

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
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DATE	24 FEB 2025
REPORT	DAY. Tuesday
TABLED BY:	Deputy Leader Majority Party Hon. Owen Baya, MP
CLERK-AT THE-T	OF Mr. Benson Irzafa.

THE AUDITOR-GENERAL

ON

**MBEERE NORTH TECHNICAL AND
VOCATIONAL COLLEGE**

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

Revised 30th June 2025



MBEERE NORTH 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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Mbeere North Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
DOB	Date Of Birth
NBV	Net Book Value
HELB	Higher Education Loans board

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the Mbeere North TVC's financial resources.

Comparative Year- Means the prior period.

1. Key Mbeere North TVC Information and Management

(a) Background information

Mbeere North Technical & Vocational College was established in 2022 to provide technical and vocational education and training in accordance with TVET act 2013(Section 26) The college opened its gate to trainees' admission in 2022 and it's providing technical education in areas of Electrical Engineering, Information Technology, Building and Civil Engineering Technology, Agriculture, Plumbing, welding and fabrication, hair dressing and beauty therapy, food and beverage and fashion and design.

(b) Principal Activities

The Principal activity for Mbeere North Technical and Vocational College is to train competent and innovative manpower in TVET to meet the changing needs of the industry and for self- sustainability under TVETA Act 2013.

(c) Key Management

The Institutes day-to-day management is under the following key organs:

- Board of Governors members
- Accounting officer/ Principal
- Management
- Head of departments

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Ms Eunice W. Njenga
2.	Deputy Admin	Mr Henry Nyaga Ngari
3.	Deputy principal Academics	Mr Peter Kinyua
4.	Registrar	Mr Kelvin Maundu Kyalo
5.	Dean of trainees	Mr Sigei Bradon
6.	Head of Finance	Ms Placida Wanyaga Njage

(e) Fiduciary Oversight Arrangements

- *Audit and risk committee activities- Ensure there are proper internal controls to safeguard college assets and financial resources.*
- *Academic/Welfare committee activities include overseeing the academic performance and welfare of trainees, staffs and BOG members*
- *Finance and Human Resource committee: activities include planning and budgeting, implementation and evaluation of planned activities and recruitment of new staffs.*

(f) Mbeere North TVC Headquarters

P.O. Box 74-60104.
Siakago.
Embu.
About 3 km from Siakago market

(g) Mbeere North TVC Contacts

Telephone :(254) 797899823.
Mbeerenorthtvc@gmail.com

(h) Mbeere North TVC Bankers

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

Other Commercial Banks
Equity Bank,
Account no: 0190283783279
KCB account no: 1302288881
Embu- Branch

(i) Independent Auditors

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




Key Mbeere North TVC 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

**XXX TTI/TVC /National Polytechnic/Teacher Training College
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2. Board of Governors

PHOTO AND NAME OF THE BOG MEMBER	DATE OF BIRTH, PROFESSIONAL, ACADEMIC QUALIFICATION & EXPERIENCE	BOARD RESPONSIBILITY
<p>PROF. ENOS HUDSON NTHIA NJERU</p> 	<p>DOB 20/11/1951 Post – Doctrine Training: Social Medicine/ Medical Anthropology Ph.D. (Cultural Anthropology) Graduate Courses (in Anthropology) M.A. (sociology) B.A (sociology)</p>	<p>BOG Chairperson</p>
<p>Dr. Dominic Murage Njeru</p> 	<p>DOB Doctor of Philosophy (PhD) in business Administration – Finance Option Master of Business Administration (MBA) (Accounting Option) Master in Tax and Customs Administration (ongoing) Certified Public Accountant (CPAK) Certified Secretary – CS (K) Certified Investment & Finance Analyst – CIFA(P1) ISO- Quality Management Systems – Lead Auditor ISO-Quality Management Systems – Auditor</p>	<p>Finance, Human Resource and Planning Committee Chairperson. Academic Committee Member</p>
<p>Dr. Andelina M.Muthuri</p> 	<p>DOB 18/12/1967 PhD in Educational Administration and planning. Masters in Educational Administration Bachelor of Education in home economics</p>	<p>County Director. Finance Committee Member. Academic Committee Member.</p>


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<p>CPA Peter Njui Kabando</p> 	<p>2021: MBA (Finance) – Jomo Kenyatta University of Agriculture and Technology 2014: BCOM (Finance) – The Catholic University of Eastern Africa, Nairobi. 2009: Certified Public Accountant (Kenya)</p>	<p>Member Finance Committee. Member Academic Committee.</p>
<p>Ms. Rose Nguru</p> 	<p>PhD Clinical Psychology Daystar University (on-going) 2023: MA Counselling Psychology Daystar University 1998: Bachelor of Arts in Education Kenyatta University 2008: Higher Diploma in Human Resource Management. Institute of Human Resource Management.</p>	<p>Member Finance Committee Member Audit committee</p>
<p>Mr. Joseph Ileri</p> 	<p>DOB 3rd January 1989 2011-2015: BSC Environmental Health Kenyatta University 2014: certificate in leadership, mentorship and management Kenyatta University.</p>	<p>Member Finance Committee</p>

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<p>Ms. Matilda Wakere Mbugi</p> 	<p>2016: Master Business Administration Kenyatta University B Comm. Accounting Option Daystar University</p>	<p>Audit Committee Chairperson Academic Committee Member</p>
<p>Dr. Nelly Cherono Kiplangat</p> 	<p>2021: PhD Civil Engineering (Water and Environmental Engineering, The Technical University of Kenya 2017: Msc. Geospatial Information Systems and Remote sensing Jomo Kenyatta University of Agriculture and Technology 2014: BSc. Soil Water and Environmental Engineering, Jomo Kenyatta University of Agriculture and Technology</p>	<p>Academic Committee Chairperson Audit Committee Member</p>
<p>Mr. Rajab Ali Iha</p> 	<p>DOB: 12/10/1992 BSC Information Technology</p>	<p>Finance Committee Member Audit Committee Member</p>

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<p>Ms. Eunice Wairimu Njenga</p> 	<p>DOB:21ST Sept, 1971 MA Project Management- university of Nairobi (UON) BA Project Planning management (UON) Higher diploma education management –Kenya school of TVET Diploma technical education – KSTVET Diploma institutional management- The Technical University of Kenya</p>	<p>Principal /Secretary to the Board</p>
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3. Key Management Team

<p>Ms. Eunice Wairimu Njenga</p> 	<p>DOB: 21ST Sept, 1971 MA Project Management- university of Nairobi (UON) BA Project Planning management (UON) Higher diploma education management –Kenya school of TVET Diploma technical education – KSTVET Diploma institutional management- The Technical University of Kenya</p>	<p>Principal /Secretary to the Board</p>
<p>Mr Henry Nyaga</p> 	<p>DOB 4th May 1976 Bachelor of Technology (computer technology) Diploma in information technology Diploma in Technical Education.</p>	<p>Deputy Principal Administration and Finance</p>
<p>Mr Peter Kinyua</p> 	<p>D.O.B: 19th December 1975 Bachelor of Education (science) Master of Science (Electronic & Instrumentation)</p>	<p>Deputy Principal Academics</p>

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<p>Mr. Kelvin Maundu Kyalo</p> 	<p>DOB Bachelor of Science (Software Engineering) Software application for electronics Mobile App Development KCSE A- KCPE A</p>	<p>Registrar</p>
<p>Mr Sigei Bradon</p> 	<p>DOB 19/12/1988 2021: Diploma in Technical Trainer Education Diploma in Electronics Engineering</p>	<p>Dean</p>
<p>Ms Placida Wanyaga Njage</p> 	<p>DOB 5th March 1988 Certified Public Accountant (CPA K)</p>	<p>Accountant</p>

4. Chairman's Statement

Mbeere North Technical and Vocational College is an integral part of the development of the Kenyan society. As one of the registered providers of vocational education and training. Our positioning statement "skills development for industry" reinforces our focus on providing skilled graduates, innovative workforce to develop solutions for businesses and industry and strong vocational education outcomes for everyone. We are an inclusive college that provides learning opportunities for all those eligible.

Our staff is well qualified, responsive and committed to providing quality services. Our industry, community and Government partnerships are strong and mutually beneficial. We foster professional and social connections for our trainees and the society at large. In a changing external environment these connections are becoming more valuable as the society looks to our college for relevant, demand-driven training and services.

I am not only proud of the pathways we offer young people from schools to employment and lifelong learning, but also the services we provide to businesses and industry to help them achieve their business goals. Additionally, I delight with the quality we bring to vocational education which has been recognized through our trainees.

Our Strategic plan sets out how Mbeere North Technical and Vocational College will:

- Strengthen the fabric of our community and society at large.
- Be positioned to respond to local, national and international changes.
- Deliver what is needed to build workforce solutions.
- Be able to take advantage of the opportunities in a competitive environment.
- Have the ability to respond to diverse community and industry needs.
- Maintain quality of excellence.

I am confident that Mbeere North Technical and Vocational College will achieve higher status and leadership in Technical, Vocational Education and Training and will continue to grow as we move towards the achievement of Kenya's Vision 2030.

We look forward for continued participation of our key stakeholders especially the Ministry of Education on timely resource support to ensure efficient implementation of the set-out strategies in support of the realization of vision 2030.

Challenges

- i. The college has a challenge with the road connecting to the college which is felt more during the rainy season because the road is impassable.
- ii. Overstretched infrastructure in reference to trainees' population.
- iii. Insufficient resources; that is trainers, equipment's and training materials.

Prepared by ENOS NJERU
B.O.G. Chairman

Date

24/11/25



5. Report of the Principal

Mbeere North Technical & Vocational College was established in 2022 to provide technical and vocational education and training in accordance with TVET act 2013(Section 26) The College opened its gate trainee's admission in 2022 and it's providing technical education in seven departments:

Electrical Engineering, Information Technology, Building and Civil Engineering Technology, Agriculture, Plumbing, welding and fabrication, hair dressing and beauty, food and beverage and fashion and design.

Currently the trainees' enrolment is two thousand five hundred and sixty-four as per the admission register. The college has twelve trainers under the board of governors and twenty-five public service trainers.

The non-teaching staffs are three in number.

Academic Departments

The departments in the College Include:

1. Mechanical Engineering (automotive, welding) – with course levels 3,4,5,6.
2. Hospitality (clothing, food and beverage, culinary arts, hair and beauty therapy, fashion design) – level 3,4,5,6
3. Computing and informatics – level 4,5,6
4. Agriculture- level 3,4,5
5. Building technology (plumbing, masonry)
6. Electrical engineering –level 3,4,5,6

The source of student's population is from self-sponsored and some partly -sponsored by the government through scholarships, HELB and Bursaries.

Proposed projects/activities for 2024/2025 FY

- i. Construction of an ablution block
- ii. Fixing of gutters
- iii. Construction of gabions
- iv. Improvement works
- v. Construction and equipping of trainees Workshops
- vi. Recruitment of additional staff.

The College has been able to carry out its daily operations throughout the year and pay its suppliers.

Sources of funds

1. Capitation grants from Government.
2. Fees from students.
3. HELB loans to students.
4. Government scholarships.

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Challenges

1. Inadequate infrastructure to accommodate the growth of enrolment of trainees.
2. Lack of adequate teaching staff.
3. Poor road network especially during rainy season.

Prepared by: **Eunice W. Njenga (Mrs)** Sign:  Date: 24/11/2025



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6. Statement of Performance against Predetermined Objectives

Mbeere North TVC has 3 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2023- FY 2027. These strategic pillars are as follows:

Pillar/ theme/issue 1: Science, Technology and Innovation

Pillar/ theme/ issue 2: Education and Training

Pillar/ theme/ issue 3: Human Resource Development

Mbeere North TVC develops its annual work plans based on the above 3 pillars. Assessment of the board’s performance against its annual work plan is done on a quarterly basis. The *TVC* achieved its performance targets set for the FY 2024/25 period for its 3 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
To improve Science, technology and innovation (ST&I) in MNTVC	i. Upgrade science and technology curriculum	-% of science and technology programs aligned with industry needs;	Introduction of CBET courses aligned to industry	Fifty six courses licenced under CBET
	ii. strengthen industry linkages	-Number of active MoUs;	College has MoUs with industries for training	Five (5) MoUs
	iii. Re- skilling of staff	Number of joint projects or internships offered	College engaged interns in secretarial and trainers	5 intern trainers 1 secretary
	iv. 6. Integrate digital learning	-Number of trainers trained in new technologies -number of student accessing digital platforms	Capacity building of trainers Trainees are trained on AJIRA , working online and research	23 trainers trained on CBET and CBET modularised curriculum More than two hundred are able to access online
To produce competent, employable, and innovative graduates	i. Increase CBET modularizes programs	-Number of modularized programs under CBET	The college has diverse courses under CBET	Fifty six(56) courses are modularized
	ii. Increase enrolment	Number enrolled -Number of students; ratio of	Aggressive marketing	Number increased from 400 -2500 as per admission register

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	<ul style="list-style-type: none"> iii. .Improve employability iv. Practical training v. Extra curricula activities vi. Career services vii. Quality assurance in training viii. Improve examinations pass rates 	<ul style="list-style-type: none"> gender, disability and regional equity in enrolment -% of graduates employed /self-employed within 6 months -Number of extra curricula activities introduced trained annually; -improvement in examinations performance 	<ul style="list-style-type: none"> College admits both gender and ensures regional diversity. -skilling of trainees in various areas of competence -appointment of a career officer and operationalization of the office. Appointment of quality assurance office. -extra curriculum activities include ball games, athletics and indoor games. -coverage of the syllabus , continuous assessment 	<ul style="list-style-type: none"> -The ratio is 52.2% male to 47.8% female -294 trainees have taken both continuous and summative assessment -one (1) career day organised .visit to secondary schools within the constituency for career guidance. - Capacity building of quality assurance office to discharge the office mandate. - improvement by 20% from 70%-90%
<p>To improve service delivery through building a competent, motivated and forward-looking workforce (both teaching and non-teaching staff</p>	<ul style="list-style-type: none"> i. Service delivery charter ii. .Digitalization of government and management services iii. Resolution of public complains iv. staff professional and leadership development v. Performance management vi. Staff welfare, teamwork and motivation 	<ul style="list-style-type: none"> -Displayed charter in the required places -Number of complains resolved -Number of staff trained; % of leadership positions held by trained staff -% of staff appraised; -Number of physical projects fully completed 	<ul style="list-style-type: none"> Service charter prepared -departmental meetings to discuss matters affecting trainees and trainers - capacity building of officers in administrative positions. -100 % of staff was appraised. -staff welfare formed to cater for social needs of staff. Staff motivated through capacity building - 	<ul style="list-style-type: none"> -The charter is displayed at the notice board -2 staff meetings per term 2 trainees meeting per term(matters raised were handled) -10 were trained within the year -welfare formed and operationalized -One open drainage constructed

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	vii. Physical infrastructure, aesthetics and environmental protection	and those in progress.		-generator power house constructed -installation of solar security lights
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7. Corporate Governance Statement

Mbeere North Technical and Vocational College is governed by board of governors which consists nine members appointed by the cabinet secretary; ministry of education as follows: Chairman and other members with the following representation;

- Leadership and management
- Engineering
- Information communication technology
- Finance management
- Governor's representative
- Industry
- Technology

The appointment of the chairman and other members of the board is done by the cabinet secretary, ministry of education through a gazette notice to serve for a period of three years renewable once.

For the purpose of succession planning, the cabinet secretary shall stagger the appointments of some members to maintain a proportion of new membership that ensures continuity in the services of the board.

APPOINTMENT OF BOARD MEMBERS

They were appointed through a transparent and formal process as per the TVET Act 2013

FUNCTIONS OF THE BOARD OF GOVERNORS

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

- (a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this Act and any other written law;
- (b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;
- (c) Administering and managing the property of the institutions;
- (d) Developing and implementing the institutions' strategic plan;
- (e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- (f) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- (g) determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act;
- (h) mobilizing resources for the institutions; (i) developing and reviewing programmes for training and to make representations thereon to the board;
- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the board;
- (l) Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- (m) determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;
- (n) making regulations governing organization, conduct and discipline of the staff and students;

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NUMBER OF MEETINGS HELD WITHIN THE FINANCIAL YEAR

TYPE OF MEETING	DATE	TOTAL	REMARKS
Finance /human resource committee meeting	2/8/2024,9/10/2024,10/1/2025,11/4/2025, 9/5/2025,23/5/2025	6	one special meeting, conduct of interview for BoG staff
Academic committee meeting	22/11/2024, 4/12/2024,30/1/2025,16/5/2025	4	Academic committee was formed in the second quarter (October-December 2024)
Audit committee	30/8/2024,28/11/2024,21/2/2025,30/5/2025	4	
Full board	30/9/2024,22/10/2024,27/3/2025,30/6/2025	4	

POLICY TO MANAGE CONFLICT OF INTEREST

The college has opened a register where members declare in writing conflict of interest before any start of a meeting or any other official engagement like interviews.

BOARD REMUNERATION (Kshs)

Sitting allowance	Transport (not taxed)	Total	Facilitation after tax
Chairman -20000	10,000	30,000	23,000
Members -15000	10,000	25,000	19,750
Chairman monthly honoraria-20,000	-	-	

The board is comprised of three Committees i.e.

Finance/Human Resource

- (i) Dr. Dominic Murage – Chairperson.
- (ii) Ms Rose Nguru – Member
- (iii) Mr. Peter Njui Kabando – Member
- (iv) Mr. Joseph Ileri– Member
- (v) Mr. Rajab Iha Ali- Member
- (vi) Dr. Andelina M. Muthuri-Regional TVET Director

Audit and Risk committee

- (i) Ms. Matilda Wakere Mbugi Ita – Chairperson
- (ii) Ms. Nelly Cherono – member
- (iii) Mr. Rajab Iha – Member
- (iv) Ms Rose Nguru- Member

Academic Committee

- (i) Ms Nelly Cheron- Chairperson
- (ii) Mr. Peter Njui Kabando-Member
- (iii) Mr Joseph Ileri- Member
- (iv) Dr. Dominic Murage- Member
- (v) Ms Matilda Wakere Mbugi Ita- Member
- (vi) Dr. Andelina M. Muthuri- Regional TVET Director

Members of the full board comprises of:

- i. Prof. Enos Njeru Nthia – Chairperson
- ii. Dr. Dominic Murage – Chairperson HR/Finance Committee
- iii. Ms Susan Nguru – Member
- iv. Mr Peter Kabando – Member
- v. Ms Matilda Wakere – Chairperson Audit Committee
- vi. Ms Nelly Cheron – member
- vii. Mr Rajab Iha – Member
- viii. Dr. Andelina Mugure – Regional County Director
- ix. Joseph Ileri- Member

Key activities carried are:

- i. Recruitment of additional staff
- ii. Improvement of academic performance

8. Management Discussion and Analysis

MBEERE NORTH TVC has put in place ways to handle the following areas in the process of ensuring there are proper internal controls in place.

- 1. Financial management
- 2. Trainees' registration
- 3. Examination management
- 4. Procurement and store control
- 5. Internal audit through outsourcing the service.

During the year the trainees' enrolment increased from three hundred and ninety - three (393) to two thousand six hundred and twenty - four (2624). The management has recruited additional staff in both academic and support staff to ensure smooth learning of operations. During the year the management developed a strategic plan and an academic policy.

The college has received a lot of support from the government through the ministry of education state department for vocational and technical training (VTT) by receiving operational grants, capitation and HELB funds.

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During the year the management procured equipment for various departments to enable implementation of competency - based education and Training (CBET).

During the year the college faced the following challenges

1. The road to the institution is not tarmacked and it's impassable during the rain seasons, however the management is engaging the relevant authorities to address the issue.
2. There has been inadequate supply of water to the college and the management lobbying for drilling of a bore hole by the stakeholders to address the challenge
3. The College does not have enough public service trainers thereby incurring huge costs on personnel to hire board of governor's trainers.

9. Environmental And Sustainability Reporting Statement

Mbeere North TVC has put in place ways to handle the following areas in the process of ensuring there are proper internal controls in place.

6. Financial management
7. Trainees' registration
8. Examination management
9. Procurement and store control
10. Internal audit through outsourcing the service.

During the year the trainees' enrolment increased from three hundred and ninety - three (393) to two thousand six hundred and twenty - four (2624). The management has recruited additional staff in both academic and support staff to ensure smooth learning of operations. During the year the management developed a strategic plan and an academic policy.

The college has received a lot of support from the government through the ministry of education state department for vocational and technical training (VTT) by receiving operational grants, capitation and HELB funds.

During the year the management procured equipment for various departments to enable implementation of competency - based education and Training (CBET).

During the year the college faced the following challenges

4. The road to the institution is not tarmacked and it's impassable during the rain seasons, however the management is engaging the relevant authorities to address the issue.
5. There has been inadequate supply of water to the college and the management lobbying for drilling of a bore hole by the stakeholders to address the challenge.
6. The College does not have enough public service trainers thereby incurring huge costs on personnel to hire board of governor's trainers.

Sustainability strategy and profile

The top management is committed to ensuring responsible investment, employee well-being and resource management. Mbeere North TVC has also engaged in marketing campaign within and outside the county. The management has also ensured good working relations with the staff and good collaborations with the community, suppliers and other stakeholders.

Environmental performance

Top management is committed to ensure efficiency in use of resources, recycling and reduction of pollution.

Employee welfare

The college is in the process of developing human resource policy.

Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Mbeere North TCV ensures that the students are admitted openly without segregation or biasness.

The school fees is set equally to all learners

b) Responsible Supply chain and supplier relations

Mbeere North TVC has an open tendering process and all procurement processes are carried out according to the Public Procurement and Asset Disposal Act (PPADA) guidelines. Youths, women, PWDs and the local suppliers are encouraged and given priority in the tendering process.

The suppliers are paid on time according to the agreed timelines.

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

Mbeere North TVC has developed promotional materials that are available to the general public with clear information on the courses/programmes offered, the fee structures as well as the requirements for each course.

Walk in citizens are also well attended to and supplied with the information required.

d) Product stewardship or Awareness Creation

Mbeere North TVC through the career office guides provides career guidance to the learners as well as providing information on the available attachment and employment opportunities

Corporate Social Responsibility / Community Engagements

During the period the college participated in career guidance to potential trainees.

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10. Report of the board of Governors

The board members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of Mbeere North TVC affairs.

Principal activities

The principal activity of the Mbeere North TVC is to train competent and innovative manpower in TVET to meet the changing needs of the industry and for self- sustainability under TVETA Act 2013.

Results

The results of the Mbeere North TVC for the year ended June 30 are set out on page 1 to 5.

board of Governors

The members of the board who served during the year are shown on page vi to viii. During the year no director retired/ resigned and none was appointed.

Auditors

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

By Order of the board



.....
Secretary of the Board
Nairobi

Date: 24/11/2025



11. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, 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 *Mbeere North TVC*, which give a true and fair view of the state of affairs of the *Mbeere North TVC* at the end of the financial year/period and the operating results of the *Mbeere North TVC* for that year/period. The board members are also required to ensure that the *Mbeere North TVC* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Mbeere North TVC*. The board members are also responsible for safeguarding the assets of the *Mbeere North TVC*.

The board members are responsible for the preparation and presentation of the *Mbeere North TVC's* financial statements, which give a true and fair view of the state of affairs of the *Mbeere North TVC* 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 *Mbeere North TVC*, (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 *Mbeere North TVC*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

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

Approval of the financial statements

The *Mbeere North TVC's* financial statements were approved by the Board on 20th August 2025 and signed on its behalf by:

ENOS NJERU
.....

Name

Chairperson of the Board

[Signature]
24/11/25

Eunice W. Njeng'
.....

Name

Principal



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000

Email: info@oagkenya.go.ke

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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MBEERE NORTH 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 Mbeere North Technical and Vocational College set out on pages 1 to 36, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of

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

In my opinion, except for the 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 Mbeere North 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 Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Property, Plant and Equipment

As previously reported, the statement of financial position reflects property, plant and equipment net book value of Kshs.68,527,355 which includes land and buildings balance of Kshs.10,000,000 as disclosed in Note 18 to the financial statements. However, title deed provided indicated Siakago Technical Training Institute as the absolute proprietor of the 2.2-hectare piece of land the Institution is sitting on.

In the circumstances, the accuracy and completeness of property, plant and equipment net book value of Kshs.68,414,073 could not be confirmed.

2. Inaccurate Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.127,600,787 being student debtors as disclosed in Note 15 to the financial statements. However, ageing analysis and Management policy on debtors were not provided for audit. In addition, adequacy of Management action on recovery of the debts was not confirmed.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.122,600,787 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.116,645,800 and Kshs.59,522,799 respectively resulting to an under-funding of Kshs.57,123,001 or 49% of the budget. Similarly, the College spent Kshs.36,903,485 against actual receipts of Kshs.59,522,799 resulting to an under-utilization of Kshs.22,619,314 or 38% of the actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

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

Other Information

The Board of Governors is responsible for the Other Information set out on page ii to xxiv which comprise of Key College's Information and Management, Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Board of Governors and Statement of Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Law on Staff Ethnic Composition

Examination of records provided revealed that, out of the forty-four (43) employees of the College, twenty-six (27) representing 60% of the total employees were from one ethnic community contrary to Section 7(2) of the National Cohesion and Integration Commission Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community.

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

2. Failure to Deduct and Remit Public Procurement Capacity Building Levy

Review of records revealed that the College entered into contracts but no documentary evidence has been provided to confirm that the College complied with paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition, Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 which requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20th day of the subsequent month and also file monthly returns.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Failure to Gazette Board of Governors

The statement of performance reflects Board expenses of Kshs.2,332,600 as disclosed in Note 10 to the financial statements. However, there was no evidence of gazettelement of the Board although due process for the appointment was confirmed to have been followed. This was contrary to Chapter 1.1.11 of the Mwongozo State Corporations Advisory Committee of 2015 which states that each Board Member shall be formally appointed to the Board through a Gazette Notice and thereafter an appointment letter.

In the circumstances, the Board Members may not execute their mandate effectively.

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

Responsibilities of the Management and the Board of Governors

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards 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

27 November, 2025

Report of the Auditor-General on Mbeere North Technical and Vocational College for the year ended 30 June, 2025

Appendix I

Unresolved Prior Year Matters

	Financial Year	Issue
1	2023/2024	Inaccuracies in Property, Plant and Equipment
2	2023/2024	Inaccurate Receivables from Exchange Transactions
3	2023/2024	Lack of Approved Information Communication Technology Policy
4	2023/2024	Use of Manual Payrolls
5	2023/2024	Lack of Internal Audit Function
6	2023/2024	Lack of Risk Management Policy
7	2023/2024	Lack of Human Resource Policy
8	2023/2024	Failure to Conduct Stock Take
9	2023/2024	Failure to Perform Annual Evaluation of Board Performance

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

3. Statement of Financial Performance For The Year Ended 30 June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfer from the national Government's grants/gift in kind	6	43,649,462	7,179,694
Total Revenue from non-exchange transactions		43,649,462	7,179,694
Revenue from exchange transactions			
Rendering of services- Fees from students	7	15,873,337	128,498,544
Revenue from exchange transactions		15,873,337	128,498,544
Total revenue		59,522,799	135,678,238
Expenses			
Use of goods and services	8	26,062,769	18,326,100
Employee costs	9	5,101,711	1,531,193
board of governor's allowances	10	2,332,600	1,161,000
Depreciation and amortization expense	11	2,220,566	1,899,444
Repairs and maintenance	12	2,851,005	1,071,015
Contracted services	13	555,400	612,000
Total expenses		39,124,051	24,600,752
Net Surplus for the Year		20,398,748	111,077,486

The notes set out on pages 7 to 22 form an integral part of these Financial Statements

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



.....
Endo Njeru

Chairman of The Board

Date **24/11/25**



.....
Principal

Date **24/11/2025**




.....
Finance Officer

ICPAK No **25411**

Date **24/11/2025**

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

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

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	14A	28,610,847	3,065,142
Receivables from exchange transactions	15	127,600,787	122,026,136
Total Current Assets		156,211,634	125,091,278
Non-current assets			
Property, plant and equipment	18	68,527,355	68,414,073
Total Non-current Assets		68,527,355	68,414,073
Total assets(A)		224,738,989	193,505,351
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	17	3,921,842	3,086,378
Total Current Liabilities		3,921,842	3,086,378
Total liabilities		3,921,842	3,086,378
NET Assets(A-B)		220,817,146	190,418,973
Represented By:			
Capital and Reserves			
Accumulated surplus		140,680,716	120,281,968
Capital fund		80,136,430	70,137,005
Total Capital and Reserves		220,817,146	190,418,973
Net Assets		224,738,989	193,505,351

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

..... *Enos Njeru*
 Chairman of The Board

..... *Eunice W. Nyega*
 Principal

..... *CPM*
 Finance Officer

Date *[Signature]*
 24/11/25

Date 24/11/2025

ICPAK No 25411
 Date 24/11/2025



15. 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	-	9,204,482	70,137,005	79,341,487
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	111,077,486	-	111,077,486
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	-	120,281,968	70,137,005	190,418,973
At July 1, 2024	-	120,281,968	70,137,005	190,418,973
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	20,398,748	-	20,398,748
Capital grants received during the year	-	-	9,999,425	9,999,425
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2025	-	140,680,716	80,136,430	220,817,146

Mbeere North Technical and Vocational College
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16. Statement of Cash Flows For The Year Ended 30 June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	5	43,649,462	7,179,694
Rendering of services	17	21,133,575	20,407,428
Total Receipts		64,783,036	27,587,122
Payments			
Use of goods and services	7	26,062,769	18,326,100
Employee's cost	8	5,101,711	1,531,193
Board of Governor's allowances	9	2,332,600	1,161,000
Repair maintenances and development	11	2,851,005	1,071,015
Contracted services	12	555,400	612,000
Total Payments		36,903,485	22,701,308
Net cash flows from operating activities		27,879,552	4,885,814
cash flow from investing activities			
Purchase of property, plant, equipment and intangible assets		-2,333,848	-1,795,500
Net cash flows used in investing activities		-2,333,848	-1,795,500
Cash flows from financing activities			
Proceeds from borrowings		0	0
Repayment of borrowings		0	0
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		25,545,704	3,090,314
Cash and cash equivalents at beginning of the year		3,065,143	-25,173
Cash and cash equivalents end of the Year		28,610,847	3,065,141

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

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	A	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Transfers from other Govt entities Govt grants	3,800,000		3,800,000	43,649,462	-39,849,462	1,149
Rendering of services- Fees from students	112,845,800		112,845,800	15,873,337	96,972,463	14
Total income	116,645,800	0	116,645,800	59,522,799	57,123,001	51
Expenses					0	
Compensation of employees	8,960,000	0	8,960,000	5,101,711	3,858,289	57
Use of Goods and services	57,944,800		57,944,800	26,062,769	31,882,031	45
Remuneration of directors	3,655,000	0	3,655,000	2,332,600	1,322,400	64
RMI	1,370,000	0	1,370,000	2,851,005	-1,481,005	208
Contracted services	576,000	0	576,000	555,400	20,600	96
Capital Expenditure	44,140,000		44,140,000	0	44,140,000	0
Total expenditure	116,645,800	0	116,645,800	36,903,485	79,742,315	32
Surplus for the period	0.00	0.00	0.00	22,619,314	22,619,314	19

Budget notes

1. Transfer from National Government Entities budgeted amount differed with actual amount received due to timely disbursement of scholarship and capitation. Additionally, there was a disbursement of sh. 10,000,000 enhanced grants into the institution.
2. Difference between budgeted and actual amount of rendering of services arose for failing to meet budgeted number of students that was estimated to be 1,600 students but instead admitted 243 students.
3. Compensation of employees was underspent since MNTVC budgeted recruitment of new trainers but failed to do so due to unmet students' admission target.

4. Use of goods and services was underspent since MNTVC budgeted to spend more on Training material, examination fees and other costs associated with large number of students but the target was not met.
5. Remuneration of Directors fees budgeted amount differed with actual amount spent since MNTVC had budgeted for Directors' induction workshop expense that wasn't incurred.
6. RMI budgeted amount differed with actual spent due to office partitioning and installation of shelves in offices that was brought about by need to create extra working offices for additional staffs and document storage space. Additionally, the institution felt effects of heavy rainfall that was experienced during this financial year and had to take measures to prevent soil erosion by building gabions to curb its effects.
7. MNTVC failed to incur any capital expenditure due to underfunding.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	22,619,314
1	Increase in Receivables	5,574,651
2	Increase in Payables	-835,464
	Closing Cash and Cash Equivalent as per the statement of Cash flows	28,610,847

18. Notes to the Financial Statements

1. General Information

Mbeere North TVC is established by and derives its authority and accountability from TVET Act, 2013. The Mbeere North TVC is wholly owned by the Government of Kenya and is domiciled in Kenya. The Mbeere North TVC's principal activity is TVC is to train competent and innovative manpower in TVET to meet the changing needs of the industry and for self-sustainability.

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 *Mbeere North TVC's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Mbeere North TVC*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue 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 a TVC. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<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.
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.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.

Mbeere North Technical and Vocational College

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	The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> 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 Mbeere North TVC 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.
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> 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.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <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 Mbeere North TVC's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

Mbeere North TVC did not early – adopt any new or amended standards in the financial year 2024/2025.

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 Mbeere North TVC 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 Mbeere North TVC 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 Mbeere North TVC.

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the board on *6th June 2024*. No Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The Mbeere North TVC'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

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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 Mbeere North TVC is exempt from paying taxes as per Paragraph 20 of the first schedule to the Income Tax Act(Cap 470).

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 Mbeere North TVC 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 Mbeere North TVC. 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 Mbeere North TVC 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 Mbeere North TVC 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 Mbeere North TVC. 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 Mbeere North TVC 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 Mbeere North TVC, 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 Mbeere North TVC expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Mbeere North TVC 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 Mbeere North TVC does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one Mbeere North TVC and a financial liability or equity instrument of another Mbeere North TVC. At initial recognition, the Mbeere North TVC 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 Mbeere North TVC 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 Mbeere North TVC'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 Mbeere North TVC 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 Mbeere North TVC classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the Mbeere North TVC 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.

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

Inventories (Continued)

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

l) Provisions

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

Contingent liabilities

The *Mbeere North TVC* 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 *Mbeere North TVC* 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 *Mbeere North TVC* 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 *Mbeere North TVC* 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 *Mbeere North TVC* will incur in fulfilling the present obligations represented by the liability.

n) Nature and purpose of reserves

The *Mbeere North TVC* creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

p) Borrowing costs

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

q) Related parties

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

r) Service concession arrangements

The *Mbeere North TVC* 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 *Mbeere North TVC* 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 *Mbeere North TVC* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

s) Cash and cash equivalents

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

t) Comparative figures

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

u) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Mbeere North TVC based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Mbeere North TVC. 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 *Mbeere North TVC*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

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

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

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

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6. Transfers from other National Government entities

Description	2024/2025	2023/2024
	Kshs	Kshs
Unconditional grants		Shs
Capitation	10,057,350	
Government scholarship	23,092,859	
Recurrent Grant	499,828	7,179,694
Total	33,650,037	7,179,694
Conditional grants		
Development fund	9,999,425	
Total government grants and subsidies	43,649,462	7,179,694

(a) Transfers from other Government entities (Categorized)

Name of the Mbeere North TVC 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	2023/2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	33,650,037	-	9,999,425	43,649,462	7,179,694
Total	33,650,037	-	9,999,425	43,649,462	7,179,694

The details of the reconciliation have been included under appendix III

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7. Rendering of Services

Description	2024/2025	2023/2024
	Kshs	Kshs
ADMISSION FEES	861,000	0
TUITION	8,839,970	71,662,521
PE	2,338,595	20,842,500
EWC	889,936	7,880,450
LTT	944,216	8,337,000
RMI	909,720	7,940,000
EXAMINATION	21,000	2,308,073
ACTIVITY	1,068,900	9,528,000
Total revenue from rendering of services	15,873,337	128,498,544

8. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs	Kshs
ACTIVITY(DRAMA,MUSIC,ATHLETICS ETC)	1,175,495	664,950
SCHOOL EQUIPMENT & STORES (S.E.S)	2,537,584	2,018,970
LATTACHMENT	42,469	0
KUCCPS	0	105,500
TVETA	0	184,000
STUDENT IDS & WELFARE	638,659	453,580
LOCAL TRANSPORT AND TRAVELLING(LT&T)	2,288,883	1,841,000
ELECTRICITY, WATER & CONSERVANCY(EWC)	755,390	146,100
ADMINISTRATION COSTS	2,688,138	810,976
STATIONERY	1,148,345	142,025
CONSULTANCY FEE	431,990	0
MPESA CHARGES	160	0
BANK CHARGES	54,709	28,676
EXAMS	4,464,538	1,485,175
TRAINING/TEACHING MATERIALS	8,307,219	8,521,448
KATTI/ATUPA SUBSCRIPTIONS	721,670	791,404
WITHHOLDING TAX	69,766	
MARKETING	727,205	459,495
JEREMIAH NYAGA NATIONAL POLYTECHNIC	0	654,800
GREENING	10,550	18,000
Total	26,062,769	18,326,099

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9. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
DESCRIPTION		
Personal Emoluments Support Staff	5,101,711	1,531,193
Total	5,101,711	1,531,193

10. Board Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Chairman's Honoraria	240,000	240,000
Directors Emoluments and allowances	2,092,600	921,000
Total	2,332,600	1,161,000

11. Depreciation and Amortization expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	2,220,566	1,161,000
Total depreciation and amortization	2,220,566	1,161,000

12. Repairs and Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Repairs Maintenance & Improvements (R.M.I)	2,851,005	1,071,015
TOTAL	2,851,005	1,071,015

13. Contracted Services

Description	2024/2025	2023/2024
	Kshs	Kshs
Security	555,400	612,000
Total contracted services	555,400	612,000

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14. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current account		
Equity Bank, Operation Account	1,936,646	9,220
KCB Bank Main Account	26,497,010	5367.5
Cash at hand	177,191	233,430.00
Total cash and cash equivalents	28,610,847	3,065,142

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

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
Financial institution			
a) Current account			
Equity Bank, Operation Account	O190283783279	1,936,645.50	9,220
KCB Bank Main Account	1302288881	26,497,010	5367.5
Sub- total		28,433,655.50	14,587.50
B) Others(specify)			
10-01-003 (Cash at hand)		177,191.00	233,430.00
Grand total		28,610,846.50	248,017.50

15. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Student Debtors	127,600,787	122,026,136
Total Current Receivables	127,600,787	122,026,136

16. Prepayments

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Student fees Paid in advance	3,921,842	3,086,378
Total	3,921,842	3,086,378

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17. Adjustment of Cashflow Rendering of services

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Rendering of services in the statement of financial performance	15,873,337	128,498,544
(add) 2023- 2024 fees debtors collectd during the period	9,182,080	5,516,379
less 2023- 2024 prepaid fees	3,921,842	3,086,378
Rendering of services in the cash flow statement	21,133,575	20,407,428

18. Property, Plant and Equipment

Cost	Land	Buildings	Computers	Computer software	Plant and Equipment	Furniture and Fittings	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate	0%	2.5%	30%	25%	12.5%	12.5%	
Cost or Revaluation as at 1st July 2024	10,000,000	58,032,005	150,000	0	0	4,145,500	72,327,505
Additions	0	442,840	90,944	1,274,000	526,064	0	2,333,848
Disposals	0	0	0	0	0	0	0
Transfer	0	0	0	0	0	0	0
cost or revaluation as at 30th june 2025	10,000,000	58,474,845	240,944	1,274,000	526,064	4,145,500	74,661,353
Depreciation and Impairments							0
Accumulated depreciation as at 1st July 2024	0	2,865,330	76,500	0	0	971,602	3,913,432
Depreciation for the year	0	1,390,238	49,333	318,500	65,758	396,737	2,220,566
Accumulated depreciation as at 30th june 2025	0	4,255,568	125,833	318,500	65,758	1,368,339	6,133,998
NBV as at 30th June 2025	10,000,000	54,219,277	115,111	955,500	460,306	2,777,161	68,527,355
NBV as at 30th June 2024	10,000,000	56,166,675	73,500	3,173,898	0	0	69,414,073

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Notes to the Financial Statements (Continued)

Valuation

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

19. Employee Benefit Obligations

Retirement benefit Asset/ Liability

The Mbeere North TVC also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Mbeere North TVC's obligation under the scheme is limited to specific contributions legislated from time to time. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

20. Payments received in advance.

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Fees received in advance	3,921,842		3,086,378	
Total	3,921,842		3,086,378	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	2,197,986	56%	1,851,827	60%
1-2 years	1,723,857	44%	1,234,551	40%
Total	3,921,842	100%	3,086,378	100%

21. Financial Risk Management

The Mbeere North TVC'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 Mbeere North TVC's financial risk management objectives and policies are detailed below:

(i) Credit risk

Mbeere North TVC 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 Mbeere North TVC'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	122,026,136	48,200,324	73,825,812	-
Receivables from non-exchange transactions	7,179,694	7,179,694	-	-
Bank balances	3,065,142	3,065,142	-	-
Total	132,270,972	58,445,160	73,825,812	-
At 30 June 2025				
Receivables from exchange transactions	127,600,787	50,402,310	77,198,477	-
Receivables from non-exchange transactions	43,649,462	43,649,462	-	-
Bank balances	28,610,847	28,610,847	-	-
Total	199,861,096	122,662,619	77,198,477	-

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

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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 Mbeere North TVC has significant concentration of credit risk on amounts due from xxxx

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)				
Trade Payables(Student Debtors)	308,638	1,234,551	1,543,189	3,086,378
Total	308,638	1,234,551	1,543,189	3,086,378
At 30 June 2025 (current year)				
Trade Payables(Student Debtors)	784,368	1,568,737	2,353,105	3,921,842
Total	784,368	1,568,737	2,353,105	3,921,842

(iii) Market risk

The Mbeere North TVC has put in place an internal audit function to assist it in assessing the risk faced by the Mbeere North TVC 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 Mbeere North TVC'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 Mbeere North TVC'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 Mbeere North TVC's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

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

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

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Foreign currency sensitivity analysis

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

b) Interest rate risk

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

Management of interest rate risk

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

iv) Capital Risk Management

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	140,680,716	120,281,968
Capital Reserve	80,136,430	70,137,005
Total Funds	220,817,146	190,418,973
Total Borrowings	-	-
Less: Cash and Bank Balances	(28,610,847)	(3,065,142)
Net Debt/(Excess Cash and Cash Equivalents)	192,206,299	<u>187,353,831</u>
Gearing	13%	1.6%

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22. Related Party Balances

Nature of related party relationships

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) board of directors;
- v) EMBU County Government
- vi) Mbeere North Member Of Parliament.

Description	2024/2025	2023/2024
Transaction With Related Parties		
a) Transaction From Other Related Parties		
Purchase of services From Other Government Entities KPLC \$ EMBEWASCO	755,390	146,100
Training and Conference Fees Paid to Government Agencies / KATTI	721,670	791,404
Total	<u>1,477,060</u>	<u>937,504</u>
b) Grants/ Transfer From the Government		
Grants from National Government	43,649,462	7,179,694
Total	<u>43,649,462</u>	<u>7,179,694</u>
c) Expenses incurred on behalf of related parties		
Payments of salaries and Wages for COG	5,101,711	1,531,193
Total	<u>5,101,711</u>	<u>1,531,193</u>
d) Compensation to Key Management		
Directors' emoluments	1,531,193	1,161,000
Total	<u>1,131,193</u>	<u>1,161,000</u>

23. Segment Information

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

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24. Events After The Reporting Period

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

25. Ultimate And Holding Entity

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

26. Currency

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

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19. 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:
OAG/ER/AUD/MBEERE NORTH TVC/2023/2024/(23)				
Basis For Qualified Opinion				
1.	Inaccuracies in Property, Plant and Equipment	The management is in concurrence with the audit findings and is currently maintaining an asset register.	Not Resolved	31/12/2025
2	Inaccurate Receivables from Exchange Transactions	The management policy documents are awaiting Directors' Approval	Not Resolved	31/12/2025
Basis For Conclusion: Report on lawfulness and Effectiveness in use of Public Resources.				
1	Non- Compliance with Public Sector Accounting Standards board Reporting Requirements.	The Management is ensuring full compliance with reporting requirement.	Resolved	
2	Late submission of Financial Statements for Audit	The Management is Determined to submit financial statements on time.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
Basis For Conclusion: Report on Effectiveness of Internal Controls, Risk Management and Governance.				
1.	Lack of approved information communication Technology Policy	The management has draft policy awaiting board approval	Not Resolved	31/12/2025
2.	Use of Manual Payrolls	The management lacks enough funds to automate the payroll	Not resolved	31/12/2025
3.	Lack of Internal Audit Function	The managements had engaged the services of outsourced internal auditor since it has no financial ability to employ one	Not resolved	31/12/2025
4.	Lack of Risk Management Policy	The management has draft policy awaiting board approval	Not resolved	31/12/2025
5.	Lack of Human Resource Policy	The management has draft policy awaiting board approval	Not resolved	31/12/2025

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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 Mbeere North TVC 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.

Eunice W. Njiru.....

Name

Accounting Officer

(Enter title of Head of Mbeere North TVC)

Date



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Appendix III- Inter-Entity Confirmation Letter

Confirmation of amounts received by Mbeere North TVC as at 30 th June 2025							
Reference Number	Statement date	scholarship	capitation	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MOE/VTT/ACC/VOL. 4/81	29/11/2024				9,999,525	9,999,525	Received
MOE/DTE/CAP/45 (86)	7/10/2024		1,126,925			1,126,925	Received
MOE/DTE/SCHO/VOL.1 (101)	23/9/2024	772,673.50				772,674	Received
MOE/DTE/SCHO/VOL.1 (102)	23/9/2024	698,765.60				698,766	Received
MOE/DTE/SCHO/VOL.1 (100)	23/9/2024	698,765.60				698,766	Received
MOE/DTE/CAP/46(75)	25/2/2025		8,930,425			8,930,425	Received
MOE/DTE/SCHO/VOL.1 (108)	23/9/2024	20,922,654.60				20,922,655	Received
	15/7/2024			499,828		499,828	Received
TOTAL		23,092,859	10,057,350	499,828	9,999,525	43,649,562	
I confirm that the amounts shown above are correct as of the date indicated							

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Head of Accounts Department - Disbursing Mbeere North TVC:

Name Sign Date

Head of Accounts Department - Beneficiary Mbeere North TVC:

Name CAROLINE HAHIRA Sign [Signature] Date 24/11/2025