of receivables from exchange transactions	14(a)	17,289,770	12,092,458
Receivables from non-exchange transactions	15	500,000	1,000,000
Total Current Assets		18,688,842	13,229,787
Non-Current Assets			
Property, plant, and equipment	17	183,098,442	171,445,542
Total Non-Current Assets		183,093,442	171,445,542
Total Assets (A)		201,787,284	184,675,329
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions		-	-
Total Current Liabilities		-	-
Total Liabilities (B)		-	-
Net Assets (A-B)		201,787,284	184,675,329
Represented By:			
Revaluation Reserves		183,098,442	171,445,542
Accumulated Surplus		18,685,842	13,226,787
Capital Fund		3,000	3,000
Net Assets		201,787,284	184,675,329

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


.....
Chairman of Council/Board

Date 26/11/25.....


.....
Principal

Date 26/11/25.....


.....
Finance Officer

ICPAK No
Date 26/11/2025.....

16. Statement of Changes in Net Asset For The Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023	183,098,442	8,894,657	3,000	191,996,099
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	4,332,130.	-	4,332,130
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	183,098,442	13,226,787	3,000	196,328,229
At July 1, 2024	183,098,442	13,226,787	3,000	196,328,229
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	5,459,055	-	5,459,055
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2025	183,098,442	18,685,842	3,000	201,787,284

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17. Statement of Cash Flows For The Year Ended 30 June 2025

Description		2024-2025	2023-2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities - Grant	6	2,500,000	2,000,000
Transfers from other National Government entities- Capitation		-	-
Rendering of services- fees from students		3,010,519	2,477,102
Total Receipts		5,510,519	4,477,102
Payments			
Use of goods and services	8	3,315,981	3,213,410
Employee costs	9	1,394,835	995,500
Board /Council Expenses	10	14,000	180,500
Repairs and maintenance	12	23,960	3,500
Total Payments		4,748,776	4,392,910
Net Cash Flows from operating activities		761,743	84,192
Cash flows from investing activities			
Cash flows from financing activities		0	0
Net cash flows used in financing activities			
Proceeds From Borrowing - Payables		0	0
Repayment Of Borrowings			0
Net Cash Flows from financing activities		0	0
Net Increase/(Decrease) in Cash and Cash equivalents		761,743	84,192
Cash and Cash equivalents at 1 JULY 2024		137,329	53,137
Cash and Cash equivalents at 30 JUNE 2025		899,072	137,329

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17(a) Cashflow Reconciliation

	Description of Particulars	Amount in Kshs
	Net Cash Flows from operating activities	761,743
1	Cash and Cash equivalents at 1 JULY 2024	137,329
	Closing Cash and Cash Equivalent as per the statement of Cash flows	899,072

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities- Grant	2,000,000	0.00	2,000,000	2,500,000	500,000	20
Transfers from other National Government entities – Capitation	0.00	0.00	0.00	0.00	0.00	0
Rendering of services- fees from students	8,207,830	0.00	8,207,830	3,010,519	5,197,312	63
Total Income	10,207,830	0.00	10,207,830	5,510,519	5,697,312	
Expenses						
Use of goods and services	5,692,710	0.00	5,692,710	3,315,981	2,376,730	42
Employee costs	948,000	0.00	948,000	1,394,835	446,835	47
Board /Council Expenses	1,060,000	0.00	1,060,000	14,000	1,046,000	99
Repairs and maintenance	400,000	0.00	400,000	23,960	376,040	94
Depreciation	0.00	0.00	0.00	0.00	0.00	0
Total Expenditure	8,100,710	0	8,100,710	4,748,776	3,351,935	41
Surplus For the Period	-	0	0	761,743	0	0

Budget notes

The under absorption in revenue collection and expenditure was due to low enrollment and poor school fees payment by students.

18(a) Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	761,743
1	Cash and Cash equivalents at 1 JULY 2024	137,329
	Closing Cash and Cash Equivalent as per the statement of Cash flows	899,072

19. Notes to the Financial Statements

1. General Information

MTVC is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is provision of Technical Education.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i>

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	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of

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	<p>mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
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iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on *22nd October, 2024*. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Biological Assets

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

i) Research and development costs

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

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

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

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge*

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accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and

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foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity.

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

Inventories (Continued)

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

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

m) Social Benefits

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

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

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements

The MTVC analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the MTVC 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 MTVC also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

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

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6. Transfers from other National Government entities

Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	0	0
Operational Grant	2,500,00	2,000,000
Development grants	0	0
Other Grants	0	0
Total unconditional Grants	2,500,000	2,000,000
Total Government Grants and Subsidies	2,500,000	2,000,000

(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	Comparative FY 2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry of Education	2,500,000	0	0	2,500,000	2,000,000
Total	2,500,000	0	0	2,500,000	2,000,000

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7. Rendering of Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Exam	278,900	187,000
E.w.c	0	212,000
Pe	0	1,429,855
Local travel and transport	814,539	1,770,080
Caution money	0	
College id	0	5,400
Repairs and maintenance	0	18,000
Administration cost	538,000	610,383
B.O.M allowance	0	457,620
Tuition	6,491,092	1,499,202
Activity	0	295,000
Development	0	
Industrial attachment	0	100,000
Student council	0	
Internet & postage	0	122,000
Registration fee	85,300	18,500
Total Grants from the Rendering of Services	8,207,831	6,725,040

These are amounts charged to students based on an approved fee's structure. The amount paid by each student either through their own means, parents, bursary or HELB.

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8. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Local travel and transport	1,613,030	2,008,435
Administration cost	381,841	310,103
Training and capacity building	13200	0
Internet and postage	105,361	41,900
Marketing and publicity	81000	0
Activity	206,924	227,857
EWC	138,193	258,605
TUITION	399,364	324,310
EXAM FEE	377,068	42200
Total good and services	3,315,981	3,213,410

9. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	1,394,835	995,500
Employee related costs - contributions to pensions and medical aids	0	0
Employee Costs	1,394,835	995,500

10. Board/Council Expenses

Description	2022-2023	2022-2023
	Kshs	Kshs
Chairman's Honoraria	0	0
Directors Emoluments	14,000	180,500
Total	14,000	180,500

11. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	0	0
Intangible assets	0	0
Investment property carried at cost	0	0
Total depreciation and amortization	0	0

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12. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Property		
Furniture and fittings	23,960	3,500
Computers and accessories	0	0
Total Repairs and Maintenance	23,960	3,500

13. Cash and Cash Equivalents

Description	202-2025	2023-2024
	Kshs	Kshs
Current Account	897,508	136,786
On - Call Deposits	0	0
Fixed Deposits Account	0	0
Staff Car Loan/ Mortgage	0	0
Cash in hand	1564	543
Total Cash and Cash Equivalents	899,072	137,329

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

Financial Institution	Account number	2023-2024	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank		897,508	136,786
Sub- Total		897,508	136,786
b) Others			
Cash in Hand		1,564	543
Sub- Total		1,564	543
Grand Total		899,072	137,329

14. Receivables from Exchange transactions

14 (a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	17,289,770	12,092,458
Less: Impairment Allowance	0	0
Total Current Receivables	17,289,770	12,092,458

14 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	5,197,312	30.	4,247,938	32.5
Between 1- 2 years	3,269,938	18.7	4,218,480	32.2
Between 2-3 years	4,208,520	24.4	4,625,000	35.3
Over 3 years	4,614,000	26.7	0	0
Total (a+b)	17,289,770	100	12,092,458	100

15. Receivables from Non-Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Capitation Grants	500,000	1,000,000
Total Current Receivables	500,000	1,000,000

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

Description	2024-2024		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	500,000	100	1,000,000	100
Between 1- 2 years	0.00	0	0.00	0
Between 2-3 years	0.00	100	0.00	0
Total	500,000	100	1,000,000	100

16. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable stores	0	0
Maintenance stores	0	0
Electrical stores	0	0
Cleaning Materials stores	0	0
Catering stores	0	0
Less: Impairment allowance	0	0
Total Inventories at lower of Cost and Net Realizable Value	0	0

The College did not have in place closing inventory at the closure of the year.

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17. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (Water tanks)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2021	0	53,977,893	0	10,224,900	228,000	117,467,649	1,200,000	0	183,098,442
Additions	0	0	0	-	0	-	0	0	0
Disposals	0	0	-	-	0	-	0	0	0
Transfers/Adjustments	0	0	0	0	0	-	0	0	-
At 30th June 2024	0	53,977,893	0	10,224,900	228,000	117,467,649	1,200,000	0	183,098,442
Depreciation.	0	0	0	0	0	0	0	0	0
Net Book Values	0	53,977,893	0	10,224,900	228,000	117,467,649	1,200,00	0	183,098,442
At 30th Jun 2022	0	53,977,893	0	10,224,900	228,000	117,467,649	1,200,00	0	183,098,442

The college had no work in progress during the year.

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Notes to the Financial Statements (Continued)

18. Cash generated from operations.

	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities - Grant	6	2,500,000	2,000,000
Transfers from other National Government entities- Capitation		0	-
Rendering of services- fees from students	7	3,010,519	2,477,102
Total Receipts		5,510,519	4,477,102
Payments			
Use of goods and services	8	3,315,981	3,213,410
Employee costs	9	1,394,835	995,500
Board /Council Expenses	10	14,000	180,500
Repairs and maintenance	12	23,960	3,500
Total Payments		4,748,776	4,392,910
Net Cash Flows from operating activities		761,743	84,192

19. 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
At 30 June 2024				
Receivables from exchange transactions	12,092,458	12,092,458	0	0
Receivables from non-exchange transactions	1,000,000	12,092,458	0	0
Bank balances	136,786	136,786	0	0
Total	13,229,244	13,229,244	0	0
At 30 June 2025				
Receivables from exchange transactions	17,289,770	17,289,770	0	0
Receivables from non-exchange transactions	500,000	500,000	0	0
Bank balances	897,508	897,508	0	0

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Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
Total	18,687,278	18,687,278	0	0

Financial risk management (continued)

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

The entity has significant concentration of credit risk on amounts due from 18,687,278

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.

(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.

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.

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	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	0	0
Accumulated funds	18,685,842	13,287,567
Capital Reserve	0	0
Total Funds	18,685,842	13,287,567
Less: Cash and Cash Equivalents	899,072	136,786

20. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Transactions with Related Parties		
a) Grants /Transfers from the Government		
Grants from National Govt	2,500,000	2,000,000
Grants from County Government	0	0
Donations in Kind	0	0
Total	2,500,000	2,000,000
b) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Employees	1,394,835	995,500
Payments for Goods and Services	3,315,981	3,213,410

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Description	2024-2025	2023-2024
	Kshs	Kshs
Total	4,710,816	4,208,910
c) Key Management Compensation		
Directors' emoluments	14,000	180,500
Compensation to Key Management	0	0
Total	14,000	180,500

21. Events After The Reporting Period

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

22. 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.

23. Currency

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

24. 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.	Irregular approval of the financial statements	The management commits to be keen while preparing the financial statement to avoid typo errors and omissions.	Resolved	N/a
2.	Property, plant and equipment	The management is committed to ensure depreciation policy is developed and implemented	Not resolved	FY 2025-2026
3.	Late submission of financial statements	The management is committed to prepare and submit the financial statement on or before 31 st of August each year as required by law.	Resolved	N/a
4.	None functional audit Committee	The management committee to ensure the audit committee is fully functional	Not resolved	FY 2025-2026
5.	Lack of internal audit services	The management has resolved to get internal audit services from other TVET Institutions.	Resolved	N/a
6.	Lack of risk management register	The management has developed a risk management register.	Resolved	N/A

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Guidance Notes:

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



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Name: Gitonga G.G
Accounting Officer
(Principal)

Date 26/6/2025

Appendix II: Projects Implemented by MTVC

The management did not implement any project during the financial year 2024-2025.

Appendix III- Inter-Entity Confirmation letter

Name of transferring entity: Ministry of education

Name of beneficiary entity: MTVC

Confirmation of amounts received by MTVC as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	15/07/2024	500,000	0	500,000	4 th Quarter FY 2024-2025
	02/10/2024	500,000	0	500,000	1 st quarter FY 2024-2025
	21/01/2025	500,000	0	500,000	2 nd Quarter FY 2024-2025
	04/06/2025	500,000	0	500,000	3 rd Quarter FY 2024-2025
	17/06/2025	500,000	0	500,000	4 th Quarter FY 2024-2025
Total		2,500,000	0	2,500,000	

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

Head of Accounts Department - Disbursing Entity:

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Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name Sign Date.....