

REPUBLIC OF KENYA



REPORT

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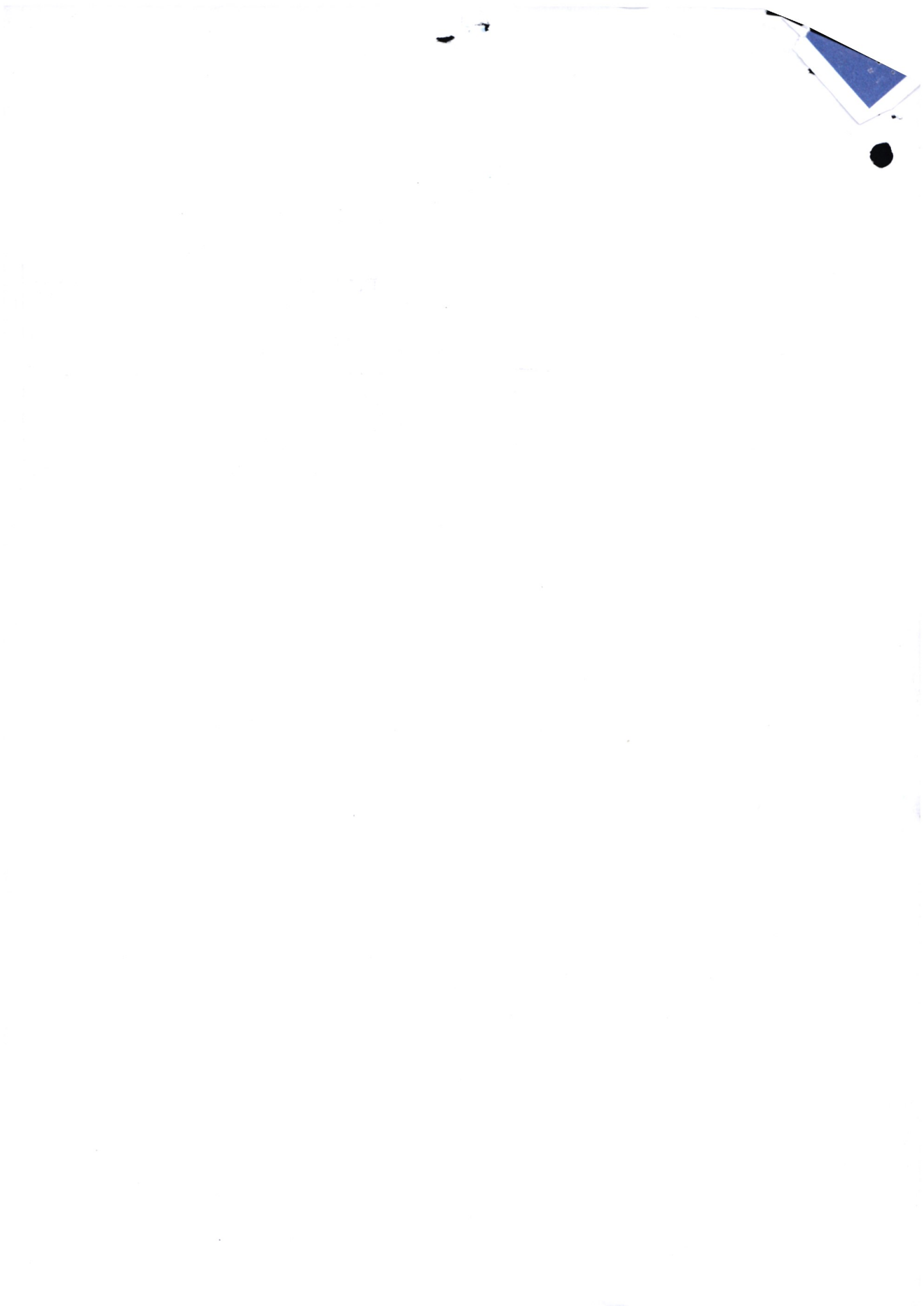
OF

THE AUDITOR-GENERAL

ON

**MWALA TECHNICAL AND VOCATIONAL
COLLEGE**

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





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MWALA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

AIA	Appropriation-In-Aid
BETA	Bottom-Up Economic Transformation Model
BOG	Board of Governors
CDF	Constituency Development Fund
CSR	Corporate Social Responsibility
ECL	Expected Credit Loss
EWC	Electricity, Water and Conservancy
FY	Financial Year
GoK	Government of Kenya
HR	Human Resource
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information Communication Technology
IGA	Income Generating Activity
IPSAS	International Public Sector Accounting Standards
KUCCPS	Kenya Universities and Colleges Central Placement Service
LTT	Local Transport and Travel
MIS	Management Information System
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
PSC	Public Service Commission
QMS	Quality Management System
RMI	Repairs, Maintenance and Improvement
SNA	System of National Account
TTI	Technical Training Institute
TVC	Technical Vocational College
WIP	Work-In-Progress

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

The College/Institute- Refers to Mwala Technical and Vocational College

2. Key Entity Information and Management

(a) Background information

The Mwala Technical and Vocational College was incorporated/established on January 2021, under the TVET Act with the registration number TVETA/PUBLIC/TVC/0048/2021. The college is domiciled in Kenya and has zero branches. The College is under the Ministry of Education. The area MP committed to fund the purchase of land and institutional borehole at a total of 10 million Kenya shillings from the Mwala constituency CDF while the other funding was made by the national government. The college started her operations on January 2021 under mentorship of Katine TTI. The college is located in Machakos county, Mwala subcounty along Makutano/Kithimani Road.

The institution has the following departments Engineering department, Hospitality and accommodation management department, Agriculture and applied sciences department, Civil and building department, and the business and ICT department. The college is managed by a Board of Governors (BOG) appointed by the cabinet secretary, Ministry of education as stipulated by the TVETA Act (January, 2013). The previous board of governance expired on 27th February with a new appointment of board that was inaugurated on the 13th Day of April 2024.

(b) Principal Activities

i. Mandate of Mwala TVC

Mwala TVC mandate is to enhance training, research and innovation to provide high quality technical knowledge necessary to create an entrepreneurial workforce for national development and labour market.

ii. Vision

A centre of excellence in technical training for employable workforce.

iii. Mission

To provide competent employable graduates by facilitating learning, research and innovative dissemination of knowledge, skills and productive work attitudes to meet social-economic and cultural needs of citizens of Kenya and beyond.

iv. Core Values

- Accountability
- Professionalism
- Integrity

- Respect
- Diversity, Equity, and Inclusion

v. Core Functions

- To give quality training and services
- To mould wholesome individuals
- To uphold teamwork in all our undertakings
- To enhance linkage with industries
- To enhance linkage with other institutions
- To uphold research and development
- To uphold innovation and creativity

(c) Key Management

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

- Board of Governors.
- Accounting officer/ Principal
- Deputy principals
- Registrar
- Dean of students
- Head of Finance
- Head of Procurement

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mr. Kavita C. Kyuli
2.	Deputy Principal - Administration	Ms. Cecilia Kayongo
3.	Deputy Principal- Academics	Mr. Henry Oganda Omwebu
4.	Registrar	Ms. Pascaline Nzilu
5.	Dean of students	Mr. Cyrus Musau
6.	Head of Finance	CPA Nzioki Bernard
7.	Head of Procurement	Ms. Winnie Odhiambo

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Audit and Risk Management Committee

- a. The committee is responsible for assisting the Board of governance to ensure the quality and integrity of accounting and financial practices
- b. Ensuring the college's financial statements are understandable and reliable.
- c. Review the quality and accuracy of financial reporting by reviewing internal and external financial statements on behalf of the Board of Governors.
- d. Ensure compliance with accounting standards prescribed by the Government and Standards of accounting bodies.
- e. Review the appropriateness and effectiveness of internal control systems and internal audit functions both in finance and academics.
- f. Ensuring the college establishes a thorough risk management process and effective internal controls both in finance and Academics.
- g. Ensuring the college develop and implement a code of conduct and establish effective communication channels

Infrastructure and Finance Committee Activities

- a. To advise the board on matters concerning the physical character and development of the college
- b. To consider and offer response to all college plans and acquisitions and to the programming, planning, siting and architectural character of new building additions and renovations
- c. To monitor, review and make recommendations to the Board of Governors with respect to: college master plan and its associated policies and strategies, acquisition of college land or the relocation of a part or all developments approved by the Board of Governors.
- d. Review and recommend to the Board of Governor approval of building design proposals in accordance with the college master plan and relevant framework and policy documented.
- e. Oversee and review of financial and accounting policies and mandatory returns in accordance with the financial regulations and the requirements of funding and regulatory bodies.
- f. Receive regular progress updates on infrastructure and finance related projects






- g. Receive reports on fees, grants, subscriptions, donations, bequests or other moneys on behalf of the board and make disbursement to the college or other bodies or persons.
- h. Review and recommend to the Board of Governor approval for fees payable prescribing conditions under such fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of TVET Act 2013 and any other written law,

Academic and Human Resource Affairs Committee Activities

- a. Overseeing the conduct of education and training in the college in accordance with the provisions of TVET Act 2013 and any other written law,
- b. Consider and make decisions on all aspects of the admission of students, teaching, assessment and requirements for graduation, prizes, awards and scholarships,
- c. Provide academic leadership in promotion of excellence in quality and relevance in training and learning, by ensuring that the college embraces a philosophy of quality enhancement and innovation in accordance with TVET Act 2013 and any other written law
- d. Preparing annual reports on areas of college mandate, including education and training services and submit the same to the board;
- e. Coordinate making of regulations governing students' conduct, discipline and welfare in the college;
- f. Seek for collaborations or association with other institutions and industries within and outside Kenya subject to prior approval by the board of Governors and Ministry of Education
- g. Formulate, coordinate and review all instructional policies and procedures as well as monitor and regularly report on compliance with the policies, and procedures within the college.
- h. Partner with the Audit and Risk Management Committee to identify, assess and monitor academic risks within the college.
- i. Coordinate and review HR policy and procedures for all staff at the college
- j. Assist in recruitment of trainers and BOG employees from among qualified professionals and practicing trades persons in relevant sectors of industry.






- (f) **Entity Headquarters**
P.O. Box 07-90102
Kamwala Village
Mwala-Kithimani Road
Mwala, Machakos, KENYA
- (g) **Entity Contacts**
Telephone: (254) 796536524
E-mail: mwalatvc@gmail.com/info@mwalatvc.ac.ke
Website: www.mwalatvc.ac.ke
- (h) **Entity Bankers**
Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
- Other Commercial Banks
Kenya Commercial Bank,
Masii Branch
P.O. Box 400-90101
Masii, Machakos, Kenya
- (i) **Independent Auditors**
Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- (j) **Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3.The Council/Board of Governors






No	Governor	Title	Photograph	Responsibility	Date of Birth Qualifications and Work Experience
1	SC. Kioko Kilukumi	Chairman		Chairing & Overseeing the Performance of The Board	Date of Birth:1963 Qualification: LL. B, CPS (K), Kenya School of Law, Diploma in Law
2	Loise W Wainaina	Member in Charge of Leadership		Chair, Academic and Human Resource Committee & Member, Infrastructure and Finance Committee	Date of Birth:1960 Qualification: Masters in Human Resource Management, CIPD, IHRM
3	Eng. Lawrence Maungu	Member in Charge of Finance		Member, Infrastructure and Finance Committee	Date of Birth:1981 Qualification: BSc. Mechanical Engineering, ACCA
4	Carolyne M Mutua	Member in Charge of ICT		Member, Academic and Human Resource Committee & Audit and Risk Management Committee	Date of Birth:1992 Qualification: BSc. Computer Science
5	Martin K Cheboror	Member in Charge of Engineering		Chair, Audit and Risk Management Committee	Date of Birth:1988 Qualification: BA in Valuation and Property Management

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6	Patrick Kesonkoi	Member in Charge of Technology		Member, Academic and Human Resource Committee & Audit and Risk Management Committee	Date of Birth: 1971 Qualification: MSc. Human Resource Development
7	Emilly Atambo	Member in Charge of Industry		Member Infrastructure and Finance Committee	Date of Birth: 1983 Qualification: BS Environment Health
8	Ruth Mawia	Member nominated by County government		Member Infrastructure and Finance Committee	Date of Birth: 1984 Qualification: BA, Public administration and Sociology.
9	Maryan Hassan	CD TVET		County Director of TVET- Lower Eastern	Date of Birth: Qualification: Master of Education Administration and Planning
10	Mr Kavita C. Kyuli	Principal/ Secretary, BOG		Providing Direction for Keeping of Legal Documents Including Minutes of All Board Meetings	Date of Birth: 1969 Qualification: MSC Human Resource Development

4. Key Management Team

No	Manager	Title	Photograph	Responsibility	Date of Birth, Qualifications & Work Experience
1	Kavita C. Kyuli	Principal/Secretary, BOG		Responsible For the Day-to-Day Leadership & Management of College Activities	Date of Birth:1969 Qualification: MSC Human Resource Development
2	Ms. Cecilia Kayongo	Deputy Principal - Administration		Planning, Administration	Date of Birth:1967 Qualification: Higher Diploma in Psychology
3.	Henry Oganda Omwebu	Deputy Principal- Academics		Academics	Date of Birth: 1969 Qualification: Bachelors in Building Tech
4.	Cyrus Musau	Dean of Students		In Charge of Student's Affairs and Discipline	Date of Birth:1974 Qualification: BSC Agri-Business Management
5.	Ms Pascaline Nzilu	Registrar		Planning for Admissions, Accurately Maintaining Trainees' Academic Records, Marketing of Programs and Administration of Examinations	Date of Birth:1993 Qualification: NHD in Electrical Engineering

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6.	Nzioki Bernard	Finance Officer		Managing college funds, reporting in accordance to the TVET institutions guidelines	Date of Birth: 1993 Qualification: Bachelor of Commerce (Accounting Option), CPAK
7.	Winnie Odhiambo	Procurement Officer		Procuring college goods, works and services	Date of Birth: 1992 Qualifications: Bachelor of Commerce (Procurement Option)

5. Chairman's Statement

I take this opportunity to present Mwala Technical and vocational college annual reports for the financial year ended 30th June 2025. The FY 2024/2025 has been so far the golden year for Mwala TVC. The college recorded a tremendous trainee's establishment growth following the integrated marketing program that was championed by the mother ministry. The Board of Governance and the management has laid down measures to ensure the college consisted record excelling performance both academically and in co-curricular activities. I take this opportunity to share with you my views on the key initiatives and achievements we have had on economic performance, Education sector changes, financial performance, operations & risks associated with the college, and lastly our future outlook.

Economic Focus

The board of governance has remained objective in enhancing smooth running of the college during the financial year 2024/2025 devoting their time and expertise for efficient performance of the college. During the year, the college managed to record the highest student's numbers growth in her history with over 100% population growth from 747 at the close of 2023/2024 to 1,640 active students vise vie the targeted 1000 active students during the year. The Board of governance remains focused to ensure sustainability of the student's population in the forthcoming financial year. I sincerely thank the ministry of education for the initiative made towards enhancing the recruitment of students across the young institutions. Also, the board expresses lots of gratitude to the government for the continued support over the years through Capitation, scholarships, student's loans and deployment of PSC trainers to the institution.

Successes of the College

Based on the college core mandate to enhance training, research and innovation to provide high quality technical knowledge necessary to create an entrepreneurial workforce for national development and labour market, I am gland to report that the institution has not lost her sight to this mandate. As witnessed through the percentage of student's retention from the integrated marketing as compared to her peer institution, I am confident that the college will become an iconic institution within the lower eastern region in the midterm. In the journey to achieve the mandate, the college aims at establishing a pool of qualified professionals through a positive culture and a conducive environment that will attract and retain the best staff establishment.

In the coming financial year, the college is expected to have transitioned fully into CBET training as per current implementation target. This will ensure alignment of the institution mandate and the BETA transformation goals within the nation as envisaged in food security and the tree cover initiative, affordable housing, universal health care and manufacturing. The college has put in place strategies that will support her growth behold the region with excellence in both academic and co-curriculum activities in the current financial year indicating the will and ability to grow. The college has enhanced the environment through climatic rehabilitation initiative of tree planting that serve as an example for the community to emulate. Market tailored courses are expected to yield the best candidates within the market with competence at the heart of each course offered within the college.

Challenges Faced

During the financial year 2024/2025, Mwala TVC faced a number of challenges caused by both internal and external factors. Among such challenges has been the pressure caused by the swelling student population that doubled the existing student numbers. With the limited infrastructure, the management has actively sought development grant for learning facilities although nothing much has been realized. Secondly, failure to receive government funding on scholarship which settles the greater percentage of student's fees affected the college cash flows adversely. Therefore, the college pleads with the government and mother ministry for support through construction of more classrooms, workshops, and provision of equipment especially in the technical department that require huge investments beyond the college ability to fund.

Outlook

The members of the Board of Governors have my sincere gratitude for their steadfast support, dedication, and forward-thinking approach to achieving the college's goals in accordance with its strategic plan and primary mandate of producing technically skilled workers who are in demand by the market. The Board's wide range of expertise and qualifications is noteworthy. In order to guarantee that our trainees continue to receive the best, Mwala TVC is dedicated to collaborating closely going forward with other like-minded organizations, institutions, agencies, and any other bi-lateral & multi-lateral agencies involved in technical and vocational training.

The board would like to express its gratitude to the partners who have negotiated memorandums of understanding with the college, which provide our learners with the opportunity to fulfil their aspirations through dual training in several disciplines. Finally, I want to express my sincere

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gratitude to my fellow Board of Governors members, Management, Trainers, Trainees, and all other stakeholders for their cooperation, teamwork, ongoing support, and dedication throughout the reviewed time.



.....
SC. Kioko Kilukumi
CHAIRPERSON, BOARD GOVERNANCE

Date: 13th November 2025

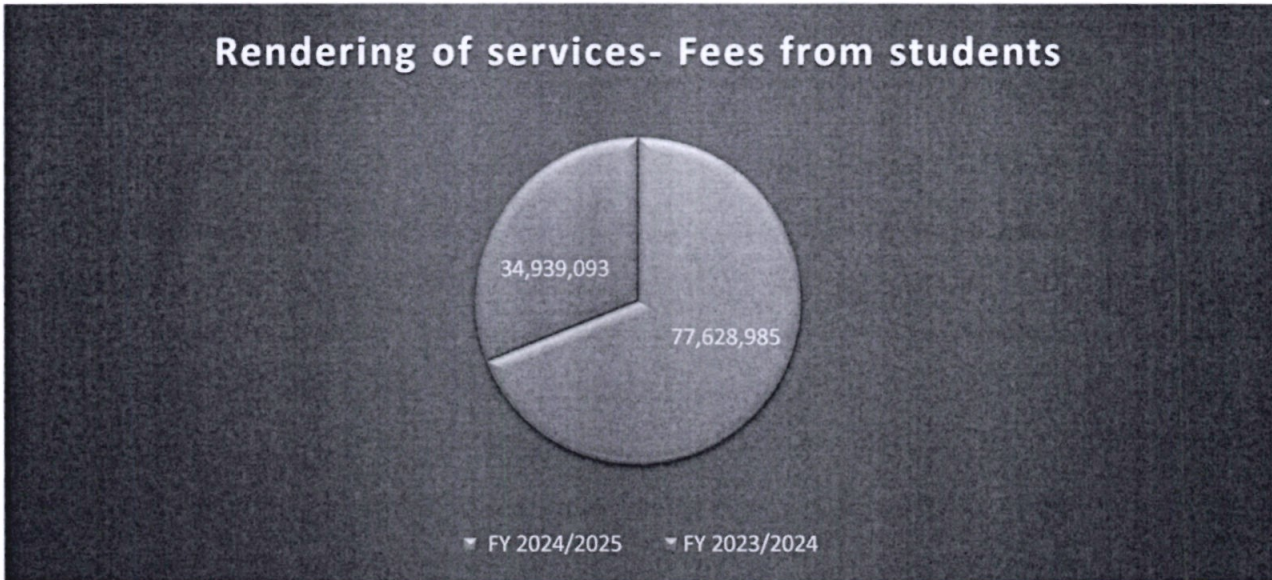


6. Report of the Principal

The College has maintained its focus on equipping graduates with skills that contribute to driving Kenya's economy and advancing both the Bottom-Up Economic Transformation Agenda and Vision 2023 strategic goals. In fulfilling its mandate, Mwala TVC remains committed to continually reviewing, enhancing, and strengthening its academic programs to ensure they are competitive, relevant, and of high quality. Guided by the supportive Board of Governors, the institution has worked diligently to establish structures that enable it to achieve its objectives. Notably, the completion of the Automotive Workshop during the financial year has helped address the demand for additional learning space. The College also continues to partner with various stakeholders in efforts to positively impact both the community and its youth. With the leadership of the Board of Governors, staff and stakeholders are inspired to strive for greater achievements within the education sector. Despite economic challenges, the College has steadfastly pursued its core mandate of training, research, and community outreach.

Highlights of FY 2024/2025 Performance

The College remains dedicated to empowering the youth by instilling an entrepreneurial mind-set alongside technical skills. During the 2024/2025 financial year, the institution recorded significant growth in student enrolment, which translated into increased revenue. As a result, income from exchange transactions rose to Ksh 77,628,985 in FY 2024/2025, compared to Ksh 34,939,093 in the previous year, as illustrated in the accompanying pie chart. Looking ahead, the College is optimistic about sustaining this revenue growth and intends to implement stronger internal controls to improve fee collection, which has been a major challenge during the period. Despite the improvement, 53% of the total revenue was reported as accounts receivable, higher from 33% in FY 2023/2024. In addition to challenges in student fee collection, delays in government capitation have also contributed significantly to the receivables, over 1200 students out of 1640 missing out the scholarship expected during the year.



Students Enrolment

I take this opportunity to thank the Mwala TVC fraternity for the unwavering efforts they make on a daily basis in attracting student's numbers and retention. The collage doubled the previous year enrollment to close at 1640 active students during the FY 2024/2025. The student numbers have been greatly influenced by the integrated marketing that was initiated by the ministry of education geared toward improving the transition rate to tertiary education. The college has put in place marketing strategies that are aimed at sustaining the enrollment growth in the college beyond the current institution capacity.

Projects Undertaken

With the steady increase in student enrolment, the college has made deliberate efforts to expand and upgrade its physical facilities to cater for the growing population. Despite the fact that anticipated funding from partners, as projected in the annual budget, did not come through, the college is grateful for the support from the Board of Governors (BOG). Their contribution has enabled the successful implementation of projects originally planned for internal funding. Among the key achievements are the construction of a zero-grazing shed, procurement of tents with a capacity of 600 students, and the installation of additional CCTV cameras.

Contribution to the Big 4 Agenda

The institution remains committed to equipping students with relevant competencies and skills at Artisan, Craft, and Diploma levels. I am confident that our graduates are adequately prepared with the knowledge and expertise needed to access opportunities both locally and globally, while also

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contributing to the realization of the Big Four Agenda: Health, Manufacturing, Affordable Housing, and Food Security.

As a tertiary institution, we strive to strengthen our visibility, performance, and competitiveness in the higher education sector despite the prevailing stiff competition. Achieving this goal, however, requires substantial support from the Government and other stakeholders, particularly in the implementation of projects and the introduction of dual training programs. We shall continue to seek such assistance in the coming years, especially in the areas of physical infrastructure to support the rising student population and in initiatives that promote research and innovation.

On behalf of the Institute's Board and Management, I take this opportunity to express our sincere appreciation to the Government for its unwavering support during the year under review. We are also deeply grateful for the financial, material, and moral support extended by our partners, collaborators, and friends. The progress achieved this year has been made possible through the leadership of the Board Chairperson, the dedication of the Board of Governors, the cooperation of the Management team, the commitment of our staff, and the support of our students and parents. Their collective efforts have enabled us to conclude the year in an atmosphere of peace and stability.

As we enter the new financial year, I look forward to continued collaboration and support from all stakeholders in driving the institution's mission forward.



Kavita C. Kyuli

CHIEF PRINCIPAL/BOG SECRETARY

Date: 13th November 2025



7. Statement of Performance against Predetermined Objectives

In accordance to section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 that requires the accounting officer to include in the financial statement, a statement of the national government entity’s performance against predetermined objectives.

Mwala TVC has 5 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2024- 2029. These strategic pillars are as follows:

Pillar 1: Quality technical training

Pillar 2: Research and Innovations Development

Pillar 3: Institutional Development and Management

Pillar 4: Human Capital and Talent Management

Pillar 5: Financial Growth and Sustainability

Mwala TVC develops its annual work plans based on the above 5 pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The college achieved its performance targets set for the FY 2024/25 period for its 5 strategic pillars, as indicated in the diagram below:

Strategic Pillar No.	Strategic Pillar Description	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1	Quality technical training	To develop and implement relevant training programs that facilitate acquisition of the necessary skills for improved service delivery and employability	-Quality Teaching; -Delivery or methodology; -Accessibility and relevance of training; -Certification of the courses -Market intelligence; -Capacity building of trainers; -Integration of admissions systems; -Create a data base of trainees and establishment of Students’ union; -Transfer of learning and post training evaluation	-Source and Implementation of Market-Driven Programs - Develop Peer to peer learning - Harmonization and standardization of training -Diversification of mode of teaching delivery - Implementation of Management Information System (MIS)	Performed a market-based selection of courses and application of teaching methods that meet the state of the heart performance requirements in the industry
Pillar 2	Research and Innovations Development	To promote and institutionalize Research and Innovation for informed decision-making in the College and Kenya as large	-Institutionalizing a research culture; -Marketing the College as a research destination; -Dissemination of research findings; -Public trainers research findings in Refereed Journals; -Policy oriented research; -Uptake of available funding for research; -Motivation for research;	- Promotes relevant research and innovation in the education and training in the College - Undertake operational strategic research on topical issues that impact on MTVC - Develop and promote knowledge sharing platforms	Established a culture of innovativeness through addressing the emerging trends and embracing the technological advancement in the delivery of

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			<ul style="list-style-type: none"> -Working paper series/ position papers; -Contributions to GOK policy issues; Regional conferences on topical issues 		teaching services.
Pillar 3	Institutional Development and Management	To enhance the institutional capacity, profile and corporate image of the College to facilitate effective positioning in the market	<ul style="list-style-type: none"> -Branding and visibility of the College and its services; -Mainstreaming of ICT in training and support services; -Governance and service delivery systems; -Status of infrastructure facilities; -Fostering linkages, partnerships and collaborations; -Institutionalizing Monitoring, Evaluation and Reporting -Develop and institutionalize a sound Performance Management and quality management system -Mainstream HIV/AIDS, drug and substance and Gender issues in the College 	<ul style="list-style-type: none"> - Institutionalization of Centre of Excellence - Enhance Branding and Visibility - Leverage on ICT - Adopt good corporate governance practices - Development and upgrading of infrastructure - Develop and institutionalize a sound Quality Management Systems (QMS) 	Adoption of learner centred delivery in teaching. Creating a vibrant image of the college among the members of community through professionalism in the institutional interaction with the community.
Pillar 4	Human Capital and Talent Management	To build human resource capacity for quality service delivery	<ul style="list-style-type: none"> -College staff retention -College an organizational culture -Manage employee relations -Develop performance among employees 	<ul style="list-style-type: none"> -Attract and retain high performing staff - Foster a MTVC Common culture - Undertake training and development for both the BOG Members and Staff - Improve employee relations - Strengthening performance management 	Created a positive environment to attract the best staff and creating the right aptitude among staff in all areas of service delivery
Pillar 5	Financial Growth and Sustainability	To generate, mobilize and enhance efficiency in the utilization of financial resources	<ul style="list-style-type: none"> -Diversification of revenue -Cost-effectiveness of programs - Establishment of Income Generating activities -Resource mobilization -Effective budgeting and budgetary control -Enhance efficiency in utilization of funds -Streamline fees collection mechanism -Strengthen the procurement function 	<ul style="list-style-type: none"> - Diversification of revenue -Review cost effectiveness of the programs and activities - Resource mobilization - Optimization of the cash and cash conversion cycle - Effective budgeting and budgetary control - Enhance efficiency in utilization of funds 	Put in place the internal controls that aimed at enhancing fair and effective utilization of available resources for the best output in the service delivery and

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			<ul style="list-style-type: none"> - Strengthen of Internal Audit function - Elimination of wastage - Improve on financial reporting 	<ul style="list-style-type: none"> - Streamline fees collection mechanism - Strengthen the procurement function - Improve the Internal Audit function - Elimination of wastage - Improve financial reporting 	creation of infrastructure.
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Mwala TVC has persuaded the five strategic pillars in a diverse approach. For the quality training, Mwala TVC has focused on collaborative approach with the industry in both selection of programs to offer, and in delivery of the curriculum where students are exposed to the industry requirements through academic visits and industrial attachments. The college has developed a proactive research and development where continuous invitation of innovative ideas from the students and trainers is done and a bank of such ideas maintained for screening and implementation. The management has remained focused in ensuring institutional development and management with continuous attempts to lobby for resources to ensure sustainable growth of the institution. In terms of human capital, the college has tried to establish a positive culture and conducive environment geared toward attracting the best talent in the industry in terms of committed workforce. As evident through the financial performance, the management remains commitment to ensure they maintain the enrolment numbers through quality service delivery and a trainee centred approach to institution management. Mwala TVC had its third performance contract in the FY 2024/2025 which to a great extent governed both operational activities and development projects in line with the 5 strategic pillars for the benefit of all stakeholders in Mwala TVC as stipulated in the schedule above.

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8. Corporate Governance Statement

The college is managed by the Board of Governance that is appointed by the cabinet secretary, ministry of education following proposals from the principal of the college. The board consist of ten (10) members inclusive of the principal. The board is appointed in line with the Act that provides that Cabinet Secretary shall, in consultation with the TVETA Board, establish the board of governors of the TVET institutions in accordance with section 28. The membership and governance procedures for boards of governors is provided in second schedule of the Act. The succession plan is in accordance with the TVET Act on Board recruitment. The board is responsible for the monitoring the strategic objectives through evaluation of both short-term and long-term objectives. During the FY 2024/2025, the board had the following meeting as indicated by the attendance.

	Date	28.09.2024	18.01.2025	22.03.2025	28.06.2025	23.08.2024	31.01.2025	12.04.2025	24.05.2025	08.03.2025	15.02.2025	16.08.2024	23.05.2025	11.04.2025	26.02.2025
	Type of membership/type of meeting	Full Board	Full Board	Full Board	Full Board	Finance and Infrastructure	Finance and Infrastructure	Finance and Infrastructure	Audit, Quality and Risk Mgt	Audit, Quality and Risk Mgt	Academic and HR affairs committee	Academic and HR affairs committee	Academic and HR affairs committee	Academic and HR affairs committee	Capacity Building Training
Kioko Kilukumi	Chairman	Present	Present	Present	Present										
Carolyne Mutua	Member	Present	Present	Present	Present			Present	Present	Present	Present	Present	Present	Present	Present
Loise Wanaina	Member	Present	Present	Present	Present	Present	Present	Present			Present	Present	Present	Present	Present
Lawrence Maungu	Member	Present	Present	Present	Present	Present	Present	Present							Present
Patrick Kisonkoi	Member	Present	Present	Present	Present				Present	Present	Present	Present	Present	Present	Present
Martin Cheboror	Member	Present	Present	Present	-				Present	Present					Present
Emilly N. Atambo	Member	Present	Present	Present	Present	Present	Present	Present							Present
Ruth Mawia	Member		Present	Present	Present			Present							Present
Maryan A. Hassan	County TVET Director		Present												Present
Kavita C Kyuli	Principal/BOG Secretary	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present

Role and functions of Board of Governors

- i. Overseeing the conduct of education and training in the institutions in accordance with the provisions of TVET Act 2013 and any other written law;
- ii. Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with TVET Act 2013 and any other written law;
- iii. Administering and managing the property of the institutions;
- iv. Developing and implementing the institutions' strategic plan;
- v. Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- vi. Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;

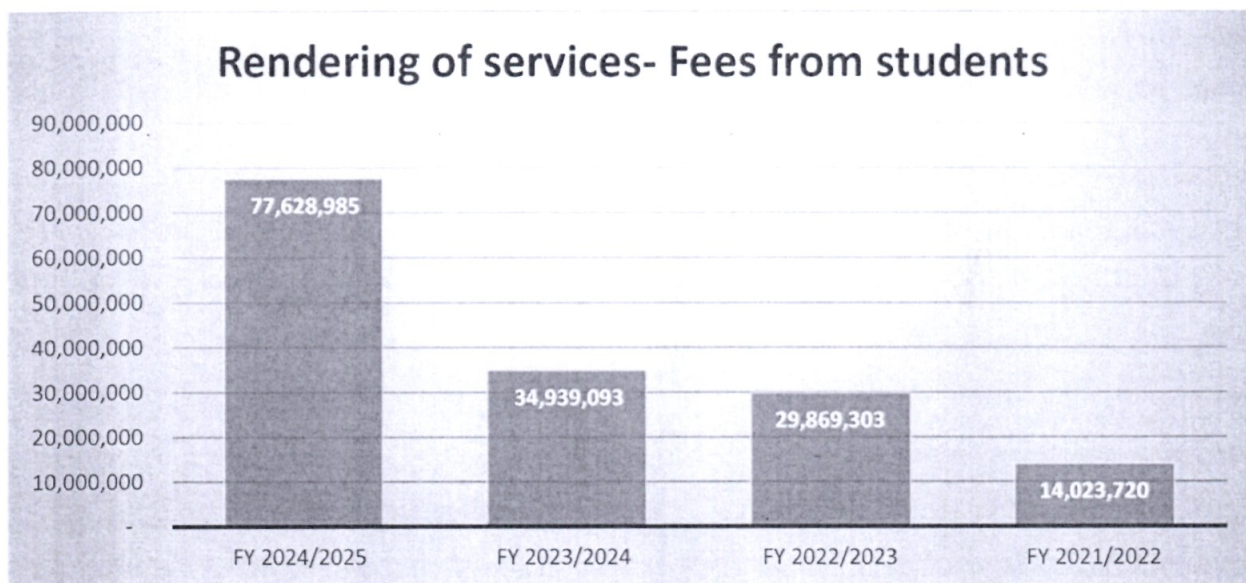
- vii. Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of TVET Act 2013 and any other written law;
- viii. Mobilizing resources for the institutions;
- ix. Regulating the admission and exclusion of students from the institutions, subject to a qualification's framework and the provisions of TVET Act 2013 and any other written law;
- x. Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;
- xi. Making regulations governing organization, conduct and discipline of the staff and students;
- xii. Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the Ministry;
- xiii. Providing for the welfare of the students and staff of the institutions;
- xiv. Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions;
- xv. Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Ministry of education;
- xvi. Recruiting and appointing trainers from among qualified professionals and practicing trades persons in relevant sectors of industry
- xvii. Discharging all other functions conferred upon it by TVET Act 2013 and any other written law.

The board members shall be appointed for a 3-year term. Retiring Board members who have successfully completed their constitutional term in office are eligible for reappointment for a period of 1 term. The previous board of governance expired on 27th February with a new appointment of board that was inaugurated on the 13th Day of April 2024 with the face of Kenya representation attained. The induction program for the board was done in the month of February 2025 combined with a capacity building program that took place between 27th and 29th at Dairy Institute of Technology. Each committee during their first meeting held in quarter one established the terms of reference together with the annual work plan that guides committee annual activities. The college did not operate a month remuneration but has allowances for meetings based on government circular that provided allowances for meeting as follows; Chairman Ksh. 20,000, and

other members Ksh. 15,000 for TVETs with a population between 500 and 1000. The board of governance through academics and human resource committee is undertaking board of governance allowance policy to guide on payment of allowances of the members of the board. Board performance is evaluated against strategic plan objectives and has been commendable during the period. As a good practice, members of the board are required to disclose any matter of conflicting interest before any critical decision in which they participate and conflict of interest register is provided before the start of any meeting. The board conducts a peer governance audit internally that evaluates the performance of each individual members as a member of board committee and eventually, the contribution towards the full board performance against the board mandate.

9. Management Discussion and Analysis
Financial performance of college

Mwala TVC records the financial performance for the 4th year of operation as an independent entity from the mentoring institution. The college has recorded a steady growth in the students' numbers and hence the growth in revenue earned. From the previous years 2021/2022 revenue of Ksh 14,023,720, to 2022/2023 revenue of Ksh 29,869,303 to 2023/2024 Ksh 34,939,093 revenue, to the current financial year with Ksh. 77,628,720 for revenue from rendering of services as indicated in the figure below.



The HELB as a government agency supporting the education system under the TVETA has played a great role in the stability of the colleges' operation. Equally, the government of Kenya has also played a critical role through the disbursement of the capitation for students. Also, the institution has received great support through bursary payment for students from different constituencies NG-CDF and more specifically from the Mwala CDF. However, despite the great growth in revenue, the college has faced some financial constraints as a result of student's not being able to clear their college fees as expected due to the economic conditions especially within the region. Again, the disbursement of the capitation by the government has been coupled with a lot of challenges witnessing a partial payment of Ksh. 17,100 for the financial year against the expected Ksh. 30,000 per student per year. Also, the larger percentage of the population was enrolled under the new government funding model which none of the student was funded for the financial year and with a few applicants yet to receive the HELB funding.

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In conclusion, the institution was greatly limited in the realization of its FY 2024/2025 budget on the account of the student's debtors which has grown by 237% during the financial year as at the reporting date. This forced the institution to avoid expenditure on some vote heads resulting negative effect on the smooth running of the institution in both learning programs and other institutional activities.

Key Entity Projects

During the FY 2024/2025, the college had planned a number of projects that were to be funded from various sources including the college savings, the Mwala NG-CDF and other GoK development partners. However, the college was able to only initiate the following projects during the financial years.

S/No	Project Description	Completion rate	Financing of the Project	Remarks
1.	Construction of 5 doors Pit Latrine	100%	Mwala NG-CDF	Completed and in Use
2.	Purchase of Tents	100%	AIA	Completed and in Use
4.	Construction of Dairy Cow Shed and animal feed store	100%	Learning Material	Completed, awaiting stocking of dairy cow

Major risks facing the college

Financial mitigation – The College has considered the operations of the FY 2024/2025 to be associated with a few challenges. The college had targeted to establish a number of long-term projects like the driving school and construction of learning facilities and workshops which due failure of necessary funding have not been initiated as at 30th June 2025. However, the college has continued to operate the MOU with Violet Driving School that has been able to offer a chance to students in the driving course to study while at the same time realizing income from its operations as an IGA.

The college however faces a major challenge in the financing of development projects with only funding of Kshs. 500,000 donated from the area CDF in kind in form of pit latrines at the sports field. With the population for students and staff expected continue growing, the college faces a major risk of congestion in the following FY 2025/2026 calling for the need to the GOK to consider

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financial support through grants such as Lecture Complex, Library Grant, Equipment donation, and Recreational facility funding for the college.

Material arrears in statutory /financial obligations

During the FY 2024/2025, the college adopted a cautious spending approach with the call for budgets cuts by the national government leading to operation within the means that the college can meet. As a result, the college expenditure was guided by the priorities and ability to pay. Although the college reported trade payables from exchange transactions of Ksh 199,800 as at 30th June 2025, none of the payment had extended the agreed credit period with suppliers and hence no pending bills would be recorded for the college. However, the college closing cash and cash equivalent reported in the balance sheet was committed upto 90% on the contracts and other expenses committed to but not matured for recognizing as trade payables totalling to Kshs. 12,299,144.

10. Environmental and Sustainability Reporting Statement

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

Mwala TVC is guided by the 5 pillars that include offering quality technical training, providing a platform for research and Innovations Development, commitment to Institutional Development and Management, commitment to enhance Human Capital and Talent Management, and strategize on Financial Growth and Sustainability. Guided by the BETA agenda, the college commits to offer technical skills to the young generation for the achievement of these agendas.

Sustainability strategy and profile

A sustainability or corporate responsibility strategy is a prioritized set of actions. It provides an agreed framework to focus investment and drive performance, as well as engage internal and external stakeholders. Our immediate stake holders are trainees. We endeavour to ensure that the learning environment is friendly. The college often organizes for student-staff forums aimed at obtaining two-way feedback for suggestion on the best ideas that would transform the institution to the state-of-the-art TVETA in the region.

The table below shows all our stake holders, their possible expectations verse ours.

NAME OF STAKEHOLDER	STAKEHOLDER EXPECTATION	MWALA TVC EXPECTATION
Students	<ul style="list-style-type: none"> ➤ Accessible and Confidential counselling services ➤ Comprehensive accessible and prompt service provision ➤ Quality training ➤ Timely information 	<ul style="list-style-type: none"> ➤ Pass exams ➤ Timely information ➤ Feedback ➤ Maintain discipline ➤ Avail themselves for training
Parents/Guardians/ Sponsors	<ul style="list-style-type: none"> ➤ Safety of their children ➤ Timely communication with identified channels of communication ➤ Value for money 	<ul style="list-style-type: none"> ➤ Prompt payment of fees ➤ Provision of relevant information ➤ Harmonious co-existence ➤ Support and guide the students
Community	<ul style="list-style-type: none"> ➤ Employment and Business opportunities ➤ Good public relation ➤ Solution to their problems 	<ul style="list-style-type: none"> ➤ Harmonious co-existence ➤ Provision of relevant information

Government (MOE)	<ul style="list-style-type: none"> ➤ Prudent utilization of fund resources ➤ Total compliance to statutory and regulatory guides ➤ Timely information and access to information by authorized personnel 	<ul style="list-style-type: none"> ➤ Provision of relevant information ➤ Adequate financial and technical support ➤ Enabling Policy Framework
External Providers (Suppliers)	<ul style="list-style-type: none"> ➤ Timely feedback ➤ Integrity and fairness when evaluating and awarding ➤ Prompt Payment ➤ Provision of Business opportunities ➤ Adherence to contract terms 	<ul style="list-style-type: none"> ➤ Timely feedback ➤ Timely and quality of goods service and works ➤ Adherence to contract terms
Staff	<ul style="list-style-type: none"> ➤ Career development ➤ Conducive working environment ➤ Open communication channels and feed back ➤ Rewards, Team Building, Fairness & Recognition 	<ul style="list-style-type: none"> ➤ Effective delivery of service ➤ Cohesion among staff
Industry	<ul style="list-style-type: none"> ➤ Competent graduates ➤ Enhanced collaborations ➤ Efficient and effective communication ➤ Insurance for the students 	<ul style="list-style-type: none"> ➤ Attachment opportunities for students ➤ Job opportunities for graduates ➤ Provision of occupational standards for CBET curriculum development ➤ Safety for the attached students
Local and National leaders	<ul style="list-style-type: none"> ➤ Prudent use of public resources 	<ul style="list-style-type: none"> ➤ Goodwill

We are in the process of developing a sustainability strategy. This is an ideal opportunity to engage external stakeholders and colleagues across the education field. Top and senior management is involved in this essential process. We have involved all the staff on the issues that matter to the training. We have identified measurable objectives - alongside long-term risks and opportunities. This renders our strategy resilient, and creates value for the college community.

Environmental performance

The college community is aware of the effects of environmental degradation and pollution. Kenya aims to transition the waste sector in every county away from low collection rates, illegal dumping and uncontrolled dumpsites to affordable waste collection, recycling and composting, and secure final disposal in engineered landfills for the remaining fraction of the waste stream.

The national waste management Policy aims to create the necessary regulatory environment that will enable Kenya to effectively tackle the waste challenge, through systematic collection of waste sorted at source and disposal, processing activities aimed at reusing, recycling or composting waste materials into useful products or sources of energy. To promote sustainable waste management as

an income generating venture, it will be necessary to create an enabling policy and regulatory environment that will incentivize and facilitate the establishment of multiple links in the waste value chain that are currently missing in Kenya.

These include: effective and affordable waste collection in all neighbourhoods; sorting posts where waste will be separated and sorted for subsequent recycling; composting facilities for the organic waste; waste to energy facilities; and fiscal incentives for investment in recycling technologies and facilities. This policy also supports the creation of the planning, finance, technical and governance capacities that county governments need to effectively deliver on their mandate under the Constitution of Kenya 2010, to be the lead actors in delivering sustainable waste management services.

In conjunction with forest cover agenda, the college has planted over 3000 trees to help in rehabilitating the environment. We encourage a drug free environment among both the students and staff.

1. Employee welfare

The college has a draft human resource policy which guides in the execution of employment procedures. We have a BOG subcommittee that handles HR issues, conducts interviews during employments and attends to all HR issues including the provisions of Occupational Safety and Health Act of 2007. The procedure for hiring is outlined in the HR policy. The vacancies arise as per existing staff needs/gaps and ability to pay. The other factors are gender and qualifications. The college is an equal employer and encourages people living with disabilities to apply.

Upon employment, Employees are issued with employment letters clearly describing the job and remuneration. After reporting for work, a new worker signs an acceptance letter and completes a bio-data form. Thereafter an induction process is undertaken.

The workers enter into goal/target setting each with the immediate supervisor at the beginning of each financial year. The targets are reviewed quarterly and a final evaluation done at the end of the 4th quarter. The employee performance is rated and awards or sanctions are implemented.

2. Market place practices

a) Responsible competition practice.

Mwala TVC has been very objective in the operational activities with a critical focus on the value for money for every single coin of public resource invested. The college strives to ensure that there is compliance with the laws of Kenya on matters of procurement. The college has also established a positive culture on issues to do with competition with an emphasis of merit in both supplies

transactions as well as staff recruitment processes. With the management being on the forefront in the emphasis to fairness based on the maxims of equity. Channels of complaints and complains handling have been put in place to keep all operational and management departments on watch.

b) Responsible Supply chain and supplier relations

The college has endeavored to establish a good relation with her suppliers with a budgetary approach that ensures commitments are made based on ability to pay. Hence, there is minimal delays in supplier payments enhancing the mutual trust in supplies. The college also ensures that contracts entered into are within her mandates and in case of any challenges, continuous engagements with contractors are made to ensure minimal chances of breaching contracts from either parties.

c) Responsible engagement with the citizens.

The college has been engaged in diverse marketing strategies aimed at establishing sustainable enrolment for the college. The key marketing tool for Mwala TVC has been based on the students bring student which is the most powerful tool in marketing. Despite the challenges associated with none remittance of the scholarship by the government, the college remains focused to meet all other promises within her control. Also, to mitigate the challenge associated with low remittances by the government on the capitation and scholarship, right information is normally provided to the prospective students before they are admitted to the college.

d) Product stewardship or Awareness Creation

The college commits to reach the diverse markets to attract students from all corners of the country through online platforms like Facebook that has been a rich source of our internal recruitment. The selection of the courses offered in the college are keenly selected to ensure that Mwala TVC brand will be recognized beyond the Eastern region.

3. Corporate Social Responsibility/Community Engagements

Mwala technical has embraced the spirit of CSR to improve the performance of the institution as well as boost the community welfare. Among the key activities performed in partnership with the community has been tree planting initiative.

11. Report of the Board of Governors

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

Principal activities

The principal activities of the college continue to be to Produce Competent Employable Graduates by Facilitating Learning, Research and Innovative Dissemination of Knowledge, Skills and Productive Work Attitudes to Meet Socio-Economic and Cultural Needs of the Citizens of Kenya and Beyond through offering quality tertiary education in the authorized areas of training.

Results

The results of the college for the year ended June 30 are set out on page 1-6 of this financial report for the FY 2024/2025

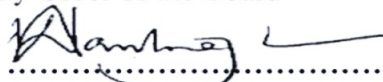
Board of Governors

The members of the Board who served during the year are shown on page ix-x. During the year there was no changes in the constitution of the Mwala TVC board of governors except for the newly appointed county government representative Ms. Ruth Mawia taking up her roles as from January 2025.

Auditors

The Auditor General is responsible for the statutory audit of Mwala TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 and there has not been delegation of the responsibility to any Certified Public Accountants by the Auditor General to carry out the audit of Mwala TVC for the year ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



Kavita C. Kyuli
Secretary of the Board
Nairobi

Date: 13th November 2025



12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and the State Corporations Act Cap 446 Rev. 2010, 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 that Institute, which give a true and fair view of the state of affairs of the College at the end of the financial year/period and the operating results of the College for that year/period. The Council members are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The council members are also responsible for safeguarding the assets of the College.

The Council members are responsible for the preparation and presentation of the college's financial statements, which give a true and fair view of the state of affairs of the College for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the 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 the 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 State Corporations Act 2010, and the TVET Act 2013). The council members are of the opinion that the College's financial statements give a true and fair view of the state of College's transactions during the financial year ended June 30, 2025, and of the College's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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In preparing the financial statements, the Principal has assessed the College's ability to continue as a going concern based on the management assessment of the years operation, significant judgement based on expected future cash flows, and prevailing events and conditions in the economy. Nothing has come to the attention of the Council members to indicate that the college will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Mwala TVC financial statements were approved by the Board on 26th August 2025 and signed on its behalf by:

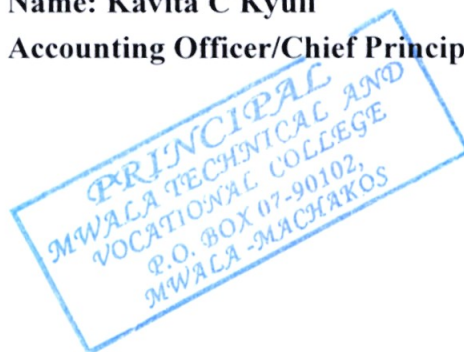

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Name: Kioko Kilukumi
Chairperson of the Board




.....

Name: Kavita C Kyuli
Accounting Officer/Chief Principal



REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mwala Technical and Vocational College set out on pages 1 to 37, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mwala Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Ownership of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.85,250,676 which, as disclosed in Note 17 to the financial statements includes land valued at Kshs.10,302,000 whose ownership documents were not provided for audit review. Although Management explained that the seller had given consent for transfer of ownership and processing of title documents which was at an advanced stage, ownership could not be confirmed.

In the circumstances, the accuracy, completeness and ownership of land valued at Kshs.10,302,000 could not be confirmed.

2. Long Outstanding Receivable from Exchange Transactions

The statement of financial position and as disclosed in Note 14(a) to the financial statements reflects current portion of receivables from exchange transactions balance of Kshs.39,442,484. Included in the balance are receivables totalling Kshs.6,501,988 which have been outstanding for more than two (2) years. The College has not put in place effective and reliable debt collection systems. Further, the College did not make any provisions for long outstanding debts whose recoverability is doubtful.

In the circumstances, the accuracy and recoverability of receivables from exchange transactions balance of Kshs.6,501,988 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.161,433,400 and Kshs.58,049,260 respectively resulting to underfunding of Kshs.103,384,140 or approximately 64% of the budget.

The underfunding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I

confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Non-Compliance with Law on Ethnic Composition

During the year under review, the total number of employees of the College was fifty-one (51), out of which thirty-five (35) or approximately 69% were members of the dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, " all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public Institution shall have more than one-third of its staff establishment from the same ethnic community".

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of a Substantive Human Resource Officer

Review of documents maintained by Human Resource Department indicated that some key positions and functions were not filled or remained vacant during the year under review which include the Substantive Human Resources Officer. This is contrary to Section B.2(1) of the Human Resources Policies and Procedures Manual for public Service, 2017, which states that departments shall prepare Human Resource Plans to support achievement of goals and objectives in their Strategic Plans. The Plans shall be based on comprehensive job analysis and shall be reviewed every year to address emerging issues and needs.

In the circumstances, the College may not be able to achieve effective implementation of strategic objectives and internal controls.

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

Responsibilities of the Management and Board of Governors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

01 December, 2025

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

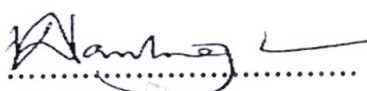
14. Statement of Financial Performance For The Year Ended 30 June 2025

	Notes	FY 2024/2025	FY 2023/2024
		KShs	KShs
Revenue from non-exchange transactions			
Transfers from the National Government – grants/ gifts in kind	5	-	1,999,828
		-	1,999,828
Revenue from exchange transactions			
Rendering of services- Fees from students	9	77,628,985	34,939,093
Sale of goods	10	4,439,330	4,364,900
Revenue from exchange transactions		82,068,315	39,303,993
Total revenue		82,068,315	41,303,820
Expenses			
Use of goods and services	14	31,883,235	19,326,122
Employee costs	15	9,965,023	8,120,704
Remuneration of directors	16	1,482,400	1,148,400
Depreciation and amortization expense	17	3,004,072	2,494,056
Repairs and maintenance	18	725,870	290,646
Total expenses		47,060,600	31,379,928
		35,007,715	9,923,892
Other gains/(losses)			
Total other gains/(losses)		-	-
Net Surplus for the Period		35,007,715	9,923,892
Attributable to:			
Surplus/(deficit) attributable to minority interest			
Surplus attributable to owners of the controlling entity		35,007,715	9,923,892
		35,007,715	9,923,892

(The notes set out on pages 7 to 41 form an integral part of the Annual Financial Statements).

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


.....
Chairman of Board
SC Kioko Kilukumi

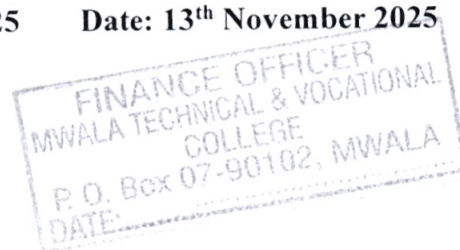
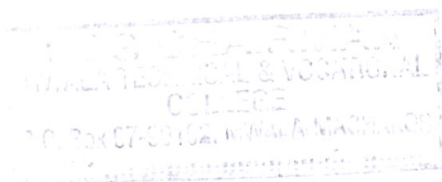

.....
Chief Principal
Kavita C. Kyuli


.....
Finance Officer
CPA Bernard Nzioki
ICPAK No : 31015

Date: 13th November 2025

Date: 13th November 2025

Date: 13th November 2025



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

15. Statement of Financial Position As At 30 June 2025

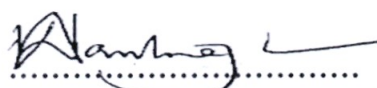
	Notes	FY 2024/2025	FY 2023/2024
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	13	12,076,474	7,787,419
Current portion of receivables from exchange transactions	14(a)	39,442,484	11,646,270
Receivables from non-exchange transactions	15	-	499,828
Inventories	16	50,277	154,585
Investments			
		51,569,235	20,088,102
Non-current assets			
Property, plant and equipment	17	85,250,676	80,016,177
		85,250,676	80,016,177
Total assets		136,819,911	100,104,278
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	18	199,800	1,957,356
Refundable deposits from customers	19	977,000	727,000
Current Provisions	20	232,000	
Payments received in advance	22	3,156,028	672,554
		4,564,828	3,356,910
Non-current liabilities			
		0	0
Total liabilities		4,564,828	3,356,910
Net assets			
Reserves			
Accumulated surplus		57,260,619	22,252,904
Capital reserve		74,994,464	74,494,464
Total net assets and liabilities		136,819,912	100,104,278

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


.....
Chairman of Board
SC Kioko Kilukumi


Date: 13th November 2025

BOG CHAIRMAN
MWALA TECHNICAL & VOCATIONAL
COLLEGE
P.O. Box 07-90102, MWALA-MACHAKOS
DATE:


.....
Chief Principal
Kavita C. Kyuli

Date: 13th November 2025

PRINCIPAL
MWALA TECHNICAL AND
VOCATIONAL COLLEGE
P.O. Box 07-90102,
MWALA-MACHAKOS


.....
Finance Officer
CPA Bernard Nzioki
ICPAK No : 31015

Date: 13th November 2025

FINANCE OFFICER
MWALA TECHNICAL & VOCATIONAL
COLLEGE
P.O. Box 07-90102, MWALA
DATE:

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

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

Description	Revaluation reserve	Accumulated Fund	Capital	Total
			Reserves	
At July 1, 2024	0	22,252,905	74,494,464	96,747,369
Revaluation gain	0	0	0	0
Surplus/(deficit) for the year	0	35,007,715	0	35,007,715
Changes in Capital Reserve during the year	0	0	500,000	500,000
Capital grants received during the year	0	0	0	0
Transfer of depreciation/amortization from capital fund to Retained earnings	0	0	0	0
At June 30, 2025	0	57,260,620	74,994,464	132,255,084

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

		FY 2024/2025	FY 2023/2024
	Note	KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants		499,828	2,000,000
Rendering of services- Fees from students		53,740,347	39,159,217
Sale of goods		3,309,085	4,364,900
Total Receipts		57,549,260	45,524,117
Payments			
Compensation of employees		9,965,023	8,095,404
Use of goods and services		34,642,346	21,934,472
Remuneration of directors		1,482,400	1,247,400
Repairs and maintenance		725,870	290,646
Total Payments		46,815,639	31,567,922
Net cash flows from operating activities	23	10,733,621	13,956,195
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		6,444,566	8,048,201
Net cash flows used in investing activities		6,444,566	8,048,201
Cash flows from financing activities			
Proceeds from borrowings			
Repayment of borrowings			
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash and cash equivalents		4,289,055	5,907,994
Cash and cash equivalents at end of previous year	13	7,787,419	1,879,425
Cash and cash equivalents at end of current year	13	12,076,474	7,787,419

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

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

	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	Performance difference	% of Utilization
	a	b	c=a+b	d		e=d/c %
Revenue	Kshs	Kshs	Kshs	Kshs		Kshs
Transfers from other Government entities/Govt. grants		499,828	499,828	499,828	0	0%
Public contributions and donations	89,500,000	0	89,500,000	500,000	89,000,000	99%
Rendering of services- Fees from students	64,805,322	0	64,805,322	53,740,347	11,064,975	17%
Sale of goods	6,628,250	0	6,628,250	3,309,085	3,319,165	50%
Total income	160,933,572	499,828	161,433,400	58,049,260	103,384,140	
Expenses						
Compensation of employees	11,705,071	0	11,705,071	9,965,023	1,740,048	15%
Use of Goods and services	55,093,091	0	55,093,091	34,642,346	20,450,745	37%
Repair and maintenance	1,561,410	0	1,561,410	725,870	835,540	54%
Remuneration of directors	3,074,000	0	3,074,000	1,482,400	1,591,600	52%
Public contributions and donations projects	89,500,000	0	89,500,000	6,444,566	83,055,434	93%
Total expenditure	160,933,572	0	160,933,572	53,260,205	107,673,367	
Surplus for the period	0	499,828	499,828	4,789,055	-4,289,228	

Budget notes

Variance Explained

Public contribution and donations realized a variance of 99%. The budget line targeted development projects planned to take place during the financial year. Similarly, the college only managed to actualize projects at 7% of the budgeted development expenditure resulting into a variance of 93%. The variance was as a result of low turnout of external partners ready to fund the college on development projects. As a remedy, the college in the future will only focus on internal projects and the very promising projects external partners. In terms of rendering of services, the college recorded a variance of 17% as a result of the increased receivables from exchange transactions. Equally, the sales of goods recorded a variance of 50% as a result of inability of the poultry IGA to take off and increased receivables from hostel rates.

From expenditure, compensation of employees recorded a variance of 15% resulting from the continuous increment of the staff establishment that was not done at the start of the financial year. Remuneration of directors gave a 52% variance resulting from failure to conduct the second capacity building activity that was initially in the budget. Repairs and maintenance recorded a variance of 54% as a result of as a result of compound maintenance that was not made due to the lack enough funds at the disposal of the college for utilization in the repairs.

2. The changes in the original budget was a result of the funding for grant that was paid to the college in the month of July but which related to the previous financial year.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	4,789,055
1	Donation of pit latrines in kind	(500,000)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	4,289,055

19. **Notes to the Financial Statements**

1. **General Information**

Mwala TVC entity is established by and derives its authority and accountability from TVET Act. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The college's principal activity is to train technical and vocational courses.

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the college accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4 (e). The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the College. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act 2010, the TVET Act 2013, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and	Applicable 1st January 2025 The Standard requires,

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

Discontinued Operations	<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>
IPSAS 45: Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>

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

<p>IPSAS 49: Retirement Benefit Plans</p>	<p>Applicable 1st January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p>Applicable 1st January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

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

3. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on the 22nd day of June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional

Mwala Technical and Vocational College

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

appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of 499,828 on the FY 2024/2025 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per First Schedule Section 10 subsection (a) and (b) of the 2010 income tax Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over 10-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. 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. The following depreciation rates have been applied in line with Appendix 4 of guidelines on asset and liability management in the public sector Schedule of Useful Lives and Depreciation and in line with the internal finance policy. Depreciation rate are land at 0%, Buildings at 2%, Motor vehicles at 13%, Office equipment, furniture and fittings at 13%, Computer and related assets at 30% and other equipment & reference materials at 13% in all cases adopting straight line method. Depreciation is charged on opening balance and additions during the year are not subjected to depreciation. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the

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

g) Intangible assets

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

h) Biological Assets

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

i) Research and development costs

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

- The technical feasibility of completing the asset so that the asset will be available for use or sale.

- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

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

j) Financial instruments

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Since the college does not maintain financial assets, there are no critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

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

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

m) Social Benefits

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

n) Nature and purpose of reserves

The college creates and maintains reserves in terms of specific requirements. Governed by PFM Act, 2012 (Sections 72–75 on management of surplus funds) the college maintains surplus reserves, and general reserve to cushion future uncertainties.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

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

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements

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

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

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

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the college'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 20.

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. The management has made provision to audit fees for the external audit that is expected to be invoiced for by the end of quarter two of the subsequent financial year.

5. Transfers from other National Government entities

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Unconditional grants		
Operational grant	-	1,999,828
Other grants		
	-	1,999,828
Total government grants and subsidies	-	1,999,828

6. Rendering of Services

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Tuition fees	40,160,463	16,764,982
Activity	4,745,050	1,950,658
LTT	4,084,700	1,712,174
P. Emol.	10,515,880	5,236,621
RMI	4,009,000	1,405,364
EWC	3,978,900	1,721,334
Registration	608,000	266,000
Student ID	426,500	140,500
Students Council	966,600	477,900
TVETA Fees	422,000	133,000
Material Fees	1,910,925	1,713,000
KUCCPS	966,000	39,000
Examination fees	4,519,967	2,688,560
Industrial attachment insurance & Log book	315,000	690,000
Total revenue from the rendering of services	77,628,985	34,939,093

The revenue in this category forms part of the core mandate for the college and the supporting services that are offered to sustain the core mandate for the college.

7. Sale of Goods

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Sale of goods		
Hostels production	4,201,880	4,316,300
Catering production	16,490	36,000
Driving school collections	197,600	0
Sale of farm produce	23,360	12,600
Total revenue from the sale of goods	4,439,330	4,364,900

The revenue in this category arise from none-mandate transactions for the college which are categorised in the income generating activities for the college.

8. Use of Goods and Services

Description	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Teaching and learning materials	3,530,367	1,914,226
Industrial attachment costs	435,878	183,685
Water	185,560	0
Security	0	5,550
Subscriptions	11,200	0
Advertising	1,754,241	388,074
Examination fees	5,560,955	2,690,570
Examination cutting list	2,974,362	1,802,986
Audit fees	232,000	232,000
Catering, Conferences, and delegations	1,342,475	970,820
Travelling and accommodation	696,182	334,310
Bank Charges	34,808	31,859
Postage	7,775	15,500
Printing and stationery	608,789	186,805
KATTI Expenses	180,000	120,000
TVETA expenses	971,800	364,115
General maintenance	0	305,825
KUCCPs Application	463,770	0
Telephone expenses	385,000	262,500
Internet expenses	287,200	53,849
Students IDs Processing	180,500	50,400
Training expenses and staff development	1,361,445	551,788
Agriculture production cost	2,720	49,850
Administration expenses	1,601,737	776,722
Provision for Audit fees	232,000	0
Driving school bill	143,700	0
Students Council activity	537,047	0
Students activity	2,816,538	3,402,370
Performance contracting expenses	443,180	537,420
Students accommodation	4,902,006	4,094,898
Total good and services	31,883,235	19,326,122

9. Employee Costs

	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Salaries and wages	9,288,997	7,613,620
Social contributions	540,884	414,130
KRA housing levies	117,792	79,854
NITA Levy	17,350	13,100
Employee costs	9,965,023	8,120,704

10. Board Expenses

Description	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Directors emoluments	1,482,400	1,148,400
Total director emoluments	1,482,400	1,148,400

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11. Depreciation and Amortization expense

Description	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Property, plant and equipment	3,004,072	2,494,056
Total depreciation and amortization	3,004,072	2,494,056

12. Repairs and Maintenance

Description	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Property	725,870	290,646
Total repairs and maintenance	725,870	290,646

13. Cash and Cash Equivalents

Description	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Current account	12,076,474	7,787,419
Total cash and cash equivalents	12,076,474	7,787,419

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

Description	Account number	FY 2024/2025	FY 2023/2024
		KShs	Kshs
a) Current account			
Kenya Commercial bank	1286272297	12,076,474	7,787,418.70
Kenya Commercial bank Development	1336308133	0	
Sub- total		12,076,474	7,787,419
b) On - call deposits			
Sub- total		0	0
c) Fixed deposits account			
Sub- total		0	0
d) Staff car loan/ mortgage			
Sub- total		0	0
e) Others(specify)			
Cash in hand		0	0
Sub- total		0	0
Grand total	-	12,076,474	7,787,419

14. Receivables from Exchange transactions

14 (a) Current Receivables from Exchange transactions

Description	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Current receivables		
Student debtors	39,442,484	11,646,270
Total current receivables	39,442,484	11,646,270

14 (b) Ageing Analysis of Receivables from Exchange transactions

Description	FY 2024/2025		FY 2023/2024	
	Current Period	% of the total	Kshs	
			Comparative FY	% of the total
Less than 1 year	27,042,034	69%	10,898,953	94%
Between 1- 2 years	5,898,462	15%	747,317	6%
Between 2-3 years	6,501,988	16%	0	0%
Over 3 years			0	0%
Total (a+b)	39,442,484	100%	11,646,270	100%

15. Receivables from Non-Exchange transactions

Description	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Current receivables		
Transfers from other govt. entities	0	499,828
Total current receivables	0	499,828

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

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	0	0%	499,828	100%
Between 1- 2 years	0	0%	0	0%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total	0	0%	499,828	100%

16. Inventories

Description	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Consumable stores	7,377	33,695
Maintenance stores	42,900	120,890
Total inventories at the lower of cost and net realizable value	50,277	154,585

The consumable store relates to the perishable goods used in catering and accommodation for meals production while maintenance stores relate to construction materials in store. The inventories were evaluated on physical stock take and valued on the first in first out approach to the stock prices.

Detailed disclosure on inventories

	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Opening balance	154,585	0
Additional Inventory in the year	9,880,166	6,524,250
Inventory expensed in the year	9,984,474	6,369,665
Write-downs in the year	0	0
Others specify	0	0
Closing balance	50,277	154,585

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17. Property, Plant and Equipment

	Land	Buildings	Plant and Machinery	Motor vehicles	Office Equipment, Furniture, And Fittings	Computers	Other Equipment & Reference materials	Capital	Total
								Work in progress	
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
As at 1 July 2024 (beginning of the year)	10,302,000	66,817,592	-	-	2,609,414	6,420,820	658,350	765,494	87,573,670
Additions during the period	-	940,305	-	-	3,025,136	905,380	920,000	-	5,790,821
Disposals during the period	-	-	-	-	-	-	-	-	-
Transfers/adjustments during the period	-	-	-	-	765,494	-	-	(765,494)	-
As at 30 June 2025 (close of the current period)	10,302,000	67,757,897	-	-	6,400,044	7,326,200	1,578,350	-	93,364,491
Depreciation and impairment									
As at 1 July 2024 (beginning of the year)	-	4,650,387	-	-	116,831	242,836	99,688	-	5,109,742
Depreciation for the period	-	1,336,351.83	-	-	782,824.31	802,603	82,294	-	3,004,072
Impairment for the period	-	-	-	-	-	-	-	-	-
As at 30 June 2025 (close of the current period)	-	5,986,739	-	-	899,655	1,045,439	181,982	-	8,113,814
Net book values									
As at 30 June 2025 (close of the current period)	10,302,000	61,771,158	-	-	5,500,389	6,280,762	1,396,368	-	85,250,676
As at 1 July 2024 (beginning of the year)	10,302,000	61,071,157	-	-	2,246,181	5,139,626	491,719	765,494	80,016,177

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). Mwala TVC has not been in a position to get a professional person to revalue the assets but adopted the cost of assets valuation. The college is however in the process of contracting a professional valuation of her assets during the financial year 2025/2026 with a budget already allocated for the task.

17 (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	10,302,000	-	10,302,000
Buildings	67,757,897	5,986,739	61,771,158
Plant And Machinery	0	0	0
Motor Vehicles including Motorcycles	0	0	0
Computers and Related Equipment	6,400,044	899,655	5,500,389
Office Equipment, Furniture, And Fittings	7,326,200	1,045,439	6,280,762
Other Equipment & Reference materials	1,578,350	181,982	1,396,368
Work in progress	0	0	0
Total	93,364,491	8,113,814	85,250,676

18. Trade and Other Payables

Description	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Trade payables	136,000	1,932,056
Employee Welfare Account	63,800	25,300
Third-party payments		
Other payables		
Total trade and other payables	199,800	1,957,356

	Current FY	% of the Total	Comparative FY	% of the Total
Ageing analysis:				
Under one year	199,800	100%	1,957,356	100%
1-2 years	0	0%	0	0%
2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total (to tie to totals above)	199,800	100%	1,957,356	100%

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19. Refundable Deposits from Customers/Students

Description	FY 2024/2025		FY 2023/2024	
	KShs		KShs	
Consumer deposits				
Caution money		977,000		727,000
Total deposits		977,000		727,000
	FY 2024/2025		FY 2023/2024	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	250,000	26%	266,000	37%
1-2 years	266,000	27%	212,000	29%
2-3 years	212,000	22%	249,000	0%
Over 3 years	249,000	25%	0	0%
Total (to tie to totals deposits above)	977,000	100%	727,000	100%

The refundable deposits constitute of the caution money for students who pay Kshs. 1000 on admission and are due for refund when the student clears from the college upon graduating. The current financial year witness a great growth of students from field marketing who were not charged for the caution money. The internal policy for the college is that the operational account where the funds are deposited should never be exhausted below this account balance at any specific point.

20. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision (Audit Fees)	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year	0	0	0	0	0
Additional Provisions	0	0	0	232,000	232,000
Provision Utilised	0	0	0	0	0
Change Due To Discount And Time Value For Money	0	0	0	0	0
Transfers From Non -Current Provisions	0	0	0	0	0
Total Provisions	0	0	0	232,000	232,000

21. Employee Benefit Obligations

Retirement benefit Asset/ Liability

The entity only operates with contribution 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% of the gross pay and capped at Kshs. 4,320 per employee per month in which each employee contributes an equal amount towards the scheme. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

22. Payments received in advance.

Description	FY 2024/2025		FY 2023/2024	
	KShs		Kshs	
Fees paid in advance	3,156,028		672,554	
Total fees paid in advance	3,156,028		672,554	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	3,156,028	100%	672,554	100%
1-2 years	0	0%	0	0%
2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total	3,156,028	100%	672,554	100%

23. Cash generated from operations.

	Period ended 30th June 2025	FY 2023/2024
	KShs	KShs
Surplus for the year before tax	35,007,715	9,923,892
Adjusted for:		
Depreciation	3,004,072	2,494,056
Working Capital Adjustments		
Increase/Decrease in Inventory	104,309	(154,585)
Increase/Decrease in Receivables	(27,796,214)	2,491,838
Increase in Prepayments	2,483,474	821,944
Increase in Refundable deposits	250,000	
Increase in unrepresented cheques	(1,062,007)	
Decrease in trade and other payables	(1,757,556)	(1,620,778)
Decrease in receivables from non-exchange	499,828	(173)
Net Cash Flow from Operating Activities	10,733,621	13,956,195

24. 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 minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024 (Previous year)				
Receivables from exchange transactions	11,646,270	11,646,270	0	0
Receivables from non-exchange transactions	499,828	499,828	0	0
Bank balances	7,787,419	7,787,419	0	0
Total	19,933,516	19,933,516	0	0
At 30 June 2025 (current year)				
Receivables from exchange transactions	39,442,484	39,442,484	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	12,076,474	12,076,474	0	0
Total	51,518,958	51,518,958	0	0

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 entity has significant concentration of credit risk on amounts due from 2025

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.

Financial risk management (continued)

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)				
Trade Payables	1,932,056	25,300	0	1,957,356
Provisions	0	0	0	0
Total	1,932,056	25,300	0	1,957,356
At 30 June 2025 (current year)				
Trade Payables	165,800	34,000	0	199,800
Provisions	232,000	0	0	232,000
Total	397,800	34,000	0	431,800

(iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while 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.

a) Foreign currency risk

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

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

Foreign currency sensitivity analysis

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

b) Interest rate risk

Interest rate risk is the risk that the 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.

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.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0 in 2025. A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 since the college did not have any outstanding loan balance.

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iv) Capital Risk Management

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

Description	FY 2024/2025	FY 2023-2024
	Kshs	Kshs
Revaluation Reserve	-	0
Retained Earnings	57,260,619	22,252,904
Capital Reserve	74,994,464	74,494,464
Total Funds	132,255,083	96,747,369
Total Borrowings	4,564,828	3,356,910
Less: Cash and Bank Balances	(12,076,474)	-7,787,419
Net Debt/(Excess Cash and Cash Equivalents)	(7,511,646)	-4,430,509
Gearing	-6%	-5%

25. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the college, holding 100% of the college 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;

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

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties	0	0
B) Purchases from related parties	0	0
b) Grants /Transfers from the Government		
Grants from National Govt	0	1,999,828
Total	0	1,999,828
c) Expenses incurred on behalf of related parties	0	0
d) Key Management Compensation		
Directors' emoluments	1,482,400	1,148,400
Compensation to Key Management		0
Total	1,482,400	1,148,400

26. Events After The Reporting Period

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

27. Ultimate And Holding Entity

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

28. Currency

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

29. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Unsupported property, plant and Equipment (Lack of ownership documents)	The management is actively looking for the means to secure the title deed for the land which has been challenged by lack of the original title deed in the former owner name and the fact that the owner passed on.	Not Resolved	31/12/2025
2	Unsupported Capital reserves	The management provided a schedule for the capital reserve as indicated in appendix 1	Resolved	09/04/2025
3	Unconfirmed Inventories	Management noted the matter and immediate action taken including the employment of procurement officer to advice on the matters of procurement and stock management	Resolved	30/05/2025
4	Unconfirmed rendering of service- fees from students	The management noted the weakness of manual student's records management and the risk associated to it. Procurement and implementation of an ERP has already been done to manage all students' records.	Resolved	30/06/2025
5	Unsupported remuneration of directors	Management noted the matter and provided the evidence on the approach that was used to settle on Outback. The Hotel was the only institution that would provide a calm and serene environment for such a sensitive retreat among all the institutions that expressed an interest to host the program. Management commits to follow the procurement provision in future, such events priority will be given to government institutions.	Resolved	30/05/2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Budgetary Control and Performance	Management noted the matter that resulted from high expectations for projects funding from external sourcing that did not materialize. From the current financial year, management has opted to minimize the projects targeted to be funded from external sources.	Resolved	1/07/2025


2. REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Irregularities in the Procurement Process	Management noted the matter caused by lack of established procurement department. As a result, the management fastened the process of recruiting the procurement officer who will offer professional guidance to the accounting officer to promote lawfulness on procurement matters.	Resolved	30/05/2025
2	Low Value Procurement above the Threshold	Management noted the matter caused by lack of established procurement department. As a result, the management fastened the process of recruiting the procurement officer who will offer professional guidance to the accounting officer to promote lawfulness on procurement matters.	Resolved	30/05/2025
3	Non-Compliance with Law on Ethnic Diversity	Management noted the matter and has made a commitment to offer EEO terms across the country. In the subsequent recruitments, management will offer priority to non-dominant-community members.	Not Resolved	Continuous

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3. REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Lack of Internal Audit Function and an Audit Committee	Management noted the matter caused by lack of internal audit function. The management has put in place measures to benefit from internal audit assurance and advisory services from an outsourced qualified personnel from other government entities.	Not Resolved	30/09/2025


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Name Kavita C. Kyuli
Accounting Officer
Mwala TVC
Date: 13th November 2025



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Appendix II: Projects Implemented by Mwala TVC

Projects

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

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

Status of Projects completion

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

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity N/A

Name of beneficiary entity N/A

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
N/A	N/A	N/A	N/A	N/A	N/A
Total					

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

Head of Accounts Department - Disbursing Entity:
 Name N/A Sign Date

Head of Accounts Department - Beneficiary Entity:
 Name N/A Sign Date.....



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Appendix IV: Reporting of Climate Relevant Expenditures

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

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Appendix V: Reporting on Disaster Management Expenditure

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