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THE AUDITOR-GENERAL

ON

**MOLO TECHNICAL AND
VOCATIONAL COLLEGE**

**FOR THE SIXTEEN MONTHS
PERIOD ENDED 30 JUNE, 2022**





(MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON)

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE 16 MONTHS PERIOD ENDED
30TH JUNE 2022**

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

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I. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

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

b) Principal Activities

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

c) Key Management

Molo Technical and Vocational College's day-to-day management is under the following key organs:

- The Board of Governors
- The principal
- The fiduciary management which comprises: Deputy Principal, Registrar, Dean of Students, Finance Officer, and Procurement officer

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

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

e) Fiduciary Oversight Arrangements

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

i. Finance, Administration and Human Resource Committee:

This committee sets up viable policies that dictate how the college's assets and funds are managed. It set up and advises on college human resource policy, college budgeting,

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financial reporting and is always available for consultation on financial matters affecting the college.

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

ii. *Education, Training and Project Committee*

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

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

iii. *Audit, Risk Management and Governance Committee*

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

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

f) *Entity Headquarters*

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

g) *Entity Contacts*

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

h) *Entity Bankers*

National Bank of Kenya
Molo Branch
Molo, Kenya.

i) *Independent Auditors*


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

j) *Principal Legal Adviser*

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

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II. THE BOARD OF GOVERNORS

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

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Hon. Florence Wambui Njoroge
BoG Member



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

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

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

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

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Mr.F.P. Kipchirchir Tanui
Senior Principal & Secretary to the BoG



Mr. John Samorai
BoG Member

Mr. John Samorai was appointed as a member of the BoG for Molo TVC-Elburgon on 2nd February 2022 and serves as a member and Chairperson of the Finance, Administration and Human Resource Committee as well as a member of the Education, Training and Project Committee. He holds a Master of Business Administration from St. Paul University and a Bachelor of Science degree in Health Services Management from Kenyatta University. Currently he is a Program Manager at Ogiek People's Development Program and as a secretariat at Kenya National Dialogue implementing UNDP BES Solution fund. Previously he was a board member at ENSDA from 2015-2018.

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CPA Momanyi Emmanuel
BoG Member



CPA Momanyi Emmanuel was appointed as a member of BoG for Molo TVC-Elburgon and serve as a member and chairperson of Audit, Risk Management and Governance committee CPA Momanyi has a solid, wide range of finance management and leadership skills. He has over 13 years of work experience. CPA Momanyi holds a Master of Business Administration (Finance Option)-JKUAT, Bachelor of Business Administration (Finance Option)-Maseno University, Certified Public Accountant and Certified Credit professional certificates.

CPA Momanyi is a registered full member-Institute of Certified Public Accountants of Kenya; The Institute of Internal Auditors Kenya; Institute of Risk Management (Kenya) and member-The Kenya Institute Management.


CPA Momanyi has been trained in Strategic Leadership Development Program; Management Challenge Course; Senior Management Course; Public Sector Finance Management, all from Kenya School of Government. CPA Momanyi is trained in Accounting, Public Financial Management and Reporting, Project Management, Auditing, Risk Management, Corporate Governance, Policy Development, among other workshops attended & organized by the National Treasury & Deloitte Kenya. CPA Momanyi is the Chairperson Audit, Risk Management & Governance Committee.

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III. THE MANAGEMENT TEAM



 <p data-bbox="215 963 534 1030">Mr.F.P. Kipchirchir Tanui Senior Principal</p>	<p data-bbox="805 459 1356 593">Mr. F.P. Kipchirchir Tanui is the Senior Principal and Secretary to the Board of Governors of Molo Technical and Vocational College-Elburgon.</p> <p data-bbox="805 638 1364 1041">Mr. Tanui F.P.K has a long-term experience in management having been a principal for over twenty years cutting across secondary and TVET Institutions all over Kenya. He holds a Bachelor of Education (Arts) from the University of Nairobi and currently pursuing a Master of Philosophy in Educational Economics at Moi University. He also undertook a Certified Public Course (C.P.S) with KASNEB and a Senior Management course at Kenya School of Government.</p>
 <p data-bbox="215 1803 582 1870">Mr.Dennis Wepukhulu Kundu Deputy Principal</p>	<p data-bbox="805 1444 1348 1724">Mr. Dennis Wepukhulu Kundu is the current Deputy Principal Of Molo TVC-Elburgon.He has served as a technical trainer working in multiple departments including Building and Technology, land survey, Civil Engineering and Plumbing among others in his long and, vast training career.</p> <p data-bbox="805 1758 1284 1870">He is a holder of Bachelor of Science in environmental Science from Egerton University and a Diploma in Technical</p>

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	<p>Education from KTTC.He is a registered NEMA member as EIA Associate Expert.</p>
 <p>Moses Muthondu Mbuki Ag. Finance Officer</p>	<p>Mr. Moses Muthondu Mbuki is the Ag. Finance Officer of Molo TVC-Elburgon. He has previously worked in the public sector and private sectors in various accounting and management roles thus amassing a wealth of experience of over Eight (8) years as a professional accountant.</p> <p>He holds a Bachelor of Agribusiness Management from Egerton University and he is also a CPA holder.</p>

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III. THE MANAGEMENT TEAM

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

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	<p>Education from KTTC.He is a registered NEMA member as EIA Associate Expert.</p>
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Mr. Peter Kipyegon Kigen
Ag. Registrar

Mr. Peter Kigen is the Ag. Registrar of Molo TVC-Elburgon. He has served as a Technical trainer working in multiple departments including Agriculture, Business departments among others in his long and vast training career.

He is a holder of Bachelor Degree in Agribusiness Management from Chuka University and a Diploma in Technical Education from KTTC.



Mrs. Faith Chelangat Bor
Ag. Dean of Students

Mrs. Faith Chelangat Bor is the Ag. Dean of Students. She is a trainer in the Agriculture Department and a holder of Bachelor of Science in Agricultural Education and Extension (AGED) from Egerton University and a Diploma in Dairy Technology from Egerton University.

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IV. CHAIRMAN'S STATEMENT

It is my pleasure to present to you the inaugural Annual Report and financial statements of Molo Technical and Vocational College for the 16 months' period ended June 2022. For Molo TVC, it was a remarkable year as we look forward to celebrating our first birthday since we opened door in March 2021. Nearly one year and half down the road I am happy to report that we are now in full operation despite the numerous challenges that we encountered as we took few months of infancy steps to setting up the institutional structures and frameworks. As an institution we are now ready to take up our position in this region in helping our youths nurture their potentials.

The importance of TVET and Its Contribution to Sustainable Development.

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

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

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

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

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

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

Key Achievements during the 16 Months period

The year 2021/2022 will remain remarkable as the year that Molo TVC opened its doors for students after a long wait. After the inauguration of the Board of Governors, critical decisions had to be made in order to prepare for the first intake in September 2022. Since then, we feel the challenge is to continue pressing on and on.

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i. Enrolment and Courses Commencement

The institution so far has a student population of **429** and the demand is growing by day. The students are undertaking different courses that we have managed to introduce to fit the demand market, ranging from diploma, certificates and craft certificates. The courses already undertaken in the institution include;

course	Level(s)	No of Students
ICT	Diploma, Certificate	53
Building & Technology	Diploma, Craft, Artisan	65
Electrical Engineering	Diploma, Certificate, Artisan	86
Mechanical Engineering	Diploma, Certificate, Artisan	73
Agriculture	Craft, Artis	7
Social Work	Diploma, Craft	15
Fashion and Design	Craft	9
Mass Communication	Diploma, Craft	0
Business	Diploma, Craft	40
Cosmetology	Diploma	81

In order to bridge the big gaps in technical skills we started other courses starting September 2022 intake: Certificate courses in Fashion and Design and Mass Communication.

ii. Water Supply/ Water Bore hole

The location of our institution is not served by the main grid water supply and we had to source for an immediate solution in order for the institution to run. We had first to seek short term solution from neighbors (Kasarani Community Water Project) who operates boreholes and distributes water to various customers, which is not sustainable with growing student population. In this regards the board finds it viable for the government to sunk a borehole within the institution so as to have a permanent solution to the current water problem.

iii. Ablution block

This has been identified as an urgent need after we realized that the number of washrooms in the main building could not serve the growing student population.

Instructional Materials

Classrooms/ Labs Materials

At inception the college was granted 80 classrooms chairs that were inadequate. The institution has managed to purchase additional 100 classroom chairs, which are still not sufficient to meet the current demand, and making white boards easier display and demonstrations by the tutors. The electrical Laboratory, Automotive/Mechanical and Plumbing departments are yet to be equipped with the necessary learning equipment for use by the students thus making practical classes difficulty to train. The computer lab is yet to be equipped properly for proper training but it has been installed with Wi-Fi, and networking done. Students now enjoy Wi-Fi services to enable the access referencing materials while in the library or in the computer labs.

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iv. Compound/ Grounds

The grounds were also levelled as the contractor left having not done any landscaping. Provisions for students' playgrounds had to be made by felling down the trees and clearing the bush in order for the students to be able to play their favourite games. At present we have both football and volleyball pitches in place with intention to make basketball and net ball pitches. It was also necessary to elect flag posts for the 3 flags used in the compound i.e., national flag, east African flag and the college flag, however the East African flag and College flag are yet to be elected

Challenges

i. Handing over of the college premises.

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

ii. Security/ perimeter wall

Through the funding by Molo CDF the institution, has a perimeter wall all-round the entire college thus making it more secure. To enhance its security, the college has employed four security personnel who works both day and night though on shift basis.

Shortage of Trainers

The first last one year of our operation was characterized shortage of trainers. This resulted to the BOG hiring quite a number of the required trainers to ensure smooth learning and is translated to incurring high wage bills. However, the government has attached Eight (8) public service trainers and it's our hope that we get more allocation of public service trainers in the current ongoing recruitment of 3,000 trainers in public TVET thus reducing the wage bill.

iii. Access road

The college is located 50 meters off Elburgon-Molo Road thus making the college easily accessible both to students, visitors as well as local residents.

Inadequate Facilities

The current enrolment stands at 429 students with only 8 standard classrooms. As we desire to expand, we are severely faced with both classrooms and workshops bearing in mind we are just about to receive a lot of new students from September this year.

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

Chairman, Board of Governors

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V. REPORT OF THE PRINCIPAL

It is worth noting that Molo Technical and Vocational College is a new Technical under the State Department of Vocational and Technical Training in the Ministry of Education. It was constructed with the assistance of **M/S KIUNGA BUILDING AND CONSTRUCTION COMPANY LTD as contractors at a total cost of Ksh.57,570,912.55**. The construction of the facility was completed in late 2020 but it was not until 2021 March, that the institution admitted its first students due to some challenges.

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

Achievements/success

i. Trainers

The government through the Public Service Commission has embarked on recruitment exercise of vocational trainers and Molo Technical and Vocational College is earmarked to benefit from the same. Already it has eight (8) trainers hired by the public Service Commission.

ii. Computer lab

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

iii. Enrollment

Since the institution opened its doors a year ago, it has witnessed a steady increase in terms of student enrolment. Currently the student population stands at two hundred and fifty (250). Considering the fact that we opened our doors for the first students in March 2021, this figure is quite encouraging. This can be attributed partly to the school's location which is situated around the vicinity of Elburgon town which in turn attracts a lot of prospective students. The Kenya Universities and Colleges Central Placement Service is yet to place students as at June 2022.

iv. Community Support/Partnership

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

v. Permanent Source of Water

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

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vi. **Internet facility**

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

vii. **Suppliers**

Beginning this financial year 2021/2022, the institution advertised for pre-qualification of supplies and now it has a list of pre-qualified suppliers. This is a step forward because now the institution will be able to acquire its items through competitive tendering at fair prices.

viii. **Ablution Block**

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

ix. **Induction of Board Members**

The induction of the members of the Board of Governors in April 2022 at Nakuru was a success story as it enables the members to understand their mandate and roles. Through the induction the members were enlightened and ready to perform their functions as per the law. We are optimistic that the year 2022/2023 will be a good year since as far as the board members are concerned, having been informed them of their roles.

Challenges

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

- i. **Handing over the facility.** Since the facility was completed in 2020, the contractor is still to hand over the building to the management despite the numerous requests to do so. We are operating on a facility which has not been officially handed over by the contractor. It has been a real challenge because there are some things we cannot do without the handing over report. An example, for instance, is that we are not able to get a completion certificate of the institution without the report which the same person has.
- ii. **Perimeter wall.** The institution does now have a complete perimeter wall. In terms of security, the institution is practically secure.
- iii. **Work Shops.** Lack of well-equipped workshops in other disciplines to cater for the large numbers of trainees who are eager to pursue these courses. The notable courses lacking equipment include Automotive Engineering, Electrical Engineering, Building and Technology, Civil Engineering, Land Survey, Agriculture (Green House Technology) and Carpentry and Joinery.
- iv. **Lack of lecture rooms and chairs.** There are no enough lecture rooms and chairs to cater for the large number of students joining the college. There is need to construct more lecture rooms and acquire more chairs for the classrooms.
- v. **Lack of library and books.** Currently the institution lacks a well-equipped library. It is our desire to have a modern library which should be equipped with books as well as computers so that students could access materials online.
- vi. **Lack of staffroom and offices.** At the moment, the staffroom used by the trainers is very small. It can only accommodate ten (10) trainers comfortably, not any more than that. There is also need for offices because HODs do not have offices. Most of the still share the small staffroom with other trainers.

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

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



Principal/ Secretary to the Board

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

VI CORPORATE GOVERNANCE STATEMENT

The Board of Governors of Molo Technical and Vocational College have met Five (5) times over the course of the year for both general meetings and committee meetings with high attendance levels by the members. The roles of the board are oversight and management of the college activities. Members have been able to provide any and every assistance that has been asked of them by the management team and are also able to advice on policies and growth strategies for the betterment of the institution.

In June 2022, members of the Board took part in an induction exercise organized by the Kenya Association of Technical Training Institutes (KATTI) where they were able to undergo proper training in the areas of policy making, oversight roles and their expected contribution to the growth of the Institution. The induction was a success as it brought about a change in accountability measures especially where management of the institution's funds are concerned. The board is also keen on enhancing the growth of the college and through meetings several strategies were passed which included marketing the college extensively via media sources as well as introducing various courses in the institution and enabling funding to buy equipment for these courses to be able to thrive and attract more students especially technical courses that are in demand from the myriad of inquiries that were recorded at the college. So far there have been no cases of conflict of interest or ethical misconduct as the board remains united in delivering its mandate of ensuring Molo Technical and Vocational College grows to be one of the leading Technical Institutions in the country.

VII. MANAGEMENT DISCUSSIONS AND ANALYSIS

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

The table below is a sample of the enrolment;

TOTAL POPULATION OF STUDENTS, GENDER, DURATION AND MIN ENTRY

S/NO	COURSE	MALE	FEMALE	TOTAL	MIN ENTRY	DURATION YEARS
1.	Diploma in social work and community dvpt	1	3	4	C-	3
2.	Craft in social work and community dvpt	2	7	9	D	2
3.	Diploma in Accounting	0	1	1	C-	3
4.	Craft in Accounting	-	1	1	D	2
5.	Diploma in Automotive Engineering	3	2	5	C-	3
6.	Craft in Automotive Engineering	4	2	6	D	2
7.	Diploma in Civil Engineering	2	0	2	C-	3
8.	Craft in Civil Engineering	-	-	-	D	2
9.	Diploma in Mechanical Engineering	8	4	12	C-	3

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

10.	Craft in Mechanical Engineering	4	2	6	D	2
11.	Diploma in General Agriculture	1	3	4	C-	3
12.	Craft in General Agriculture	0	0	0	D	2
13.	Diploma in Banking and Finance	0	1	1	C-	3
14.	Craft in Banking and Finance	0	1	1	D	2
15.	Diploma in Supply Chain Management	0	1	1	C-	3
16.	Craft in Supply Chain Management	0	0	0	D	2
17.	Diploma in Electrical and Electronics	5	1	6	C-	3
18.	Craft in Electrical and Electronics	32	15	47	D	2
19.	Diploma in Human Resource Management	0	1	1	C-	3
20.	Craft in Human Resource Management	0	0	0	D	2
21.	Craft in Plumbing	32	12	44	D	2
22.	Diploma in Information Science	0	2	2	C-	3
23.	Craft in Information Science	0	1	1	D	2
24.	Diploma in ICT	1	2	3	C-	3
25.	Craft in ICT	5	6	11	D	2
25.	Diploma in Business Management	2	2	2	C-	3
27.	Craft in Business Management	-	7	7	D	2
28.	Diploma in Tourism	0	0	0	C-	3
29.	Craft in Tourism	-	1	1	D	2
30.	Diploma in Journalism	0	0	0	C-	3
31.	Craft in Journalism	0	0	0	D	2
32.	Diploma in Land Survey	1	-	1	C-	3
33.	Craft in Land Survey	4	2	6		2
34.	Diploma in Mechanical Engineering	5	3	8	C-	3
35.	Craft in Mechanical Engineering	12	4	16	D	2

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

36.	Diploma in Building and Construction	18	9	27	C-	3
37.	Craft in Building and Construction	12	-	12	D	2
38.	Craft in Hair Dressing and Beauty Therapy	6	76	82	D	2
39.	Craft in Welding and Fabrication	1	2	3	D	2
40.	Craft in Fashion and Design	1	5	6	D	1
41.	Artisan in Masonry	1	-	1	D-	1
42.	Artisan in Automotive Engineering	4	-	4	D-	1
42.	Artisan in General Agriculture	1	1	2	D-	1
44.	Artisan in Welding and Fabrication	5	3	8	D-	1
45.	Artisan in Store keeping	-	7	7	D-	1
46.	Artisan in Electrical Installation	21	8	29	D-	1
47.	Artisan in Motor Vehicle Mechanics	14	-	14	D-	1
48.	Artisan in Plumbing	24	7	31	D-	1
	TOTAL	224	205	429		

Total number of students – 429: Male- 224, Female- 205

As an institution, we are hoping to increase our numbers significantly in the next financial year. Our major challenge has been the delay of funds from the Government Capitation initiative as well as non- remittance of fourth quarter Capitation by the Government which has made us move at a slow pace in drafting and initiating projects within our institution as most of the limited funds is spent on administrative matters thus leaving less for major works, coupled with all that is the fact that our institution is yet to be formally handed over to the management thus limiting the scope our activities.

Molo Technical and Vocational College-Elburgon is compliant with various statutory bodies including Kenya Revenue Authorities and NHIF on behalf of our employees as well as the Ministry of Education and the Technical and Vocational Education Training Authority (TVETA) to whom we submit institutional returns data as requested.

VIII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

IX. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended 30th June 2022 which show the state of Molo Technical and Vocational College's-Elburgon affairs.

Principal activities

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

Results

The results of the entity for the period ended 30th June 2022 are set out on page 1-16

BOARD OF GOVERNORS

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

Auditors

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

By Order of the Board



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

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

X. STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES

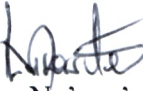
Section 81 of the Public Finance Management Act,2012 and section 29 of schedule 2 of The Technical and Vocational Education and Training Act 2013 require the council members to prepare financial statements in respect of Molo Technical and Vocational College-Elburgon, which give a true and fair view of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

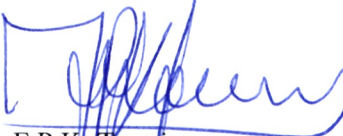
The council members are responsible for the preparation and presentation of Molo Technical and Vocational College's financial statements, which gives a true and fair view of the state of affairs of Molo Technical and Vocational College for and as at the end of the financial year (period) ended on June 30th 2022. These responsibilities include; (i) maintaining adequate financial management arrangements and ensuring that this continue to be effective throughout the reporting period ; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity ; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Molo Technical and Vocational College; (v) Selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The council members accept responsibility for Molo Technical and Vocational College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act,2012 and the TVET Act. The council members are of the opinion that Molo Technical and Vocational college's financial statements give a true and fair view of the state of Molo Technical and Vocational College's transactions during the financial period ended 30th June 2022, and of Molo Technical and Vocational College's financial position as at that date .The council members further confirm the completeness of the accounting records maintained for Molo Technical and Vocational College, which have been relied upon in the preparation of Molo Technical and Vocational College's financial statements as well as the adequacy of the systems of internal financial control.

Approval of the financial statements

Molo Technical and Vocational College-Elburgon financial statements were approved by the Board on and signed on its behalf by:

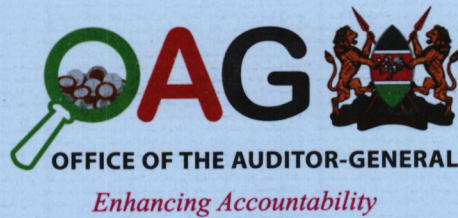

for Eng. Ng'ang'a Daniel
Board Chairman


F.P.K. Tanui
Board Secretary


Millicent Lukasile
Board Member

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON MOLO TECHNICAL AND VOCATIONAL COLLEGE FOR THE SIXTEEN MONTHS PERIOD ENDED 30 JUNE, 2022

PREAMBLE

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

- A. Report on the 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 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 Government achieves value for money and that such funds are applied for the intended purpose.
- 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial period under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Molo Technical and Vocational College set out on pages 1 to 52, which comprise of the statement of financial position

for the sixteen months period ended 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Molo Technical and Vocational College for the sixteen months period ended June, 2022, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

- i. The statement of financial performance reflects an amount of Kshs.4,737,134 in respect of employee costs, while the statement of comparison of budget and actual amounts reflects an amount of Kshs.4,757,134 resulting to an unreconciled variance of Kshs.20,000.
- ii. The statement of financial performance reflects an amount of Kshs.10,023,682 in respect of use of goods and services while the statement of comparison of budget and actual amounts reflects an amount of Kshs.11,170,387 resulting to an unreconciled variance of Kshs.1,146,705.
- iii. The statement of financial performance reflects finance costs of Kshs.200,000 while Note 22 to the financial statements reflects a nil balance resulting to an unreconciled variance of Kshs.200,000.
- iv. The statement of financial position reflects cash and cash equivalents balance of Kshs.256,369 while the statement of cash flows reflects Kshs.300,809 resulting to an unreconciled variance of Kshs.44,440.

In the circumstances, the accuracy and completeness of the above balances included in the financial statements could not be confirmed.

2. Unsupported Balances

2.1 Revenue from Non-Exchange Transactions

The statement of financial performance reflects transfers from the National Government amounting to Kshs.5,535,000 which, as disclosed in Note 6 to the financial statements, includes capitation grants of Kshs.4,035,000 out of which Kshs.2,335,000 received on various dates was not supported by Authorities to Incur Expenditure (AIEs).

In the circumstances, the accuracy and completeness of revenue from non-exchange transactions amounting of Kshs.5,535,000 could not be confirmed.

2.2 Transfers from Other Levels of Government

The statement of financial performance reflects transfers from other levels of Government amounting to Kshs.2,800,000 which, as disclosed in Note 8 to the financial statements, comprises of transfer from Ol'essos Technical Training Institute. However, the transfer was not supported by correspondences detailing the terms of transfer and bank statements supporting remittance of the amount to the College.

In the circumstances, the accuracy and completeness of the transfers from other levels of government amounting to Kshs.2,800,000 could not be confirmed.

2.3 Board of Governors Expenses

The statement of financial performance reflects board expenses of Kshs.451,000 as disclosed in Note 17 to the financial statements. However, details of the individual payees, dates of board activities or meetings and attendance registers were not provided for audit.

In the circumstances, the accuracy and completeness of board expenses of Kshs.451,000 could not be confirmed.

2.4 Inventories

The statement of financial position reflects inventories balance of Kshs.511,590 as disclosed in under Note 29 to the financial statements. However, the balance was not supported by stores ledgers or stock cards.

In the circumstances, the accuracy and completeness of inventories balance of Kshs.511,590 could not be confirmed.

2.5 Trade and Other Payables

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.522,382 as disclosed in Note 34 to the financial statements. However, the balance was not supported by details of the creditors and invoices for the goods supplied or services rendered.

In the circumstances, the accuracy and completeness of trade and other payables from exchange transactions balance of Kshs.522,382 could not be confirmed.

3. Under-Statement of Revenue from Exchange Transactions Balance

The statement of financial performance reflects rendering of services – fees from students amount of Kshs.11,334,180 as disclosed in Note 10 to the financial statements. This amount translates to receipts for only four hundred and twenty-nine (429) students at a rate of Kshs.26,420 per student. However, the College expected to receive

Kshs.13,183,580 for the four hundred and ninety-nine (499) students which resulted to an unexplained under receipt of Kshs.1,849,400.

In the circumstances, the accuracy and completeness of the revenue from exchange transactions of Kshs.11,334,180 could not be confirmed.

4. Inaccuracies in the Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.83,121,253 which, as disclosed in Note 31 to the financial statements, includes land and buildings net book balance of Kshs.81,913,822. However, land is not a depreciable asset and should have been reported separately from buildings. In addition, the valuation report to support the balance was not provided for audit. Further, land ownership documents were not provided for audit and land estimated at Kshs.17,500,000 as disclosed in the footnote of Note 31 to the financial statements, was omitted from property, plant and equipment balance.

In the circumstances, the accuracy, completeness and ownership of the property, plant and equipment balance of Kshs.83,121,253 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the period under review.

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis amounts of Kshs.39,909,333 and Kshs.19,669,180, respectively resulting in a shortfall of Kshs.20,240,153 or 51%. Similarly, the College spent Kshs.23,979,771 against budgeted expenditure of Kshs.20,353,490 resulting to unapproved over expenditure of Kshs.3,626,281 or 18% of the budget.

The underfunding implies that the College did not provide the planned activities and this may have impacted negatively on service delivery to the public.

2. Lack of Hand-Over Reports

Management did not provide a letter from the Ministry of Education or the handing over notes between the College and Ol'essos Technical Training Institute which was the

mentor institution. It is not clear what assets and liabilities the mentor institution is still holding on behalf of the College.

In the circumstances, the assets and liabilities transferred to the College could not be confirmed.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Weaknesses in Maintenance of the Cashbook

The statement of financial position reflects cash and cash equivalents balance of Kshs.256,369 as disclosed in Note 26 to the financial statements. However, it was noted that the cashbook is written in pencil which can easily be erased. This was contrary to Regulation 16(1) of the Public Finance Management (National Government) Regulations, 2015 which states that financial records and documents shall be written in indelible ink.

In the circumstances, the effectiveness on internal controls relating to cash book maintenance could not be confirmed.

2. Lack of Internal Audit Function

During the period under review, the College did not have an internal audit unit and an audit committee to guide and evaluate its internal controls, budgetary performance and financial management, transparency and accountability mechanisms of its operations. This was contrary to Section 73(1) of the Public Finance Management Act, 2012 which states that every National Government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines by the Accounting Standards Board.

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

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

Responsibilities of Management and 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 control 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 control.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the College or 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 are in compliance 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 overall

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College's to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 July, 2023

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

XI. Statement of Financial Performance for the year ended 30 June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	5,535,000	000
Grants from donors and development partners	7	000	000
Transfers from other levels of government	8	2,800,000	000
Public contributions and donations	9	000	000
		8,335,000	000
Revenue from Exchange transactions			
Rendering of services- fees from students	10	11,334,180	000
Sale of goods	11	000	000
Rental revenue from facilities and equipment	12	000	000
Finance income	13	000	000
Other income	14	000	000
		11,334,180	000
		19,669,180	000
Expenses			
Use of goods and services	15	10,023,682	000
Employee costs	16	4,737,134	000
Board /Council Expenses	17	451,000	000
Depreciation and amortization expense	18	7,421,250	000
Repairs and maintenance	19	1,146,705	000
Contracted services	20	000	000
Grants and subsidies	21	000	000
Finance costs	22	200,000	000
		23,979,771	000
Other Gains/(Losses)			
Gain on sale of assets	23	000	000
Unrealized gain on fair value of investments	24	000	000
Impairment loss	25	(000)	(000)
		000	000
		(4,310,591)	000
Net deficit for the year			
Attributable to:			
Surplus/(deficit) attributable to minority interest		000	(000)
Surplus attributable to owners of the controlling entity		000	000
		(4,310,591)	000

(The notes set out on pages 9 to 58 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 9 to 58 were signed by:

Eng Daniel Ng'ang'a

Moses Mbuki

F.P.K Tanui

fo. Chairman of Council/Board

Finance Officer

Principal

Date

Date

Date

ICPAK No Assoc 890

15/05/2023

15/05/2023

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

XI. Statement of Financial Position as at 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	256,369	000
Current portion of receivables from exchange transactions	27(a)	2,689,950	000
Receivables from non-exchange transactions	28	000	000
Inventories	29	511,590	000
Investments	30	000	000
		3,457,909	000
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	000	000
Investments	30	000	000
Property, plant, and equipment	31	83,121,253	000
Intangible assets	32	000	000
Investment property	33	000	000
		000	000
Total Assets		86,579,162	000
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	34	522,382	000
Refundable deposits from customers	35	000	000
Current provisions	36	000	000
Finance lease obligation	37	000	000
Current portion of borrowings	41	000	000
Deferred income	38	000	000
Employee benefit obligation	39	000	000
Payments received in advance		000	000
		522,382	000
Non-Current Liabilities			
Finance lease obligation	37	000	000
Deferred income	38	000	000
Non-Current Employee Benefit Obligation	39	000	000
Non-Current Provisions	40	000	000

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

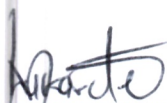
Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Borrowings	41	2,600,000	000
Service Concession Liability	42	000	000
Deferred Tax Liabilities	49	000	000
		2,600,000	000
Total Liabilities		3,222,382	000
Net Assets		83,356,780	000
Reserves		000	000
Accumulated Deficit		(4,310,591)	000
Capital Fund		000	000
Total Net Assets and Liabilities		79,046,189	000

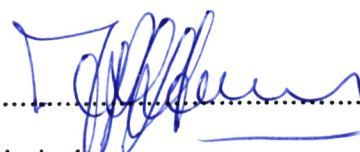
The Financial Statements set out on pages 9 to 58 were signed by:

Eng. Daniel Ng'ang'a

Moses Mbuki

F.P.K Tanui





for Chairman of Council/Board

Finance Officer

Principal

ICPAK No Assoc 890

Date

Date

Date

15/05/2023

15/05/2023

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

XII. Statement of Changes in Net Asset for the year ended 30 June 2022

STATEMENT OF CHANGES IN NET ASSETS			
	Capital Reserve	Retained earnings	Total
	Kshs.	Kshs.	Kshs.
Balance b/f at 1ST March 2021			
Revaluation gain	-	-	-
Fair value adjustment on quoted investments	-	-	-
Total Comprehensive income	-	-	-
Capital/Developments grants received within the year	-	-	-
Transfer of depreciation/amortization from capita fund to retained earnings	-	-	-
Balance c/d as at 28TH 2021	-	-	-
Balance b/f at 1ST March 2021	Kshs.	Kshs.	Kshs.
Revaluation gain	-	-	-
Fair value adjustment on quoted investments	-	-	-
Total Comprehensive income	-	-	-
Capital Fund	83,356,780	-	83,356,780
Deficit for the period	-	4,310,591	4,310,591
Balance c/d as at 30TH JUNE 2022	83,356,780	4,310,591	79,046,189

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

XIV. Statement of Cash Flows for the year ended 30 June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants		5,535,000	000
Public contributions and donations		000	000
Rendering of services- fees from students		11,334,180	000
Sale of goods		000	000
Rental revenue from facilities and equipment		000	000
Finance income		000	000
Other income		2,800,000	000
Total Receipts		19,669,180	000
Payments			
Compensation of employees		4,737,134	000
Use of goods and services		10,023,682	000
Finance cost		000	000
Rent paid		000	000
Taxation paid		000	000
Other payments		1,597,705	000
Grants and subsidies paid		000	000
Total Payments		16,558,521	000
Net Cash Flows from operating activities	43	500,809	000
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(000)	(000)
Proceeds from sale of property, plant and equipment		000	000
Net cash flows used in investing activities		(000)	(000)
Cash flows from financing activities			
Proceeds From Borrowing		000	000
Repayment Of Borrowings		(200,000)	(000)
Deposits receipts		000	000
Net cash flows used in financing activities		(000)	(000)
Net Increase/(Decrease) in Cash and Cash equivalents		300,809	(000)
Cash and Cash equivalents at 1 JULY	26	000	000
Cash and Cash equivalents at 30 JUNE	26	300,809	000

((IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation).

The Financial Statements set out on pages 9 to 58 were signed by:

Eng. Daniel Ng'ang'a

Moses Mbuki

F.P.K Tanui

.....
Chairman of Council/Board

.....
Finance Officer

.....
Principal

Date

Date

Date

ICPAK No. AS500/890
15/05/2023

15/05/2023

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

XV. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2021-2022	2021-2022 -	2021-2022	2021-2022	2021-2022	2021-2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other govt entities and govt grants	12,870,000	(000)	12,870,000	8,335,000	(4,535,000)	35.2%
Public contributions and donations	000	(000)	000	000	(000)	00%
Rendering of services- fees from students	27,039,333	(000)	27,093,333	11,334,180	(15,759,153)	58.2%
Sale of goods	000	-	000	000	(00)	00%
Finance income	000	-	000	000	000	00%
Other income	000	-	000	000	000	00%
Gains on disposal, rental income and agency fees	000	000	000	000	(000)	00%
Total Income	39,909,333	(000)	39,909,333	19,669,180	(20,240,153)	50.7%
Expenses						00%
Compensation of employees	3,955,900	-	3,955,900	4,757,134	(801,234)	16.8%
Use of goods and services	18,263,490	(000)	18,263,490	11,170,387	(7,093,103)	38.8%
Finance costs	000	(000)	000	000	(000)	00%
Depreciation	000	000	000	7,421,250	(7,421,250)	100%
Rent paid	000	(000)	000	000	-	00%
Remuneration of directors	2,090,000	(000)	2,090,000	451,000	1,639,000	78.4%
Grants and subsidies paid	000	-	000	000	-	000%
Total Expenditure	20,353,490	(000)	20,353,490	23,979,771	3,625,928	18.7%
Surplus For the Period	19,555,843	000	19,555,843	(4,310,591)	15,245,252	78%

(Budget notes)

- Movement is due to lower student's turnout than anticipated. The expected turnout was 350 students where the budget had been made to cater for whereas the number that reported was 180, which was 170 students less than anticipated. As well as lack of receipt of student capitation for the 4th Capitation.
- Movement is due to hire of high number of trainers on contract/BOG terms since the ministry had not filled all the positions with public service personnel.
- Movement is due to receipt of less funds than anticipated thus the need to be more prudent with our resources.
- Movement is due to late appointment of BOG members i.e., toward the end of the accounting/reporting period.
- Movement is due to purchase and hiring of examination materials and/ equipment for the ministry is yet to equip the institution.

XVI. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

2.STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Molo Technical and Vocational College’s accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Molo Technical and Vocational College.

The financial statements have been prepared in accordance with the Public Financial Management (PFM) Act, the TVET Act and International Public Sector Standard (IPSAS). The accounting policies adopted have been consistently applied to all through the financial reporting period ended 30th June 2022.

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022.

IPSASB deferred the application date of standards from 1st January 2022 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

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

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

Standard	Effective date and impact:
	Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. **Early adoption of standards**

Molo Technical and Vocational College-Elburgon did not early-adopt any new or amended standards in year 2022.

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 in our institution are in form of recurrent grants and capitation to students that are received from the Ministry of education via our mentoring institution which is OL'Lessos Technical Training Institute. Recurrent grants and capitation for students admitted into the institution are recognized in the statement of financial performance.

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the amount of tuition fees paid by the students by means of deposits into the college bank account. These incomes are recognized in the statement of financial performance.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. However, Molo Technical and Vocational College didn't realise such revenue during the financial year 2021/2022.

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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

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 entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a 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 (variance analysis) of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xv of these financial statements.

c) Taxes

Current income tax

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

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

d). Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of xxx years.

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

Transfers are made to or from investment property only when there is a change in use

e) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term. Molo TVC-Elburgon had no leases in the period of consideration.

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

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition. Molo TVC-Elburgon didn't hold any financial assets during the financial year 2021/2022

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

j) Inventories

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. 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. Molo TVC's inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the institution whereby we purchased plastic chairs to be used by students for learning purposes other inventories include office equipment's, filing cabinets, and all associated equipment's.

k). Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l). Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted*).

m). Changes in accounting policies and estimates

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

n). Employee benefits

Retirement benefit plans

Currently Molo TVC-Elburgon doesn't provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

o). Foreign currency transactions

Molo TVC-Elburgon didn't have any foreign transactions during the F/Y 2021/2022. However transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

p). Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

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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.

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

q). Related parties

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

r). Service concession arrangements

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

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 National Bank of Kenya at the end of the reporting period/financial year.

a) Comparative figures

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

b) 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, 2022.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions 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. *E.g. Molo TVC-Elburgon is yet provides a provision for bad and doubtful debts.*

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	4,035,000	000
Operational Grant	1,500,000	000
Other Grants	000	000
	5,535,000	000
Conditional Grants		
Library Grant	000	000
Hostels Grant	000	000
Administration Block Grant	000	000
Laboratory Grant	000	000
Learning Facilities Grant	000	000
Other Organizational Grants	000	000
Total Government Grants and Subsidies	5,535,000	000

(a) Transfers from other Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2020-2021
			Kshs	Kshs	Kshs
Vocational and Technical Training State Department	5,535,000	000	000	000	000
XX Ministry	000	000	000	000	000
Total	5,535,000	000	000	000	000

7. Grants from Donors and Development Partners

Description	2021-2022	2020-2021
	Kshs	Kshs
JICA- Research Grant	000	000
World Bank Grants	000	000
In-Kind Donations	000	000
Other Grants	000	000
Total Grants from Development Partners	000	000

Reconciliations of grants from donors and development partners

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance unspent at beginning of year	000	000
Current year receipts	000	000
Conditions Met - Transferred to Revenue	000	000
Conditions Yet To Be Met - Remain Liabilities	000	000

(Molo TVC-Elburgon didn't have this revenue category)

8. Transfers from Other Levels of Government

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfer from County XX	000	000
Transfer from XX University	000	000
Transfer from Ol'essos Technical Training Institute	2,800,000	000
Total Transfers	2,800,000	000

9. Public Contributions and Donations

Description	2021-2022	2020-2021
	Kshs	Kshs
Public Donations	000	000
Donations from Local Leadership	000	000
Donations from Religious Institutions	000	000
Donations from Alumni	000	000
Other Donations	000	000
Total Donations and Contributions	000	000

(MTVC didn't have this revenue category)

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

Notes to the Financial Statements (Continued)

10. Rendering of Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Fees	11,334,180	000
Activity Fees	000	000
Industrial Attachment Fees	000	000
Examination Fees	000	000
Library Fees	000	000
Facilities And Materials	000	000
Registration Fees	000	000
Others (<i>Tender fees received</i>)	14,000	000
Total Revenue from The Rendering Of Services	11,348,180	000

(Provide brief explanation for this revenue)

11. Sale of Goods

Description	2021-2022	2020-2021
	Kshs	Kshs
Sale of Books	000	000
Sale of Publications	000	000
Sale of Farm Produce	000	000
Cafeteria sales	000	000
Other	000	000
Total Revenue from Sale of Goods	000	000

(no income from this revenue category)

12. Rental revenue from facilities and equipment

Description	2021-2022	2020-2021
	Kshs	Kshs
Hire of Facilities and Equipment	000	000
Contingent Rental	000	000
Operating Lease Revenue	000	000
Total	000	000

(no income from this revenue category)

13. Finance Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Cash investments and fixed deposits	000	000
Interest income from treasury bills	000	000
Interest income from treasury bonds	000	000
Interest from outstanding debtors	000	000
Total finance income	000	000

(no income from this revenue category)

14. Other Income

Description	2021-2022	2020-2021
	Kshs	Kshs
Insurance recoveries	000	000
Consultancy fees	000	000
Income from sale of tender	000	000
Services concession income	000	000
Reimbursements and refunds	000	000
Graduation fees	000	000
Miscellaneous (<i>specify</i>)	000	000
Total other income	000	000

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

Notes to The Financial Statements (Continued)

15. Use of Goods and Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Teaching and learning materials	606,825	000
Industrial attachment costs	95,100	000
Electricity	427,200	000
Water	19,770	000
Sanitation	387,945	000
Professional and consultancy services	160,750	000
Subscriptions (KATTI,TVETA,KUCCPS)	352,600	000
Marketing and Publicity	796,947	000
Examination Expenses	821,275	000
Audit fees	000	000
Catering, conferences, and delegations	786,320	000
Travelling and accommodation	396,670	000
Fuel and oil	65,826	000
Activity expenses	390,703	000
Student council expenses	244,930	000
Licenses and permits-public health inspection	8,620	000
Postage	24,715	000
Printing and stationery	531,345	000
Library and logbooks expenses	82,675	000
Medical expenses	14,000	000
Administrative expenses	2,525,405	000
Telephone expenses	200,240	000
Internet expenses	39,400	000
Training expenses	1,471,590	000
Other (KRA penalties and bank charges)	16,631	000
Total good and services	10,023,682	000

16. Employee Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	4,644,161	000
Employee related costs - contributions to pensions and medical aids	000	000
Travel, motor car, accommodation, subsistence and other allowances	000	000
Housing benefits and allowances	000	000

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

Overtime payments	000	000
Performance and other bonuses	000	000
Social contributions	92,973	000
Employee Costs	4,737,134	000

17. Board/Council Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Chairman's Honoraria	30,000	000
Directors Emoluments	000	000
Other Allowances	172,000	000
Other Board/Council Expenses	249,000	000
Total	451,000	000

18. Depreciation and Amortization expense

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	7,421,250	000
Intangible assets	000	000
Investment property carried at cost	000	000
Total depreciation and amortization	7,421,250	000

19. Repairs and Maintenance

Description	2021-2022	2020-2021
	Kshs	Kshs
Property	750,250	000
Investment property – earning rentals	000	000
Equipment and machinery	105,335	000
Vehicles	000	000
Furniture and fittings	250,780	000
Computers and accessories	40,340	000
Total Repairs and Maintenance	1,146,705	000

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

Notes to the Financial Statements (Continued)

20. Contracted Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Actuarial valuations	000	000
Investment valuations	000	000
Property valuations	000	000
Total contracted services	000	000

21. Grants and Subsidies

Description	2021-2022	2020-2021
	Kshs	Kshs
Community Development	000	000
Education Initiatives and Programs	000	000
Social Development	000	000
Community Trust	000	000
Sporting Bodies	000	000
Total Grants and Subsidies	000	000

22. Finance Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Borrowings (Amortized Cost)*	000	000
Finance Leases (Amortized Cost)	000	000
Unwinding of Discount	000	000
Interest on Bank Overdrafts	000	000
Interest on Loans from Commercial Banks	000	000
Total Finance Costs	000	000

(*Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalization as per IPSAS 5: on borrowing costs should be included under this note.)

23. Gain On Sale of Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant and Equipment	000	000
Intangible Assets	000	000
Other Assets not capitalized	000	000
Total Gain On Sale of Assets	000	000

24. Unrealized Gain on Fair Value Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
Investments at Fair Value	000	000
Total Gain	000	000

25. Impairment Loss

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, Plant and Equipment	000	000
Intangible Assets	000	000
Total Impairment Loss	000	000

26. Cash and Cash Equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Account	256,369	000
On - Call Deposits	000	000
Fixed Deposits Account	000	000
Staff Car Loan/ Mortgage	000	000
Others (Specify)	000	000
Total Cash and Cash Equivalents	256,369	000

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

Notes to The Financial Statements (Continued)

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

		2021-2022	2020-2021
Financial Institution	Account number	Kshs	Kshs
a) Current Account			
National Bank of Kenya	01022234091900	300,809	000
Sub- Total		300,809	300,809
b) On - Call Deposits			
National Bank of Kenya		000	000
Sub- Total		000	000
c) Fixed Deposits Account			
National Bank of Kenya		000	000
Sub- Total		000	000
d) Staff Car Loan/ Mortgage			
National Bank of Kenya		000	000
Sub- Total		000	000
e) Others(<i>Specify</i>)		000	000
Cash in Transit		000	000
Cash in Hand		000	000
Mobile Money account		000	000
Sub- Total		000	000
Grand Total		300,809	000

Notes to the Financial Statements (Continued)

27. Receivables from Exchange transactions

27(a) Current Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Student Debtors	2,689,950	000
Rent Debtors	000	000
Consultancy Debtors	000	000
Other Exchange Debtors	000	000
Less: Impairment Allowance	(000)	(000)
Total Current Receivables	2,689,950	000

27(b) Long- term Receivables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	000	000
Advance Payments	000	000
Public Organizations	000	000
Less: Impairment Allowance	(000)	(000)
Total	000	000
Current Portion Transferred To Current Receivables	(000)	(000)
Total Non-Current Receivables	000	000
Total Receivables	000	000

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

Description	2021-2022	2020-2021
	Kshs	Kshs
At the beginning of the year	000	000
Provisions during the year	000	000
Recovered during the year	(000)	(000)
Write offs during the year	(000)	(000)
At the end of the year	000	000

Notes to the Financial Statements (Continued)

28. Receivables from Non-Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Current Receivables		
Capitation Grants*	000	000
Transfers from Other Govt. entities	000	000
Undisbursed Donor Funds	000	000
Other Debtors (Non-Exchange Transactions)	000	000
Less: Impairment Allowance	(000)	(000)
Total Current Receivables	000	000

(*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review).

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

Description	2021-2022	2020-2021
	Kshs	Kshs
At the beginning of the year	000	000
Additional provisions during the year	000	000
Recovered during the year	(000)	(00)
Written off during the year	(000)	(000)
At the end of the year	000	000

29. Inventories

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumable stores	204,636	000
Maintenance stores	133,013	000
Health Unit stores	000	000
Electrical stores	107,434	000
Cleaning Materials stores	61,391	000
Catering stores	5,116	000
Total Inventories at lower of Cost and Net Realizable Value	511,590	000

30. Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

Financial Institution		
CBK	000	000
Sub- Total	000	000
b) Investment with Financial Institutions/ Banks		
National Bank of Kenya	000	000
Sub- Total	000	000
Grand Total	000	000

c) Shareholding in other entities

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

Name of Entity where Investment is Held	No of Shares			Nominal Value of Shares	Fair Value of Shares Current Year	Fair Value of Shares Prior Year
	Direct Shareholding	Indirect Shareholding	Effective Shareholding			
	%	%	%	Kshs	Kshs	Kshs
Entity A	000	000	000	000	000	000
Entity B	000	000	000	000	000	000
Total	000	000	000	000	000	000

Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Specific)	Plant and equipment	Capital Work in progress	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 March 2021	89,070,913	000	000	000	000	000	000	89,070,913
Additions	000	000	000	-	000	-	000	000
Disposals	(000)	(000)	-	-	(000)	-	(000)	(000)
Transfers/Adjustments	000	(000)	(000)	(000)	(000)	-	000	(000)
At 30th June 2022	89,070,913	000	000	000	000	000	000	89,070,913
Additions	000	000	886,590	585,000	000	000	000	1,471,590
Disposals	(000)	-	-	-	(000)	-	(000)	(000)
Transfer/Adjustments	(000)	000	(000)	(000)	(000)	-	000	(000)
At 30th June 2022	89,070,913	000	886,590	585,000	000	000	000	90,542,503
Depreciation And Impairment								
At 1 July 2021	(000)	(000)	(000)	(000)	(000)	-	(000)	(000)
Depreciation	(000)	(000)	(000)	(000)	(000)	-	(000)	(000)
Impairment	(000)	-	-	-	(000)	-	-	(000)
At 30 June 2022	000	000	000	000	000	000	000	000
Depreciation	(7,157,091)	(000)	(88,659)	(175,500)	(000)	(000)	(000)	(7,421,250)
Disposals	000	-	-	-	000	-	000	000
Impairment	(000)	(000)	-	-	(000)	-	-	(000)
Transfer/Adjustment	(000)	(000)	(000)	(000)	(000)	-	(000)	(000)

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Specify)	Plant and equipment	Capital Work in progress	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 30 th June 2022	(7,157,091)	(000)	(88,659)	(175,500)	000	000	000	(7,421,250)
Net Book Values								
At 30 th June 2022	81,913,822	000	797,931	409,500	000	000	000	83,121,253

N/B-The value of the land is KShs.17, 500,000 and is excluded from the computation for the period

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). These amounts were adopted in the financial statements on June 2022.

31 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	17,500,000	000	17,500,000
Buildings	71,570,913	7,157,091	64,413,822
Plant And Machinery	000	000	000
Motor Vehicles including Motorcycles	000	000	000
Computers and Related Equipment	585,000	175,500	409,500
Office Equipment, Furniture, And Fittings	886,590	88,659	797,931
Total	90,542,503	7,421,250	83,121,253

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

32. Intangible Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Cost		
At beginning of the year	000	000
Additions	000	000
At end of the year	000	000
Additions–internal development	000	000
At end of the year	000	000
Amortization and impairment		
At beginning of the year	000	000
Amortization	000	000
At end of the year	000	000
Impairment loss	000	000
At end of the year	000	000
NBV	000	000

Notes to the Financial Statements (Continued)

33. Investment Property

Description	2021-2022	2020-2021
	Kshs	Kshs
At beginning of the year	000	000
Additions	000	000
Disposal during the year	(000)	(000)
Depreciation	(000)	(000)
Impairment	(000)	(000)
At end of the year	000	000

(Molo Technical didn't hold any investment property during the financial year 2021/2022t).

34. Trade and Other Payables from Exchange transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	124,464	000
Fees paid in advance	000	000
Salary deductions	000	000
Third-Party Payments	000	000
Other Payables	397,464	000
Total Trade and Other Payables	522,382	000

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

Notes to the Financial Statements (Continued)

35. Refundable Deposits from Customers/Students

Description	2021-2022	2020-2021
	Kshs	Kshs
Consumer deposits	000	000
Caution money	000	000
Other refundable deposits	000	000
Total Deposits	000	000

36. Current Provisions

Description	Leave provision	Bonus provision	Gratuit y Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning Of The Year	000	000	000	000	000
Additional Provisions	000	000	000	000	000
Provision Utilised	(000)	(000)	(000)	(000)	(000)
Change Due To Discount And Time Value For Money	(000)	(000)	(000)	(000)	(000)
Transfers From Non -Current Provisions	000	000	000	000	000
Total Provisions	000	000	000	000	000

37. Finance Lease Obligation

Description	2021-2022	2020-2021
	Kshs	Kshs
At the start of the year	000	000
Discount interest on Lease Liability	000	000
Paid during the year	(000)	(000)
At end of the year	000	000

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

Maturity Analysis

Period	Amount
	Kshs
Year 1	000
Year 2	000
Year 3	000
Year 4	000
Year 5 and Onwards	000
Less: Unearned Interest	000
	000

Analysed as:

Description	Amount
	Kshs
Current	000
Non- Current	000
Total	000

38. Deferred Income

Description	2021-2022	2020-2021
	Kshs	Kshs
National Government	000	000
International Funding Bodies	000	000
Public Contributions and Donations	000	000
Total Deferred Income	000	000

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

Notes to the Financial Statements (Continued)

The deferred income movement is as follows:

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

Analysed as:

Description	Amount
	Kshs
Current	000
Non- Current	000
Total	000

Notes to the Financial Statements (Continued)

39. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2021-2022	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	000	000	000	000	000
Non-Current Benefit Obligation	000	000	000	000	000
Total Employee Benefits Obligation	000	000	000	000	000

Retirement benefit Asset/ Liability

Molo TVC-Elburgon is yet to start operating a defined benefit scheme for all full-time employees

Recognition of Retirement Benefit Asset/ Liability

- a) Amounts recognized under other gains/ Losses in the statement of Financial Performance:

Description	2021-2022	2020-2021
	Kshs	Kshs
The return on defined plan assets	000	000
Actuarial gains/ losses arising from changes in demographic assumptions	000	000
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	000	000
Actuarial gains and losses arising from experience adjustments	000	000
Others (<i>specify</i>)	000	000
Adjustments for restrictions on the defined benefit asset	000	000
Remeasurement of the net defined benefit liability (asset)	000	000

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Notes to the Financial Statements (Continued)

b) Amounts recognized in the Statement of Financial Position

	2021-2022	2020-2021
Description	Kshs	Kshs
Present value of defined benefit obligations(a)	000	000
Fair value of plan assets(b)	(000)	(000)
Funded status(=a-b)	000	000
Restrictions on asset recognized	000	000
Others	000	000
Net asset or liability arising from defined benefit obligation	000	000

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 6 % per employee per month.

Notes to The Financial Statements (Continued)

40. Non-Current Provisions

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

41. Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
Balance at beginning of the year	000	000
External borrowings during the year	000	000
Domestic borrowings during the year	2,800,000	000
Repayments of external borrowings during the year	(000)	(000)
Repayments of domestic borrowings during the year	(200,000)	(000)
Balance at end of the year	2,600,000	000

Notes to the Financial Statements (Continued)

41 a) Analysis of External and Domestic Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'	000	000
Sterling pound denominated loan from 'yyy organization'	000	000
Euro denominated loan from zzz organization'	000	000
Domestic borrowings		
Kenya shilling loan	000	000
Total balance at end of the year	000	000

Notes to the Financial Statements (Continued)

41 b) Breakdown of Long and Short-Term Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
Short Term Borrowings(Current Portion)	000	000
Long Term Borrowings	2,100,000	000
Total	2,100,000	000

42. Service Concession Arrangements

Description	2021-2022	2020-2021
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	000	000
Accumulated depreciation to date	(000)	000
Net carrying amount	<u>000</u>	<u>000</u>
Service concession liability at beginning of the year	000	000
Service concession revenue recognized	(000)	(000)
Service concession liability at end of the year	<u>000</u>	<u>000</u>

Notes to the Financial Statements (Continued)

43. Cash generated from operations

	2021-2022	2020-2021
Surplus for the year before tax	Kshs	Kshs
Adjusted for:		
Depreciation	7,421,250	000
Non-Cash grants received	(000)	(000)
Contributed assets	(681,283)	(000)
Impairment	000	000
Gains and Losses on Disposal of Assets	(000)	(000)
Contribution to provisions	000	000
Contribution to impairment allowance	000	000
Finance Income	(2,800,000)	(000)
Finance Cost	000	000
Working Capital Adjustments		
Increase in Inventory	(1,471,590)	(000)
Increase in Receivables	(2,689,950)	(000)
Increase in Deferred Income	000	000
Increase in Payables	522,382	000
Increase in Payments received in advance	000	000
Net Cash Flow from Operating Activities	300,809	000

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

44. Financial Risk Management

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

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

(i) Credit risk

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

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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

Notes to the Financial Statements (Continued)

the company's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions	000	000	000	000
Receivables from non-exchange transactions	000	000	000	000
Bank balances	000	000	000	000
Total	000	000	000	000
At 30 June 2022				
Receivables from exchange transactions	000		000	000
Receivables from non-exchange transactions	000	000	000	000
Bank balances	000	000	000	000
Total	000	000	000	000

Notes to the Financial Statements (Continued)

44. Financial Risk Management (Continued)

(i) Credit risk (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 recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

(ii) Liquidity risk management

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

MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

Notes to the Financial Statements (Continued)

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 2021				
Trade Payables	000	000	000	000
Current Portion Of Borrowings	000	000	000	000
Provisions	000	000	000	000
Deferred Income	000	000	000	000
Employee Benefit Obligation	000	000	000	000
Total	000	000	000	000
At 30 June 2022				
Trade Payables	000	522,382	000	522,382
Current Portion Of Borrowings	000	000	2,600,000	2,600,000
Provisions	000	000	000	000
Deferred Income	000	000	000	000
Employee Benefit Obligation	000	000	000	000
Total	000	522,382	2,600,000	3,122,382

44. Financial Risk Management (Continued)

(iii) Market risk

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

Notes to the Financial Statements (Continued)

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

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

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

Notes to the Financial Statements (Continued)

a) Foreign currency risk

Molo TVC-Elburgon doesn't have transactional currency exposures. Hence not exposed to foreign currency risk which arises through purchases of goods and services that are done in currencies other than the local currency.

44. Financial Risk Management (Continued)

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30th June 2022			
Financial Assets (Investments, Cash, Debtors)	000	000	000
Liabilities			
Trade and Other Payables	000	000	000
Borrowings	000	000	000
Net Foreign Currency Asset/(Liability)	000	000	000

a) Foreign currency sensitivity analysis

Since Molo TVC-Elburgon didn't have any foreign transaction, foreign currency sensitivity analysis wasn't carried out.

Notes to the Financial Statements (Continued)

b) Interest rate risk

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

Management of interest rate risk

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

Notes to the Financial Statements (Continued)

44 Financial Risk Management (Continued)

(iii) Market risk (Continued)

b) Interest rate risk(continued)

Notes to The Financial Statements (Continued)

Sensitivity analysis

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

iv)Capital Risk Management

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Revaluation Reserve	000	000
Retained Earnings	000	000
Capital Reserve	91,559,279	000
Total Funds	91,559,279	000
Total Borrowings	2,300,000	000
Less: Cash and Bank Balances	(300,809)	(000)
Net Debt/(Excess Cash and Cash Equivalents)		000
Gearing	2.18%	0%

45. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

Notes to the Financial Statements (Continued)

Molo TVC-Elburgon didn't transactions and balances with related parties during the financial year 2021/2022

46. Segment Information

Molo TVC-Elburgon doesn't operates in different geographical regions or in departments.

47. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2021-2022	2020-2021
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	000	000
Assets arising from determination of Court Cases	000	000
Reimbursable Indemnities and Guarantees	000	000
Others (<i>Specify</i>)	000	000
Total	000	000

Contingent Liabilities

Description	2021-2022	2020-2021
	Kshs	Kshs
Contingent Liabilities	000	000
Court Case Xxx against (<i>The Entity</i>)	000	000
Bank guarantees in favour of subsidiary	000	000
Contingent liabilities arising from Contracts including PPPs	000	000
Others (<i>Specify</i>)	000	000
Total	000	000

(no contingent liabilities)

Notes to the Financial Statements (Continued)

48. Capital Commitments

Capital Commitments	2021-2022	2020-2021
	Kshs	Kshs
Authorised for	000	000
Authorised and Contracted for	000	000
Total	000	000

(Molo TVC-Elburgon didn't any authorized Capital commitments at closure of the accounting period.)

49. Deferred Tax Liability

Molo TVC-Elburgon didn't have any deferred tax liability.

50. Events After the Reporting Period

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

51. Ultimate and Holding Entity

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

52. Currency

The financial statements are presented in Kenya Shillings (Kshs).

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MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 16 MONTHS PERIOD ENDED 30TH JUNE 2022

Notes to the Financial Statements (Continued)

ENTITY NAME		MOLO TECHNICAL AND VOCATIONAL COLLEGE-ELBURGON		
Breakdown of Transfers from the State Department of Vocational and Technical Training				
FY2020/2021,2021/2022				
a.	Recurrent Grants			
		<u>Bank Statement date</u>	Amount (KShs.)	<u>Indicate the FY to which the amounts relate</u>
	Quarter 2 Recurrent Grants	19-Mar-2021	500,000	2020/2021
	Quarter 3 Recurrent Grants	10-May-2021	500,000	2020/2021
	Quarter 1 Recurrent Grants	22-July-2021	500,000	2021/2022
	Quarter 1 Capitation	19-Nov-2021	1,350,000	2021/2022
	Quarter 2 Capitation	03-Mar-2022	1,350,000	2021/2022
	Quarter 3 Capitation	03-June-2022	1,335,000	2021/2022
		Total	5,535,000	

