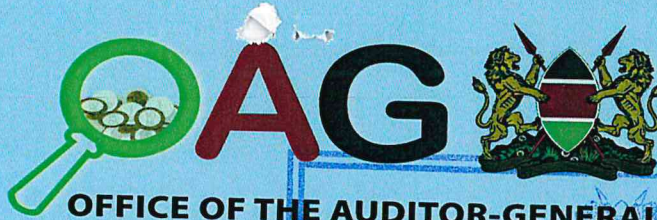


REPUBLIC OF KENYA



**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 23 FEB 2022

DAY.

WED

TABLED  
**REPORT**

HON. JIMMY ANGANYI, MP

CLERK-AT  
THE-TABLE:

Perpetual Kararu

OF

**THE AUDITOR-GENERAL**

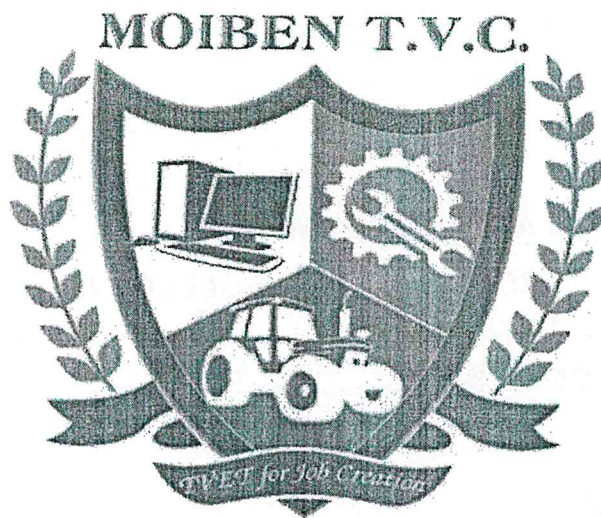
ON

**MOIBEN TECHNICAL AND VOCATIONAL  
COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2018**







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**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2018**

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MOIBEN TECHNICAL AND VOCATIONAL COLLEGE.  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018.

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I. Table of Contents

KEY ENTITY INFORMATION AND MANAGEMENT .....	ii
KEY MOIBEN TECHNICAL AND VOCATIONAL COLLEGE INFORMATION AND MANAGEMENT (Continued) .....	iv
THE BOARD/BOARD OF GOVERNORS .....	v
MANAGEMENT TEAM .....	vii
CHAIRMAN'S STATEMENT .....	viii
REPORT OF THE PRINCIPAL .....	ix
CORPORATE GOVERNANCE STATEMENT .....	x
CORPORATE GOVERNANCE .....	x
MANAGEMENT DISCUSSION AND ANALYSIS .....	xii
FINANCIAL PERFORMANCE .....	xii
REPORT OF THE BOARD OF GOVERNORS .....	xii
STATEMENT OF BOARD OF GOVERNORS/ BOARD MEMBERS' RESPONSIBILITIES .....	xiv
IV. STATEMENT OF FINANCIAL PERFORMANC FOR THE YEAR ENDED 30 JUNE 2018..1	
V. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018 .....	2
VI. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2018. ....4	
VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018.....5	
VIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2018. ....6	
IX. NOTES TO THE FINANCIAL STATEMENTS.....7	
APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS .....	43
APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY .....	44
APPENDIX III: INTER-ENTITY TRANSFERS .....	45
APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES .....	46

## KEY ENTITY INFORMATION AND MANAGEMENT

### (a) Background information

The Moiben Technical and Vocational College was incorporated/ established under the TVET Act on 21<sup>st</sup> December 2016 under Ministry of Education.

The institution is situated in Moiben Township, Moiben Sub-County of Uasin Gishu. The college is 20 km off Eldoret – Iten road to the north.

Moiben TVC offers 11 courses both in Science Engineering and Technology and Business oriented areas. Courses are placed under Technical and Business training departments.

Admission, Examination, industrial liaison offices have been established to complement training operations in college.

#### **Vision**

To be a centre of excellence in the provision of technical and vocational training

#### **Mission**

To provide quality Technical Vocational education and Training that meet the dynamic needs of Society and Industry

### (b) Principal Activities

- i. To provide Technical and vocational and Education training to citizens of Kenya
- ii. To contribute to industrial and technological development through innovations and technology transfer
- iii. Collaborate with Curriculum developers, industry and other players to provide training in competency based education(CBET)
- iv. To foster general welfare of staff and students

### (c) Key Management

The day-to-day management of Moiben Technical and Vocational College is under the following key organs:

- Board Governors
- Accounting officer/ Principal
- Heads of department

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Principal	Mr. Mark Kitongo
2.	Head of Finance	Mr. Nelson Kemboi

**(e) Fiduciary Oversight Arrangements**

The Board of Governors' Sub-committees facilitate decision making to assist the Board in execution of its duties, powers and authority; however delegation of authority to the committees does not in any way take away the prerogative powers of the Main Board in discharging its duties. The Committees have been established with formal written terms of reference to guide their activities.

In the Financial Year 2017-2018, the following Board sub-committees were in place:

**i. Finance and Human Resource**

Ms. Gladys Nyakweba	Chairperson
Ms. Paustine Chemweno	Member
Rev. David Ng'ang'a	Member
Mr. Mark Kitongo	Secretary

**ii. Training and infrastructure**

Mr. Eliakim Khaemba	Chairman
Eng. Nancy Tanui	Member
Ms. Esther Mutai	Member
Mr. Mark Kitongo	Secretary

**KEY MOIBEN TECHNICAL AND VOCATIONAL COLLEGE INFORMATION AND MANAGEMENT (Continued)**

**(f) Moiben Technical and Vocational College Headquarters**

MOIBEN TECHNICAL AND VOCATIONAL COLLEGE  
P.O. BOX 10715- 30100  
ELDORET  
KENYA

**(g) Moiben Technical and Vocational College Contacts**

Telephone: (254) 716 287 367, 254782 110 715  
E-mail: [moibentvc@gmail.com](mailto:moibentvc@gmail.com).

**(h) Moiben Technical and Vocational College Bankers**

1. Kenya commercial Bank  
Eldoret Main Branch  
Account name – **Moiben Technical and Vocational College**  
Account number: **1216740445**

**(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

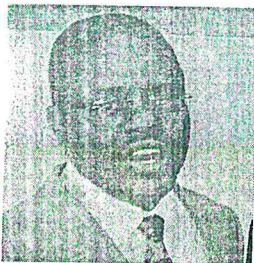
**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**THE BOARD/BOARD OF GOVERNORS**



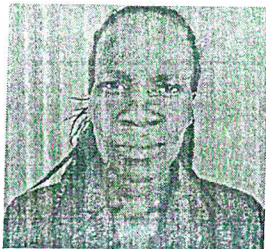
**Eng. Luke Kangogo, MBA DSM –**  
**Chairman**

Luke was Born on 14th September 1956. He is the current Chairman of Board of governors of Moiben technical and Vocational College.  
 He has a wealth of experience in the aviation industry. He worked with the Kenya Air Force for 12 years, Kenya Airways- 10 years, Kenya Civil Aviation Authority- 7 years and the East African Community- 7 Years.  
 He is a Licensed Aircraft Maintenance Engineer (LAME),  
 He is currently a member of Board of Agricultural Finance corporation and Board Member of Eldoret Dairy Farmers Association  
 He has Masters in Business Administration (MBA) - Aviation option  
 Luke is decorated with a Presidential award of Distinguished Service Order Medal.(DSM)  
 Member Institute of Directors (Kenya).



**Rev. David Ng'ang'a - Member**

Rev. Nga'nga was born in 1973.  
 He is a member of the Finance and HR committee. He is a senior Pastor at AIC fellowship in Eldoret with a wealth of experience in pastoral duties; he has worked with the public in National cohesion peace initiatives in the Rift valley, and has served in the several high schools Boards as Chairman and member. He has a Masters in Counseling Psychology from Moi University and Bachelor of Theology from Kabarak university.



**Eng. Nancy Tanui - Member**

Eng. Tanui was born on 25<sup>th</sup> February 1982. She is a member of the Infrastructure, Education and Training committee. She has working experience as Consulting Engineer for over 8 years.  
 She is a member of Engineers Board of Kenya and corporate member of Institute of engineers of Kenya.  
 She is a graduate with Msc. in Structural Engineering from Moi University



**Ms. Paustine Chemweno- Member**

Paustine was born on 12<sup>th</sup> July 1973. She is a member of the Human Resource and Finance Committee.  
 She has a wide experience in financial management and education sector.  
 She currently the Director of JIM JAM Academy.  
 She has a Master's degree in Strategic management from Moi University.





**Mrs. Esther Mutai**  
 Member (representative of County Governor)

She is the representative of the Governor of Uasin Gishu County in the Board.  
 She currently works at the Department of Education Youth affairs and Social Services – Uasin Gishu County  
 She holds a Bachelors’ degree in Education



**Ms. Gladys Nyakweba**–(Member) chairperson of Finance and Human Resource sub- committee

Gladys was born on 24<sup>th</sup> August 1981  
 She is the Chairperson of the Human Resource and Finance Committee.  
 She was a lecturer at Kisii university for 2yrs up to 2017  
 She is a graduate of MBA – finance option.  
 She has a Bachelor of business management (accounting option) from Moi University and a holder of CPAK.



**Mr. Eliakim Khaemba** – (Member) Chairman Infrastructure Education and training sub – committee

Eliakim was born on 17/12/1981  
 He is the chairman of the Infrastructure, Training and Education Committee  
 He is a holder of M.Sc. Information systems from Kisii University and a private consultant on ICT solutions.


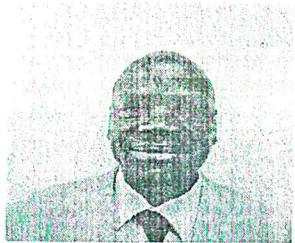



**Mr. Mark Kitongo**  
 Secretary to the Board

Kitongo was born on 1/3/1971  
 He is the Current Principal of Moiben TVC and Secretary to the Board.  
 He has 26 years’ experience in Technical training (TVET) and has served in various administrative capacities.  
 He is a graduate with Bachelor of Technology – Education from University of Eldoret, has Higher Diploma in Mechanical Engineering, and Diploma in Technical Education.  
 He has attended an induction course in education management at the Kenya Education Staff Institute and Senior management course at School of Government.

MOIBEN TECHNICAL AND VOCATIONAL COLLEGE  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

MANAGEMENT TEAM

S.NO	KEY MANAGERS	KEY PROFESSIONAL/ACADEMIC QUALIFICATION	AREA OF RESPONSIBILITY
1.	 Mr Mark Kitongo	<ul style="list-style-type: none"> <li>- Bed Technology Education, Higher Diploma in Mechanical Engineering, Diploma in Technical Education,</li> <li>- Induction course in education management (Kenya Education Staff Institute)</li> <li>- Senior management course(School of Government)</li> </ul>	<ul style="list-style-type: none"> <li>- Principal/CEO/ Secretary to the Board</li> </ul>
2.	 Mr. Emmanuel Seroney	<ul style="list-style-type: none"> <li>- Deputy principal</li> <li>- DPhil – education and administration</li> <li>- Master of education and administration</li> </ul>	<ul style="list-style-type: none"> <li>- Ag. Deputy principa</li> </ul>
3.	 Mr. Nelson Kemboi	<ul style="list-style-type: none"> <li>- Bachelor of commerce (Accounting option)</li> <li>- CPA (K)</li> </ul>	<ul style="list-style-type: none"> <li>- Accountant</li> </ul>

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**CHAIRMAN'S STATEMENT**

It is my pleasure to present the Moiben Technical and Vocational College's annual report and financial statement for the year ended 30<sup>th</sup> June 2018.

During the year under review the College registered significant growth in enrolment of students. The board employed more of staff - both trainers and non- trainers to provide required manpower. The Board committed resources towards the provision of training materials, tools and equipment to ensure quality in training.

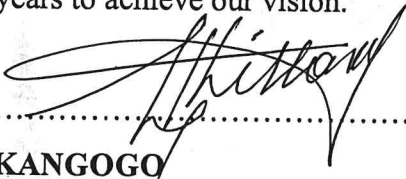
Capacity building and training of Board members, Staff were conducted during the period. This will go a long way in transforming the approaches in management of college activities and service delivery by all.

I wish to thank the Government of Kenya for supporting TVET and making it attractive through capitation and provision of state of art training equipment.

Due to increased enrolment, the capacity of tuition facilities is currently strained. I therefore appeal to the Government to consider providing more finances for expansion of infrastructure to accommodate rising number of students and enhance access to training.

Finally, I thank all stakeholders for their continued support and we endeavour to make even greater strides in the coming years to achieve our vision.

Signature .....



.....Date .....

*26<sup>th</sup> May 2021*

**ENG. LUKE KANGOGO**

**CHAIRMAN – BOARD OF GOVERNORS.**

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

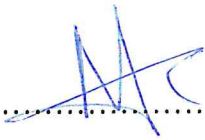
**REPORT OF THE PRINCIPAL.**

I'm pleased to present the 1st Annual report and financial statements for the year ending 30<sup>th</sup> June 2018. The college made great strides during the year which saw enrolment of 110 students. The college has improved on its service capacity through recruitment of more trainers and support staff employed by the Board of Governors.

During the year under review, the college received income of **ksh 797,800** from Students' fees (A in A), and **Ksh. 2,000,000** from GOK operational grants bringing the total income to **Ksh. 2,797,800**. The college also had a deficit of **ksh751, 720**. This is due to low students turn out in the first financial year and Most of the students had difficulty in raising college fees and that led to fees arrears of **ksh 537,850** as at the end of the financial Year.

I therefore wish to extent my appreciation to students for exhibiting good behaviour and discipline. I also appreciate the Board of Governors for providing the strategic leadership as well as staff for their commitment to providing service. In conclusion I wish to thank all stake holders for their support during the period.

Signature .....



Date .....

26/5/2021

**MARK KITONGO.**

**PRINCIPAL.**



## CORPORATE GOVERNANCE STATEMENT

### APPOINTMENT OF BOARD

The Chairman and Members of the Board were appointed by the Cabinet Secretary of Education on 24<sup>th</sup> July 2017 for a 3-year term.

### INDUCTION AND TRAINING OF THE BOARD

During the year in review, the Board attended training on leadership and governance conducted by the TVETA from 14<sup>th</sup> June 2018.

### CORPORATE GOVERNANCE

During the year under review, Members of the Board committed themselves to the service of Moiben Technical and Vocational College and upheld the tenets of good corporate Governance by being transparent, accountable, persons of integrity, socially responsive, promoted excellence and exercised fairness in all dealings.

The Board of Moiben Technical and Vocational College consists of 9 members.

SNO	NAME	TITLE
1.	Eng. Luke Kangogo	Chairman
2.	Rev. David Ng'ang'a	Member
3.	Eng. Nancy Tanui	Member
4.	Ms. Paustine Chemweno	Member
5.	Ms. Esther Mutai	(Representative of County Governor)
6.	Ms. Gladys Nyakweba	Member
7.	Mr. Eliakim Khaemba	Member
8.	Mr. Mark Kitongo	Secretary to the Board
9.	Mr. Michael Rugut	Ex-officio

## ROLE AND FUNCTIONS OF THE BOARD OF GOVERNORS

During the year in review the Board held a total of 4 meetings. The meetings consisted one scheduled meeting every quarter and two special meetings. Each Board subcommittee held 4 meetings (one each quarter) and attendance was very good in all meetings.

The following are functions of the Board of Governors as stipulated in the TVET Act 2013 Section 29

- a) Overseeing the conduct of education and training in the institution in accordance to the Act and other written laws
- b) Promoting and maintaining standards, quality and relevance in education and training in the institution
- c) Administering and managing the property of the institution
- d) Developing and implementing the institutions' strategic plan
- e) Preparing annual estimates of revenue and expenditure for the institution incurring expenditure on behalf of the institution,
- f) Receiving on behalf of the institution, fees, grants, subscriptions donations, bequests or other monies and make disbursements to the institution or other bodies or persons
- g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of the TVET Act.
- h) Mobilizing resources for the institution
- i) Developing and reviewing programmes for training and to make representations thereon to the TVETA Board
- j) Regulating the admission and exclusion of students from the institution, subject to a qualification framework and the provisions of the TVET Act
- k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by TVETA board
- l) Determining terms and conditions of support staff, trainers and instructors and remunerating the staff of the institution in consultation with TVETA
- m) Making regulations governing organization, conduct and discipline of staff and students.
- n) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submitting the same to TVET Board
- o) Providing for welfare of students and staff of the institution
- p) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in institution
- q) Discharging all functions conferred upon it by the Act or any other written Law.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial performance**

The college closed the year with a deficit of **ksh 751,720** this is due to low number of students who turn up for training in the year under review.

### **Major risk facing the college.**

In the financial year under review the college faced some challenges low turn up of students to enrol in college programmes due to fees challenges. Low number of staff to offer training services to students.

## **REPORT OF THE BOARD OF GOVERNORS**

The Board/Board members submit their reports for the year ended June 30, 2018 which show the state of the college affairs.

### **Principal activities**

The principal activities of the Moiben Technical and Vocational College are:

- i. To provide Technical and vocational and Education training to citizens of Kenya
- ii. To contribute to industrial and technological development through innovations and technology transfer
- iii. To foster general welfare of staff and students

### **Results**

The results of the college for the year ended June 30 are set out on page 1 to 46 of the annual financial statements.

## **BOARD OF GOVERNOR'S.**

Members of the Board who served during the year are shown on page vi here above. During the year 2017/2018 no director retired/ resigned.

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**Auditors**

The Auditor General is responsible for the statutory audit of the *Moiben Technical and Vocational College* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit 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



Mark Kitongo  
BOG Secretary/ Principal  
ELDORET

Date..... 26/8/2018



## **MOIBEN TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

### **STATEMENT OF BOARD OF GOVERNORS/ BOARD MEMBERS' RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)) require the Board members to prepare financial statements in respect of Moiben Technical and Vocational College, which give a true and fair view of the state of affairs of the Moiben Technical and Vocational College at the end of the financial year/period and the operating results of the Moiben Technical and Vocational College for that year/period. The Board members are also required to ensure that the Moiben Technical and Vocational College keeps proper accounting records which disclose with reasonable accuracy the financial position of the Moiben Technical and Vocational College. The Board members are also responsible for safeguarding the assets of the Moiben Technical and Vocational College.

The Board members are responsible for the preparation and presentation of the Moiben Technical and Vocational College's financial statements, which give a true and fair view of the state of affairs of the Moiben Technical and Vocational College for and as at the end of the financial year (period) ended on June 30, 2018. 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 Moiben Technical and Vocational College; (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 Moiben Technical and Vocational College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the Moiben Technical and Vocational College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act) – entities should quote applicable legislation as indicated under). The Board members are of the opinion that the Moiben Technical and Vocational College's financial statements give a true and fair view of the state of Moiben Technical and Vocational College's transactions during the financial year ended June 30, 2018, and of the Moiben Technical and Vocational College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Moiben Technical and Vocational College, which have been relied upon in the preparation of the Moiben Technical and Vocational College's financial statements as well as the adequacy of the systems of internal financial control.

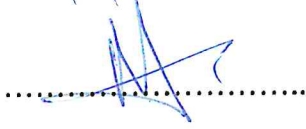
Nothing has come to the attention of the Board members to indicate that the Moiben Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement.

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**Approval of the financial statements**

The Moiben Technical and vocational college financial statements were approved by the Board on

26/1/2021 2018 and signed on its behalf by:

  
.....

**Accounting officer/Principal**

**Mark Kitongo**

  
.....

**Chairperson of the Board/Board**

**Eng. Luke Kangogo**



**REPORT OF THE AUDITOR GENERAL.**



# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON MOIBEN TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2018**

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Moiben Technical and Vocational College set out on pages 1 to 43, which comprise the statement of financial position as at 30 June, 2018, and the statement of financial performance, statement of cash flows and statement of changes in net assets 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 Moiben Technical and Vocational College as at 30 June, 2018, 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.

#### **Basis for Qualified Opinion**

##### **1. Lack of Fixed Assets Register**

The statement of financial position reflects a balance of Kshs.51,705,037 under property, plant and equipment as at 30 June, 2018. The College, however, did not have a fixed assets register showing all the assets owned by the College. Further, a list of assets presented for audit did not have relevant details including valuation.

As a result, it has not been possible to ascertain the completeness and accuracy of the property, plant and equipment net balance of Kshs.51,705,037.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Moiben Technical and Vocational

College Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Late Submission of Financial Statements**

The College's 2017/2018 financial statements were submitted for audit on 5 October, 2020, which is twenty-six (26) months after the statutory date of 30 September, 2018. This is contrary to Section 68(2)(k) of the Public Finance Management Act, 2012 which requires an Accounting Officer to prepare annual financial statements within three months after the end of the financial year to which the accounts relate.

Management was therefore in breach of the law.

#### **2. Failure to Provide Approved Budget**

The statement of comparison of budget and actual amount indicates that College had a final expenditure budget of Kshs.10,163,185 which was to be financed by tuition fees, other income and government grant totaling to Kshs.6,840,225 resulting to unbalanced budget. However, there was no evidence provided that the Management submitted the budget to the Ministry of Education for approval as required by Section 13(3) of the Technical and Vocational Education and Training Act, 2013. The law requires that annual estimates to be submitted to the Cabinet Secretary for approval before the commencement of the financial year to which they relate.

Consequently, details of the sources of revenue and expenditure programmes could, therefore, not be ascertained.

### **3. Lack of Approved Human Resource Plans**

During the year under review, the College did not have in place an approved staff establishment and scheme of service contrary to Section B.2 (1) of Human Resource and Procedures Manual for the Public Service, 2016 that provides that every State Department shall prepare Human Resource Plans to support achievement of goals and objectives in their strategic plans. The College may therefore face challenges in undertaking human resource functions including recruitment, training, promotions and remuneration of its staff.

### **4. Non-Compliance with Law on Ethnic Composition**

The College recruited ten (10) employees and all were from 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 employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

Consequently, the College Management was in breach of the law.

### **5. Failure to Register Trainers**

Review of records of the College indicated that the College had six (6) teachers. However, there was no evidence provided to show that Technical and Vocational Education and Training Board as required by Section 23(1) of the Technical and Vocational Education and Training Act, 2013, registered the trainers. The law requires that any person who intends to become a trainer in an institution shall apply for licensing and registration by the Board.

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Failure to Establish an Internal Audit Function**

During the year under review, the College operated without an internal audit function. This is contrary to Section 73(1)(a) the Public Finance Management Act, 2012 which provides that every National Government entity shall have appropriate arrangements

in place for conducting internal audit according to the guidelines of the Public Sector Accounting Standards Board.

As a result, the college lacks internal structures, which could provide advice and assurance to the management regarding effectiveness of the College's internal controls governance and risk management.

## **2. Lack of an Audit Committee**

Section 73(5) of the Public Finance Management Act, 2012 provides that every National Government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations. However, the College did not have an Audit Committee in place.

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

## **3. Lack of ICT Policy, Procedures and Controls**

Audit review of the Institution's Information Communication and Technology infrastructure revealed that the institution has installed a structured cable network that provides network connectivity to various offices and laboratories within the institution, as well as an internet connection. The institution also maintains a website providing information about the institution, alongside having a provision for an online student portal and e-learning facility. The College maintains its entire financial data on Microsoft Excel application. However, the ICT department do not have substantive head of ICT to oversee the infrastructure. Further, there is no ICT policy in place and financial data on Microsoft Excel has no offsite back up.

Consequently, there is a risk of data loss in event of a disaster or equipment hardware failure contrary to Regulation 110(1) of the Public Finance Management (National Government) Regulations, 2015 states that the Accounting Officer for a national government entity shall institute appropriate access controls needed to minimize breaches of information confidentiality, data integrity and loss of business continuity.

## **4. Lack of Segregation of Duties in Finance Department**

Audit review of the Finance and Accounting department staffing levels during the year revealed that the department had one officer designated as accountant assigned duties of preparation of budget, receiving revenue, processing payments, maintaining cashbook and preparation of bank reconciliations and ledgers among other duties an indication of lack of segregation of duties. This is contrary to Regulation 165 of the Public Finance Management (National Government) Regulations, 2015 that requires an Accounting Officer to develop risk management strategies and effective systems of internal control that builds robust business operations.

In the circumstances, key processes and internal controls of the College may be prone to risk of abuse or errors.



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

### **Responsibilities of Management and Board of Governors**

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

In preparing the financial statements, Management is responsible for assessing the Moiben Technical and Vocational College ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease operations.

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

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

The Board of Governors is responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how the 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**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material

uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Moiben Technical and Vocational College to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

17 January, 2022



**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE.**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018.**

**IV. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2017/2018	2016/2017
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government	6	2,000,000	-
Grants from donors and development partners	7	-	-
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
<b>Total Revenue from non-exchange transactions</b>		<b>2,000,000</b>	<b>-</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Students Fees	10	797,800	-
Sale of goods	11	-	-
Rental revenue from facilities and equipment	12	-	-
Finance income - external investments	13	-	-
Consultancy fees	14	-	-
Other income	15	-	-
<b>Revenue from exchange transactions</b>		<b>797,800</b>	<b>-</b>
<b>Total revenue</b>		<b>2,797,800</b>	<b>-</b>
<b>Expenses</b>			
Use of goods and services	16	986,635	-
Employee costs	17	421,030	-
Remuneration of directors	18	556,860	-
Depreciation and amortization expense	19	1,338,245	-
Repairs and maintenance	20	52,600	-
Contracted services	21	-	-
Grants and subsidies	22	-	-
General expenses	23	194,150	-
Finance costs	24	-	-
<b>Total expenses</b>		<b>3,549,520</b>	<b>-</b>
<b>Other gains/(losses)</b>			
Gain on sale of assets	25	-	-
Unrealized gain on fair value of investments	26	-	-
Impairment loss		-	-
<b>Total other gains/(losses)</b>		<b>-</b>	<b>-</b>
<b>Net Surplus for the year</b>		<b>- 751,720</b>	<b>-</b>
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity		-	-
		-	-

The notes set out on pages 7 to 47 form an integral part of the Annual Financial Statements.



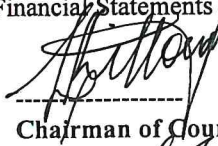
**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018.**

**V. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

	Notes	2017/2018 Kshs	2016/2017 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27	2,880,714	-
Receivables from exchange transactions	28	537,850	-
Receivables from non-exchange transactions	29	-	-
current portion of long term receivables from exchange transactions	30		
Inventories	31	-	-
Investments	32	-	-
<b>Total Current Assets</b>		<b>3,418,564</b>	<b>-</b>
<b>Non-current assets</b>			
Property, plant and equipment	33	51,705,037	
investment	32		
Intangible assets	33	-	-
Investment property	32	-	-
Long term receivables from exchange transactions	30	-	-
<b>Total Non-current Assets</b>		<b>51,705,037</b>	<b>-</b>
<b>Total assets</b>		<b>55,123,600</b>	<b>-</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	36	170,183	-
Refundable deposits to students (caution money)	37	47,100	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of borrowings	43	-	-
Deferred income	40	-	-
Employee benefit obligation	41	-	-
Payments received in advance		-	-
<b>Total Current Liabilities</b>		<b>217,283</b>	<b>-</b>
<b>Non-current liabilities</b>			
Non-current employee benefit obligation	41	-	-
Non-current provisions	42		
Borrowings	43		
service concession liability	44		
deferred tax liabilities	53		
<b>Total Non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>217,283</b>	<b>-</b>
<b>Capital and Reserves</b>			
<b>Reserves</b>			
Accumulated surplus		751,720	
Donated assets - Building		52,755,812	
Capital Fund		2,902,225	
<b>Total Capital and Reserves</b>		<b>54,906,317</b>	<b>-</b>
<b>Total Liabilities and Capital &amp; Reserves</b>		<b>55,123,600</b>	<b>-</b>

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

The Financial Statements set out on pages 7 to 47 were signed on behalf of the Institute Council/ Board of Governors by:

  
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Chairman of Council/Board of Governors

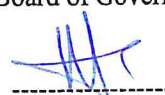
Date: 26/5/21

  
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Finance Officer

ICPAK No A58042583

Date 26/5/2021

  
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Principal

Date: 26/5/2021





**VI. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2018.**

	capital/development grants	Donated Assets - Building	revenue reserves	revaluation reserves	Total
Balance b/f at July 1, 2017	-	-	-	-	-
Surplus for the period			751,720		751,720
Fair value adjustment on quoted investments					
Surplus for the period					
Donated assets		52,755,812			52,755,812
Capital/Development grants received during the year	2,902,225				2,902,225
Transfer of depreciation/amortization from capital fund to retained earnings					
<b>Balance c/d as at June 30, 2018</b>	<b>2,902,225</b>	<b>52,755,812</b>	<b>- 751,720</b>	<b>-</b>	<b>54,906,317</b>

MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018.

VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018.

	2017/2018	2016/2017
	Kshs	Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from other Government entities/Govt. grants	2,000,000	
Public contributions and donations		
Rendering of services- Fees from students	379,200	
Sale of goods		
Rental revenue from facilities and equipment		
Finance income		
Other income, rentals and agency fees		
<b>Total Receipts</b>	<b>2,379,200</b>	
<b>Payments</b>		
Compensation of employees	421,030	
Use of goods and services	816,452	
Remuneration of directors	556,860	
Repair and maintenance	52,600	
Taxation paid	-	
Other payments	266,300	
Grants and subsidies paid		
<b>Total Payments</b>	<b>2,113,242</b>	
<b>Net cash flows from operating activities</b>	<b>265,958</b>	
<b>Cash flows from investing activities</b>		
Purchase of property, plant, equipment and intangible assets	- 287,470	
Proceeds from sale of property, plant and Equipment		
Decrease in non-current receivables		
Increase in investments	2,902,225	
<b>Net cash flows used in investing activities</b>	<b>2,614,755</b>	
<b>Cash flows from financing activities</b>		
Proceeds from borrowings		
Repayment of borrowings		
Increase in deposits		
<b>Net cash flows used in financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,880,714</b>	<b>-</b>
Cash and cash equivalents at 1 July 2018		
<b>Cash and cash equivalents at 30 June 2019</b>	<b>2,880,714</b>	<b>-</b>
<b>Cash and cash equivalents as per the Balance Sheet</b>	<b>2,880,714</b>	<b>-</b>

VIII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2018.

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference
	2017-2018	Kshs	2017-2018	Kshs	2017-2018	Kshs	2017-2018	Kshs	
Revenue									
Transfers from other Govt entities Govt grants									
Government capitation									
Rendering of services- Fees from students	1,938,000				1,938,000		2,000,000		2,000,000
Sale of goods									
Finance Income									1,140,200
Consultancy Income									
Gains on disposal, rental income and agency fees									
<b>Total income</b>	<b>1,938,000</b>				<b>1,938,000</b>				
<b>Expenses</b>									<b>859,800</b>
Employee costs	1,200,960								
Use of goods and services	2,312,000				1,200,960		421,030		779,930
Finance costs					2,312,000		986,635		1,325,366
Rent paid									
Remuneration of directors	108,000								
Repairs and maintenance					108,000		556,860		448,860
Contracted services									
General expenses	1,640,000								
Grants and subsidies					1,640,000		1,584,995		55,005
<b>Total expenditure</b>	<b>5,260,960</b>				<b>5,260,960</b>				
<b>Surplus for the period</b>	<b>-</b>				<b>-</b>		<b>3,322,960</b>		<b>2,571,240</b>

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

Moiben TVC is established by and derives its authority and accountability from TVETA Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide Technical and vocational and Education training to citizens of Kenya

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The financial statements have been prepared on a historical cost basis. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Moiben TVC.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act and International Public Sector Accounting Standards (IPSAS).

**3. ADOPTION OF NEW AND REVISED STANDARDS**

**i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2018**

<b>Standard</b>	<b>Impact</b>
<b>IPSAS 40:</b> Public Sector Combinations	<b>Applicable: 1<sup>st</sup> January 2018</b> The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. <i>(State the impact of the standard to the entity if relevant)</i>

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)**

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2018**

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2022:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><i>(State the impact of the standard to the entity if relevant)</i></p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2022</b> The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ol> <p><i>(State the impact of the standard to the entity if relevant)</i></p>

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**iii. Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2018.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

Revenue from rendering of services is measured by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

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 college.

**Interest income**

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

**Dividends**

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

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Revenue recognition (Continued)**

**ii) Revenue from exchange transactions (continued)**

**Rental income**

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

**b) Budget information**

The original budget for financial year 2017/2018 was approved by the Board or Board on 28<sup>th</sup> September 2017. The Moiben Technical and Vocational College's budget is prepared on a cash basis to the actual income and expenditure disclosed in the financial statements. 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.

**c) Taxes**

***Current income tax***

The college is exempt from paying taxes as stipulated in the first schedule of income tax CAP 470.

MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Taxes (continued)

*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 a period of - years.

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

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



**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**e) Property, plant and equipment**

All property, plant and equipment are stated at cost less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Moiben Technical and Vocational College recognizes such parts as individual assets with specific useful lives and depreciates them accordingly using the Reducing Balance Depreciation method. The table below shows the depreciation rate:

S.No	Details	Depreciation Rate%
1.	Building	2.5%
2.	Motor vehicle	25%
3.	Furniture and fittings	12.5%
4.	Computer and accessories	33.3%
5.	Reference books	25%
6.	Property plant and equipment's	12.5%

**Assumptions:**

- a. **40 Acres land:** The College was allocated 40 acres piece of land by the County Government of Uasin Gishu the cost of the land is yet to be determined through valuation.
- b. The college also received the following assets from the ministry of education the costs are yet to be determined through the Valuation of assets. After the valuation exercise the costs of these assets will be incorporated in the financial statements.
  - i. Furniture staff and students furniture
  - ii. Automotive training equipment's
  - iii. 20 Computers and 3 laptops
  - iv. 2 projectors
  - v. Three printers.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f) Leases**

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

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

**h) Research and development costs**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments

*Financial assets*

*Initial recognition and measurement*

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

*Loans and receivables*

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

*Held-to-maturity*

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

*Impairment of financial assets*

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

MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (Continued)

*Financial assets (Continued)*

*Impairment of financial assets (Continued)*

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

*Financial liabilities*

*Initial recognition and measurement*

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

*Loans and borrowing*

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

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

i) 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories (Continued)

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 Entity.

j) Provisions

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

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

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

*Contingent liabilities*

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

*Contingent assets*

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

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Nature and purpose of reserves**

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

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

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

**m) Employee benefits**

**Retirement benefit plans**

The Entity 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.

**n) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**o) 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.

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**p) 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 CEO/principal and senior managers.

**q) Service concession arrangements**

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

**r) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank as at **30<sup>th</sup> June 2018** the college operates one account which all funds were channelled through (**KCB Bank Account Number 1216740445**).

**s) Comparative figures**

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

**t) 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, 2018.

MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

**Estimates and assumptions**

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

**Useful lives and residual values**

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

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

**Provisions**

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

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

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



**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**6 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

6(a)	Transfers from National Government Ministries	2017-2018	2016-2017
		Kshs	Kshs
	<b>Unconditional grants</b>		
	Operational grant	2,000,000	
	Other grants		
	<b>Conditional grants</b>		
	Library grant	-	
	Hostels grant	-	
	Administration block grant	-	
	Laboratory grant	-	
	Learning facilities grant	-	
	Other organizational grants	-	
	<b>Total Government grants and subsidies</b>	<b>2,000,000</b>	-

**6b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES**

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund. Kshs	Total grant income during the year Kshs	2017-2018 Kshs
Ministry of Education	2,000,000	-	2,902,225	4,902,225,	4,902,225
<b>Total</b>	<b>2,000,000</b>		<b>2,902,225</b>	<b>4,902,225,</b>	<b>4,902,225</b>

**7 GRANTS FROM DONORS AND DEVELOPMENT PARTNERS**

Description	2017-2018	2016-2017
	Kshs	Kshs
JICA- Research grant	-	-
World Bank grants	-	-
Other grants	-	-
<b>Total grants from development partners</b>	-	-

**Reconciliations of grants from donors and development partners**

Description	2017-2018	2016-2017
	Kshs	Kshs
<b>Balance unspent at beginning of year</b>	-	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
<b>Conditions to be met - remain liabilities</b>	-	-

MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8 TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfer from County -	-	-
Transfer from - University	-	-
Transfer from - institute	-	-
<b>Total Transfers</b>	-	-

9 PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2017-2018	2016-2017
	Kshs	Kshs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from alumni	-	-
Other donations	-	-
<b>Total donations and sponsorships</b>	-	-

10 RENDERING OF SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
<b>Rendering of Services</b>		
Tuition	172,000	-
Personal emoluments	172,000	-
Electricity and water conservancy	43,000	-
Local transport and travel	43,000	-
Repair and maintenance	21,500	-
Contingencies	43,000	-
Activity	21,500	-
Gratuity	12,900	-
Student Union	8,600	-
Medical Fees	8,600	-
Admission fees	251,700	-
<b>Total Rendering of Services</b>	<b>797,800</b>	-

These are revenue charged in the FY 2017/2018 for student fees.

MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 SALE OF GOODS

Description	2017-2018	2016-2017
	Kshs	Kshs
<b>Sale of goods</b>		
Sale of books	-	-
Sale of publications	-	-
Sale of farm produce	-	-
Other( include in line with your organisation)		
<b>Total revenue from the sale of goods</b>	-	-

12 RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

Description	2017-2018	2016-2017
	Kshs	Kshs
Straight-lined operating lease receipts	-	-
Contingent rentals	-	-
<b>Total rentals</b>	-	-

13 FINANCE INCOME

Description	2017-2018	2016-2017
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
<b>Total finance income</b>	-	-

14 CONSULTANCY FEES

Description	2017-2018	2016-2017
	Kshs	Kshs
Cash investments and fixed deposits	-	-
<b>Total Consultancy Fees</b>	-	-

15 OTHER INCOME

Description	2017-2018	2016-2017
	Kshs	Kshs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Skills development levy	-	-
Income from disposal of assets	-	-
<b>Total other income</b>	-	-

MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 USE OF GOODS AND SERVICES

<b>Use of Goods and Services</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase Of Stationeries	246,060	-
Purchase Of Cleaning Materials	8,242	-
Printing Services	108,950	-
Advertising And Publicity	97,490	-
Internet Services	-	-
Airtime And Postages	11,860	-
Administration Costs	219,000	-
Bank Charges	6,180	-
Electricity And Water Conservancy	288,853	-
<b>Total good and services</b>	<b>986,635</b>	<b>-</b>

17 EMPLOYEE COSTS

	<b>2017-2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Salaries and wages- Non teaching staff	205,780	-
Salaries and wages – Teaching staff	215,250	-
<b>Employee costs</b>	<b>421,030</b>	<b>-</b>

18 REMUNERATION OF DIRECTORS

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
BOG allowances and other expenses	556,860	
<b>Total director emoluments</b>	<b>556,860</b>	

19 DEPRECIATION AND AMORTIZATION EXPENSE

<b>Description</b>	<b>2017-2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Property, plant and equipment	1,338,245	
<b>Total depreciation and amortization</b>	<b>1,338,245</b>	

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**20 REPAIRS AND MAINTENANCE**

Description	2017-2018	2016-2017
	Kshs	Kshs
Property and equipment's maintenance	52,600	-
<b>Total repairs and maintenance</b>	<b>52,600</b>	<b>-</b>

**21 CONTRACTED SERVICES**

Description	2017-2018	2016-2017
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
<b>Total contracted services</b>	<b>-</b>	<b>-</b>

**22 GRANTS AND SUBSIDIES**

Description	2017-2018	2016-2017
	Kshs	Kshs
Community development	-	-
Education initiatives and programs	-	-
Social development	-	-
Community trust	-	-
Sporting bodies	-	-
<b>Total grants and subsidies</b>	<b>-</b>	<b>-</b>

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**23 GENERAL EXPENSES**

Description	2017-2018	2016-2017
	Kshs	Kshs
Local transport and travelling expenses	194,150	-
<b>Total general expenses</b>	<b>194,150</b>	<b>-</b>

**24 FINANCE COSTS**

Description	2017-2018	2016-2017
	Kshs	Kshs
Borrowings (amortized cost)*	-	-
Finance leases (amortized cost)	-	-
Unwinding of discount	-	-
Interest on Bank overdrafts	-	-
Interest on loans from commercial banks	-	-
<b>Total finance costs</b>	<b>-</b>	<b>-</b>

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**25 GAIN ON SALE OF ASSETS**

Description	2017-2018	2016-2017
	Kshs	Kshs
	-	-
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
<b>Total gain on sale of assets</b>	<b>-</b>	<b>-</b>

**26 UNREALIZED GAIN ON FAIR VALUE INVESTMENTS**

Description	2017-2018	2016-2017
	Kshs	Kshs
Investments at fair value	-	-
<b>Total gain</b>	<b>-</b>	<b>-</b>

MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND  
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

27 CASH AND CASH EQUIVALENTS

Description	2017-2018	2016-2017
	Kshs	Kshs
Current account (KCB BANK)	2,880,714	
<b>Total cash and cash equivalents</b>	<b>2,880,714</b>	

27 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	2017-2018	2016-2017
		Kshs	Kshs
<b>a) Current account</b>			
Kenya Commercial bank	1216740445	2,880,714	-
<b>Sub- total</b>	-	<b>2,880,714</b>	-
<b>b) Others(specify)</b>			
Cash in transit	-	-	-
cash in hand	-	-	-
M-PESA	-	-	-
<b>Sub- total</b>	-	-	-
<b>Grand total</b>	-	<b>2,880,714</b>	-



MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2017-2018	2016-2017
	Kshs	Kshs
<b>Current receivables</b>		
Student debtors	532,850	-
Staff receivables	5,000	-
<b>Total receivables</b>	<b>537,850</b>	<b>-</b>

29 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2017-2018	2016-2017
	Kshs	Kshs
<b>Current receivables</b>		
Transfers from other govt. entities	-	-
Undisbursed donor funds	-	-
Other debtors (non-exchange transactions)	-	-
Less: impairment allowance	(-)	(-)
<b>Total current receivables</b>	<b>-</b>	<b>-</b>

30 CURRENT PORTION OF LONG TERM RECEIVABLES FROM EXCHANGE TRANSACTIONS.

Description	2017/2018	2016/2017
	Kshs	Kshs
<b>Non-current receivables</b>		
Refundable deposits	-	-
Advance payments	-	-
Public organizations	-	-
Less: impairment allowance	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Current portion transferred to current receivables	-	-
<b>Total non-current receivables</b>	<b>-</b>	<b>-</b>
<b>Total receivables</b>	<b>-</b>	<b>-</b>

31 INVENTORIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Consumable stores	-	-
Maintenance stores	-	-
Health Unit stores	-	-
Cleaning materials stores	-	-
Catering stores	-	-
<b>Total inventories at the lower of cost and net realizable value</b>	<b>-</b>	<b>-</b>

MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

32 INVESTMENTS

Description	2017-2018	2016-2017
	Kshs	Kshs
<b>a) Investment in Treasury bills and bonds</b>		
Financial institution		
CBK	-	-
CBK	-	-
<b>Sub- total</b>	-	-
<b>b) Investment with Financial Institutions/ Banks</b>		
Bank x	-	-
Bank y	-	-
<b>Sub- total</b>	-	-
<b>c) Equity investments (specify)</b>		
Equity/ shares in company -	-	-
<b>Sub- total</b>	-	-
<b>Grand total</b>	-	-

d) Shareholding in other entities

For investments in equity share listed under note 31 (c) above, list down the equity investments under the following categories:

Name of entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%			
				Shs	Shs	Shs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
Entity D	-	-	-	-	-	-
	-	-	-	-	-	-

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**33 PROPERTY, PLANT AND EQUIPMENT**

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	reference books (Specify)	Plant and equipment	Capital Work in progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Depreciation rate		0.025	0.25	0.125	0.333	0.25	0.125		
Cost									
At 1 July 2017	-	-	-	-	-	-	-	-	Shs
Additions		52,755,812		154,800				132,670	53,043,282
Disposals									
Transfers/adjustments									
At 30 <sup>th</sup> June 2018	-	52,755,812	-	154,800	-	-	-	132,670	53,043,282
Additions									
Disposals									
Transfer/adjustments									
At 30 <sup>th</sup> June 2018	-	-	-	-	-	-	-	-	-
<b>Depreciation and impairment</b>									
At 1 July 2017									
Depreciation		1,318,895.30		19,350.00					1,338,245
Impairment									
At 30 June 2017									
Depreciation		1,318,895		19,350					1,338,245
Disposals									
Impairment									
Transfer/adjustment									
At 30 <sup>th</sup> June 2018	-	-	-	-	-	-	-	-	-
Net book values		51,436,917		135,450				132,670	51,705,037
At 30 <sup>th</sup> June 2018	-	51,436,917	-	135,450	-	-	-	132,670	51,705,037

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**34 INTANGIBLE ASSETS-SOFTWARE**

Description	2017-2018	2016-2017
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	-	-
Additions	-	-
<b>At end of the year</b>	-	-
Additions-internal development	-	-
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization	-	-
<b>At end of the year</b>	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

**35 INVESTMENT PROPERTY**

Description	2017-2018	2016-2017
	Kshs	Kshs
<b>At beginning of the year</b>	-	-
Additions	-	-
Fair value gain	-	-
Depreciation (where investment property is at cost)	(-)	(-)
<b>At end of the year</b>	-	-

**36 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Description	2017-2018	2016-2017
	Kshs	Kshs
Trade payables	170,183	-
Fees paid in advance	-	-
Employee advances	-	-
Third-party payments	-	-
Other payables	-	-
<b>Total trade and other payables</b>	<b>170,183</b>	-

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**37 REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS**

Description	2017-2018	2016-2017
	Kshs	Kshs
Consumer deposits	-	-
Caution money	47,100	-
Other refundable deposits	-	-
<b>Total deposits</b>	<b>47,100</b>	

**38 CURRENT PROVISIONS**

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
<b>Balance at the beginning of the year</b>	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	(-)	(-)	(-)	(-)
Change due to discount and time value for money	(-)	(-)	(-)	(-)
Transfers from non-current provisions	-	-	-	-
<b>Total provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**39 FINANCE LEASE OBLIGATION**

Description	Minimum lease payments	Future finance charges	Present value of minimum lease payments	2017-2018
	Kshs	Kshs	Kshs	Kshs
Within current year	-	-	-	-
Long term portion of lease payments	-	-	-	-
<b>Total provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**40 DEFERRED INCOME**

Description	2017-2018	2016-2017
	Kshs	Kshs
National government	-	-
International funders	-	-
Public contributions and donations	-	-
<b>Total deferred income</b>	<b>-</b>	<b>-</b>

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

The deferred income movement is as follows:

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

**41 EMPLOYEE BENEFIT OBLIGATIONS**

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	20xx-20xx	20xx-20xx
	Kshs	Kshs	Kshs	Kshs	Kshs
Current benefit obligation	-	-	-	-	-
Non-current benefit obligation	-	-	-	-	-
<b>Total employee benefits obligation</b>	-	-	-	-	-

The entity operates a defined benefit scheme for all full-time employees from July 1, 2018. The scheme is based on - percentage of salary of an employee at the time of retirement. During the year, - actuarial valuer were engaged to value the scheme. The liability at the end of the year is as follows:

	2017-2018 Kshs	2016-2017 Kshs
Valuation at the beginning of the year	-	-
Changes in valuation during the year	-	-
Valuation at end of the year	-	-

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

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**42 NON-CURRENT PROVISIONS**

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

(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 37)

**43 BORROWINGS**

Description	2017-2018 Kshs	2016-2017 Kshs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	(-)	(-)
Repayments of domestic borrowings during the year	(-)	(-)
Balance at end of the period	-	-

**42 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS**

	2017-2018 Kshs	2016-2017 Kshs
<b>External Borrowings</b>		
Dollar denominated loan from organisation	-	-
Sterling Pound denominated loan from organisation	-	-
Euro denominated loan from organisation	-	-
<b>Domestic Borrowings</b>		
Kenya Shilling loan from KCB	-	-
Kenya Shilling loan from Barclays Bank	-	-
Kenya Shilling loan from Consolidated Bank	-	-
<b>Total balance at end of the year</b>	-	-

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**42 b) BREAKDOWN OF LONG AND SHORT TERM BORROWINGS**

Description	2017-2018	2016-2017
	Kshs	Kshs
Short term borrowings(current portion)	-	-
Long term borrowings	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*(NB: the total of this statement should tie to note 42 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).*

**44 SERVICE CONCESSION ARRANGEMENTS**

Description	2017-2018	2016-2017
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	(-)	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	(-)	(-)
Service concession liability at end of the year	-	-

**45 CASH GENERATED FROM OPERATIONS**

	2017/2018	2016/2017
	Kshs	Kshs
<b>Surplus for the year before tax</b>	(751,720)	-
<b>Adjusted for non-cash activities</b>		
Depreciation	1,338,245	0
<b>Adjustment for Working Capital adjustments</b>		
Increase in inventory		
Increase in receivables	(537,850)	0
Increase in payables	217,283	0
Increase in payments received in advance		
<b>Net cash flow from operating activities</b>	<b>265,959</b>	<b>0</b>



**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**46 FINANCIAL RISK MANAGEMENT**

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

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

**(i) Credit risk**

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

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

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2018</b>				
Receivables from exchange transactions	537,850	537,850	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances				
<b>Total</b>	<b>537,850</b>	<b>537,850</b>	<b>-</b>	<b>-</b>

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**45. FINANCIAL RISK MANAGEMENT (Continued)**

**(i) Credit risk (continued)**

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

The entity has significant concentration of credit risk on amounts due from -

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

**(ii) Liquidity risk management**

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2016</b>				
Trade payables	217,283	-	-	217,283
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>217,283</b>			<b>217,283</b>

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**45. FINANCIAL RISK MANAGEMENT (Continued)**

**(iii) Market risk**

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

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

The company'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:

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2018</b>			
Financial assets(investments, cash ,debtors)	-	-	-
<b>Liabilities</b>			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**45. FINANCIAL RISK MANAGEMENT (Continued)**

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2018</b>			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

**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.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>2017</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2018</b>			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

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

*Management of interest rate risk*

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

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**45 FINANCIAL RISK MANAGEMENT (Continued)**

(iii) Market risk (Continued)

b) Interest rate risk(continued)

*Sensitivity analysis*

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

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 - (2016: Kshs - ). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (2012 - Kshs -)

**iv) Capital Risk Management**

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

	2017/2018	2016/2017
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	(751,720)	-
Capital reserve	2,902,225	-
<b>Total funds</b>	<b>(2,150,505)</b>	<b>-</b>
Total borrowings	-	-
Less: cash and bank balances	(2,880,714)	(-)
Net debt/(excess cash and cash equivalents)	(2,880,714)	-
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**47 RELATED PARTY BALANCES**

**Nature of related party relationships**

The Moiben Technical and Vocational College regards a related party as a person or an organization with the ability to exert control individually or jointly, or to exercise significant influence over the Moiben Technical and Vocational College, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and Senior Managers. The college do not have any related party transaction to report on in this current reporting year.

**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 Ministry of Education;
- iii) The county Government of Uasin Gishu
- iv) Technical and Vocational Training Authority
- v) Board of Governors
- vi) Key management

	2017/2018	2016/2017
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Sales to related parties</b>		
Sales of goods to -	-	-
Sales of services -	-	-
<b>Total</b>	-	-
<b>b) Grants from the Government</b>		
Grants from National Govt	4,902,225	-
Grants from County Government	-	-
Donations in kind	52,755,812	-
<b>Total</b>	-	-
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for - employees	-	-
Payments for goods and services for -	-	-
<b>Total</b>	-	-
<b>d) Key management compensation</b>		
Directors' emoluments	-	-
Compensation to the CEO	-	-
Compensation to key management	-	-
<b>Total</b>	<b>57,658,037</b>	-

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**48 SEGMENT INFORMATION**

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

**49 CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

Contingent liabilities	2017/2018	2016/2017.
	Kshs	Kshs
Court case - against the company	-	-
Bank guarantees in favour of subsidiary	-	-
<b>Total</b>	-	-

*(Give details)*

**50 CAPITAL COMMITMENTS**

Capital commitments	2017/2018	2016/2017.
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	-	-
<b>Total</b>	-	-

*(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)*

**51 EVENTS AFTER THE REPORTING PERIOD**

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

**52 ULTIMATE AND HOLDING ENTITY**

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

**53 Currency**

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

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

**Guidance Notes:**

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

Principal / Chairman of the Board

Date.....



**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY**

**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)
Construction of Automotive spray booth and service bay	1	MOE	1 YEAR		NO	YES
2						

**Status of Projects completion**

*(Summarise the status of project completion at the end of each quarter, ie total costs incurred, stage which the project is etc)*

S.NO	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds

**MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**APPENDIX III: INTER-ENTITY TRANSFERS**

<b>MOIBEN TECHNICAL AND VOCATIONAL COLLEGE</b>				
<b>Break down of Transfers from the State Department of Technical and Vocational Education.</b>				
<b>FY 2017/2018</b>				
<b>a.</b>	<b>Reference Number as per bank statement.</b>	<b>Bank Statement Date</b>	<b>Amount (Kshs)</b>	<b>Indicate the FY to which the amounts relate</b>
<b>1</b>	Inward swift Pa-AT – DPC RIFT VALLEY TEC ELD MUN	6 <sup>th</sup> Nov 2017	500,000	FY 20 17/2018
<b>2</b>	Inward swift Pa-AT – DPC STATE DEPTFOR V/ R EC/0010	04 <sup>th</sup> Dec 2017	500,000	FY 20 17/2018
<b>3</b>	I Inward swift Pa-AT – DPC STATE DEPTFOR V/ R EC/0010	27 <sup>th</sup> March 2018	3,402,225	FY 20 17/2018
<b>4</b>	I Inward swift Pa-AT – DPC STATE DEPTFOR V/ R EC/0010	25 <sup>th</sup> April 2018	500,000	FY 20 17/2018
		<b>Total</b>	<b>4,902,225</b>	

The above amounts have been communicated to and reconciled with the parent Ministry

Finance Manager  
Moiben TVC .

Sign 

Head of Accounting Unit  
- Ministry

Sign-----



MOIBEN TECHNICAL AND VOCATIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date Received		Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Capital Fund	Where Recorded/recognized			Total Transfers during the Year
	As Per Bank Statement						Deferred Income	Receivables	Others - must be specific	
Ministry of Education	6 <sup>th</sup> Nov 2017		Recurrent	500,000	500,000					500,000
Ministry of Education	4 <sup>th</sup> Dec 2017		Recurrent	500,000	500,000					500,000
Ministry of Education	27 <sup>th</sup> March 2018		Recurrent	3,402,225	500,000	2,902,225				3,402,225
Ministry of Education	25 <sup>th</sup> April 2018		Recurrent	500,000	500,000					500,000
<b>Total</b>				<b>4,902,225</b>	<b>2,000,000</b>	<b>2,902,225</b>				<b>4,902,225</b>

