

REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY PAPERS LAID	
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TABLED BY: HON. DIDO RASO, MP	ON BEHALF OF LOM
WORK-AT-THE-TABLE: J. LEMERELLE	

PARLIAMENT
OF KENYA
LIBRARY

REPORT

THE AUDITOR-GENERAL

ON

RUIBI VOCATIONAL TRAINING CENTRE

FOR THE YEAR ENDED 30 JUNE, 2025

Revised 30th June 2025



RUIBI VOCATIONAL TRAINING CENTRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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



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1. Acronyms and Definition of Key Terms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
VTC	Vocational Training College
RVTC	Ruibi Vocational Training Centre

2. Key Entity Information and Management

(a) Background information

The institution was established in 1978 in Kimbo location, Kibirichia Division of Meru District in response to the growing need for the provision of technical and vocational education for the people of the then Buuri constituency. In 2017 it was registered under the TVET Act of 2013. Ruibi VTC is domiciled in Kenya. The college is under the County Department for Education.

(b) Principal Activities

The principal activity of the institution is to train competent and innovative manpower and to equip with TVET skills to graduates to achieve the countries millennium development goals

Vision

To be a centre of excellence in quality training and nurturing the youth in becoming a person of character and make a difference in their communities

Mission

To provide quality skills and youth empowerment

Core Values

Our operational environment is governed by a set of core values which constitute the desired Ruibi culture. The school demands observations of the values by teachers, non-teaching staff and students. These values are:

- Teamwork towards excellence
- Integrity
- Hard work and dedication to duty
- Loyalty to the school and the values it perpetuates.
- Sacrifice for the good of the school.
- Continual improvement. The school is committed to setting and maintaining high standards of achievements through continuous improvement of service delivery.
- Efficiency – Committed to utilizing resources maximally to achieve highest value of benefit to the youth.

(c) Key Management

Ruibi VTC's day-to-day management is under the following key organs:

- Board of Management, etc.
- Accounting Officer/ Principal/Manager
- Management

(d) Fiduciary Management

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

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SN.	Designation	Name
1.	Principal/Manager	Solomon M. Musee
2.	Deputy principal/Assistant Manager Academics	Edward Gikunda

Key Entity Information and Management (Continued)**(e) Fiduciary Oversight Arrangements**

SN.	Designation	Name
1.	Principal/Manager	Solomon M. Musee
2.	Chairperson	Julius Muthee
3.	Third signatory	Mercy Jomo
4.	VETO	Joy Baariu

(f) Entity Headquarters

P.O. Box 172 - 60201
KIBIRICHIA
KENYA

(g) Entity Contacts

Telephone: (254) 724699144
E-mail: vtcruibigmail.com
Website: <https://ruibivtc.go.ke>

(h) Entity Bankers

EQUITY BANK
P.O BOX
MERU
MERU BRANCH

KENYA COMMERCIAL BANK
P.O BOX
MERU
MERU BRANCH

(i) Independent Auditors

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

Key Entity Information and Management (Continued)

(j) Principal Legal Adviser

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


County Attorney
P.o Box 120-60200
Meru County, Kenya

3. The Board of Management

<i>Member/ Director</i>	<i>Details</i>
 <p><i>NAME: Mr. Julius Muthee</i> <i>Profession :Teacher(rtd)</i> <i>Academic: Degree in Education</i></p>	<p><i>Date of Birth: 1960</i> <i>Qualification: bachelor of Education (Primary opt)</i> <i>Work Experience 35 years</i> <i>Position in BoG : Chairperson</i></p>
 <p><i>NAME: Mr. Solomon M. Musee</i> <i>Profession :Trainer</i> <i>Academic: Bachelor of Education - Technology</i></p>	<p><i>Date of Birth: 06/12/1980</i> <i>Qualification: Bacholer of Education - Technology</i> <i>Work Experience : 20 years</i> <i>Position in Board : B o G Secretary</i></p>
<p><i>NAME: Rev. Jacob Gituma</i> <i>Profession : Clergy</i> <i>Academic: Masters in Management</i></p>	<p><i>Date of Birth:1968</i> <i>Qualification: Masters in Management</i> <i>Work Experience : 34 years</i> <i>Position in Board : Member</i></p>
 <p><i>NAME: Ms Mercy Jomo</i> <i>Profession :Farmer</i></p>	<p><i>Date of Birth: 08/11/1973</i> <i>Qualification: Diploma in Secretarial Studies</i> <i>Work Experience 28 years</i> <i>Position in BoG: Third Signatory</i></p>




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<p><i>Academic: Diploma in Secretarial Studies</i></p>	
 <p><i>NAME: Mr. Dennis Mutuma Profession :Tutor Academic: Degree in Education</i></p>	<p><i>Date of Birth: 1986 Qualification: Bachelor of Education Work Experience 35 years Position in BoG: Member</i></p>
 <p><i>NAME: Ms. Caroline Makena Profession :Social Worker Academic: Diploma in public Relations</i></p>	<p><i>Date of Birth: 11/11/1981 Qualification: Diploma in public Relations Work Experience 19 years Position in BoG: Executive Member</i></p>
 <p><i>NAME: Mr. John Ngeera Profession :Teacher(rtd) Academic: Diploma in Education Management</i></p>	<p><i>Date of Birth: 01/01/1959 Qualification: Diploma in Education Management Work Experience 40 years Position in BoG: Vice Chairperson</i></p>

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 <p><i>NAME: Mr. Brian Ntungii</i> <i>Profession :Teacher</i> <i>Academic: Degree in IT</i></p>	<p><i>Date of Birth: 18/07/1991</i> <i>Qualification: Bacholer of Science in IT</i> <i>Work Experience 5 years</i> <i>Position in BoG: Member</i></p>
 <p><i>NAME: Mr. Thomas Kithinji</i> <i>Profession :Social Worker</i> <i>Academic: Diploma in Theology</i></p>	<p><i>Date of Birth: 15/03/1958</i> <i>Qualification: Diploma in Theology</i> <i>Work Experience 40 years</i> <i>Position in BoG: Member</i></p>
 <p><i>NAME: Ms. Lucy Gakii</i> <i>Profession :Business Person</i> <i>Academic: Diploma in Agriculture</i></p>	<p><i>Date of Birth: 26/02/1993</i> <i>Qualification: Diploma in Agriculture</i> <i>Work Experience 5 years</i> <i>Position inBoG: Member</i></p>

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4. Key Management Team

<i>S</i> <i>N</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 <i>NAME: Mr. Solomon M. Musee</i> <i>Profession :Trainer</i> <i>Academic: Bachelor of Education - Technology</i>	<i>Ag. Principal</i>
2.	 <i>NAME: Mr. Edward Gikunda</i> <i>Profession :Trainer</i> <i>Academic: Diploma Education</i>	<i>Ag. D. Principal</i>

RUIBI VOCATIONAL TRAINING CENTRE

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5. Chairman's Statement

I am pleased to present the annual report and financial statement of Ruibi Vocational training Centre. The Institution has the critical role and responsibility of providing affordable & quality education that is relevant as well as promote access to technical education of the Kenyan Youth in line with the Sessional Paper No.1 of 2005. In the last forty-eight (48) years, the school has grown from a humble beginning in size and status to serve the growing population of Kibirichia Ward, Buuri East Sub County, Meru County and Kenya at large.

During the financial year 2024/2025, we have achieved the following:

1. increased the enrolment from
2. Moved 4 courses to our new compound
3. Established successful partnership with Buuri NG-CDF to train the Ujuzi Mashinani Trainees
4. Participated in Both County Ball games and skills competition and won our first trophy ever

During this period, we were faced with some challenges as follows

- Delayed Disbursement of Conditional Grant for First Years has really pushed us back as we had to use school funds meant to pay instructors to buy trainees materials
- Inadequate number of trainers employed by the government to handle the course load
- Inadequate infrastructure i.e tools, equipment and infrastructure for effective training
- Untimely payment of fees by parents
- It's very challenging to operate the VTC in the Primary School Compound and we lack Girls Dorm and Administration block in the new compound
- Low Bursary allocation

Going forward, we hope to fully relocate to our compound so that we can progress at the beginning of the next financial year. On behalf of trainees and staff members I take this opportunity to thank all our stake holders for the support towards the development of this institution

God bless you



Julius Muthee
BoG Chairperson

6. Report of the Principal/Manager

I hereby present the annual report and financial statement for Ruibi VTC for the year that ended 30th June 2025. The partnership with NG-CDF BUURI for the Ujuzi Mashinani Training Programme was underway having Kicked off in February

Courses (trades)

The following are courses examinable by NITA in our institution that we are offering presently

- i. Carpentry & joinery and Masonry
- ii. Fashion design and garment making
- iii. Metal processing (welding)
- iv. Plumbing
- v. Motor vehicle technology
- vi. Electrical technology
- vii. Hair dressing and beauty therapy
- viii. Food Production
- ix. I.C.T

support courses

- a. Agribusiness
- b. entrepreneurship
- c. life skill
- d. communication

The enrollment rose from 63 in the previous year to 156 and currently gearing towards 350 We had 5 trainers employed by the county government of Meru but ended the year with 4 after one was promoted to head another VTC. 5 employed by the BoG plus several part-timers as per need. We had 2 non-teaching staff members

year activities

- a. Admission of the Sponsored Group
On 1st Feb 2024 the institution admitted 99 trainees sponsored by NG-CDF Buuri Constituency.
- b. Occupation of our Facility
On 15th Feb 2024 we occupied our new workshops in the new VTC compound. The courses that were moved successfully were Food Processing, Electrical Tech, Hairdressing & Beauty Therapy and Fashion Design
- c. Tree Planting
We have successfully planted 100 trees (Ten being Fruit Trees) at the school grounds.
- d. County Ball games and skills competition
we were able to participate in the county ball games and gave a good showing and also scooped one cup in the skills competition later in the year

challenges

- i. Delayed Disbursement of Conditional Grant for First Years has really pushed us back as we had to use school funds meant to pay instructors to buy trainees materials
- ii. Inadequate number of trainers employed by the government to handle the course load
- iii. Inadequate infrastructure i.e. tools, equipment and infrastructure for effective training
- iv. Untimely payment of fees by parents

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- v. It's very challenging to operate the VTC in the Primary School Compound and we lack Girls Dorm and Administration block in the new compound
- vi. Low Bursary allocation

Recommendations

- I. The BoG should help Solicit for more funding from the donors to finish the half projects and implement the strategic plan.
- II. increase income generating projects for the school
- III. motivate instructor for more production
- IV. relief food from the government can relieve some pressure from the needy trainees

conclusion

On behalf of trainees and staff members I take this opportunity to thank all our stake holders for the support towards the development of this institution
God bless you



Solomon Musee
Ag. Principal.

7. Statement of Performance against Predetermined Objectives

During the financial year 2024/2025, we have achieved the following:

1. increased the enrolment from 63 to 156
2. Moved 4 courses to our new compound
3. Established successful partnership with Buuri NG-CDF to train the Ujuzi Mashinani Trainees
4. Participated in Both County Ball games and skills competition and won our first trophy ever

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Enrolment	Increase enrolment to 120	Admission register, increased number	Advertisement	Achieved 156
Vacate primary field	Move 4 courses to our new compound	Number of courses moved	Transfer of tools. Equipment and trainees	4 courses moved
Participate in county competitions	Participate in one county competitions	Teams and projects presented	Participation in the events	Represented in 3 events i.e. ask show, county ball games and skills competitions and won 1 trophy
Plant trees	Plant 50 trees	Number of trees planted	Involve trainees in greening of compound	100 trees planted

8. Corporate Governance Statement

1.0 The Role of Board of Governors

The Board of Governors (BOG) is a body of people nominated by the community and other stakeholders to guide and manage the affairs of a Vocational Training Centre on behalf of the County Executive Committee Member (CEC(M)). The board is entrusted by the community to be the main decision maker on all management matters pertaining the institution.

It is composed of the nominated members of the community, parents' representatives and persons interested in contributing to the Vocational Training Centres in their personal capacities or as ex official members.

2.0 Rationale For Guidelines of Appointing Vocational Training Centres Boards of Governors

The functionality of any training institution solely depends on the governance and management structures. It is of critical importance that such structures promote cohesion, nurture accountability and provide visionary leadership necessary to create a conducive learning environment. The county government recognizes the need for stakeholders' involvement in the governance of VTCs, and other institutions offering skills training programmes to the youth.

The structure of governance and management shall therefore aim at encouraging cooperation and collaboration of all stakeholders for effective representation and participation. In this regard the county government, the community and the stakeholders shall be fully involved in the management of VTCs.

In view of the many emerging issues pertaining to the management of Vocational Training Centres in a fast-changing socio- economic environment, it is prudent for the department to provide guidelines on the constitution, membership and operations of BOGs. These guidelines aim at streamlining the appointment and operations of Vocational Training Centres' Boards of Governors.

3.0 Structure Of Nomination Panel

There shall be a nomination panel whose responsibility will be to identify persons to be appointed by the (CEC (M) as members of a Vocational Training Centre board of governors. A nomination panel shall comprise of the following persons;

- I. Vocational Education and Training Officer (Chairperson)
- II. Vocational Training Centre manager (secretary)
- III. Area Member of County Assembly (MCA)
- IV. Vocational Training Centre Religious Entity. In case the VTC has no Religious Entity, then a representative of the Sub -County Education Board (SCEB)
- V. Local administration

The nomination panel shall ensure that the following basic requirements for Board of management membership:

1. Minimum academic qualification of KCSE/KCE level (secondary education)
2. Must be persons of integrity and committed to serve the community on voluntary basis.
3. At least one third of the nominees are women

4.0 Composition Of the Boards of Governors

The composition of boards of management members shall be as follows:

1. Two (2) persons nominated by the Religious Entity/SCEB affiliated with the Vocational Training Centre.
2. Two (2) persons representing the community in which the VTC is situated.

3. Two (2) youths; one MALE and FEMALE.
4. One (1) person representing people with special needs.
5. One (1) person representing the jua kali or industry and commerce sector.
6. One (1) person representing special interests.
7. Three persons (3) co-opted to the Board during the first BOG's meeting. These members will be drawn from the parents' instructors Association (PIA).
8. Vocational Education and Training Officer as an ex-officio Board member.
9. The VTC manager who is the secretary to the board.

The total composition of board members shall be (12) people. No single gender shall constitute more than two thirds of the total number. The Vocational Education and Training Officer should be automatic ex-officio member of board.

Upon appointment the nine members of the Boards of Governors fulfill the following at the inaugural meeting:

- i) Confirm the chairperson of BOG;
- ii) Elect a vice-chairperson;
- iii) Co-opt three persons to the Board who should be two parents with trainees in the VTC and an instructor;
- iv) Nominate signatories to the bank account (3) members namely the chairperson, manager/secretary and a third signatory.

4.1 Rules Of Engagement

- i) The term of office for the board is three (3) years and is eligible for re-appointment for one more term.
- ii) The board shall hold not less than three (3) ordinary meetings each year. The quorum at any meeting shall be two thirds (2/3). Questions before the Board shall be decided by the votes of the majority members present and voting.
- iii) The chairperson may convene a special meeting of the full board at any time and may do so at the request of the Vocational Education and Training Officer.
- iv) The board may invite government officers or other persons when need arises. Such persons will attend as ex-officio/in attendance without any voting powers.
- v) In the absence of the chairperson, the vice-chairperson shall be the chairperson for that particular meeting only.
- vi) Any member who is absent without apologies for three (3) consecutive meetings of the board shall be required to resign or shall be deemed to have ceased from being a board member.
- vii) Any vacancy occasioned by the resignation or death of a board member shall be filled by Ruibi VTC responsible for his/her nomination and will hold office for the remaining term.

4.2 The Executive Committee of The Board of Governors

The Executive committee of the Board of Governors of the VTC shall be composed of the following people:

- i) Chairperson
- ii) Vice-Chairperson
- iii) Secretary/Manager
- iv) Third signatory

- v) One BOG member
- vi) County Vocational Education and Training Officer

The Executive Committee will meet as the need arises. Quorum for meetings shall be two-thirds. The decisions of the executive must be brought before the full board in its subsequent meeting for ratification.

5.0 The Board Of Governors Nomination Process

5.1 A nomination panel shall be constituted by the VETO at least three (3) months before the expiry of the life of the existing board. The panel shall be composed of persons as indicated in part 5.0.

5.2 The nomination panel shall identify and forward nine (9) names of nominees for the appointment by the CEC(M) from persons under the following categories:

- i) Two representatives from the Religious Entity. In case the VTC has no Religious Entity, then a representative of the Sub-County Education Board will nominate.
- ii) Two representatives from the community in which the VTC is situated. The representatives should be persons of integrity capable of articulating VTC issues to the community and solicit for their support.
- iii) Two youth leaders (a male and a female) representing the interests of the youth.
- iv) One representative of the persons with special needs. The person should preferably be with special needs or conversant with the needs of people with disabilities, particularly learners.
- v) One person representing the local jua kali or industry and commerce sector. Such representative should be able to facilitate linkages between the VTC and the local jua kali or industry and commerce sector particularly on attachment.
- vi) One person representing special interest. The person should preferably possess certain skills which can be beneficial to the operation and well-being of the VTC.

In identifying the (9) nominees, the nomination panel will be required to ensure no single gender shall constitute more than two thirds of the total number of the Board of Governors. Persons appointed to the board should be people who have keen interest in promoting the youth by developing their skills and talents.

The VETO should convene a nomination panel consultative meeting within fourteen (14) days after constituting the panel. During this meeting, the panel members should be briefed on the nomination process including the categories of persons they are expected to nominate as Vocational Training Centres Boards of Governors as prescribed in part 7.2.

The VETO should convene a Vocational Training Centres Board of Governors nomination panel meeting after the expiry of the thirty (30) days given to panel members.

The meeting should discuss the different proposed names and nominates the list of people to be appointed as members of Vocational Training Centres Board of Governors.

The VETO should submit to the CEC (M) within the fourteen (14) days after the BOG nomination panel meeting, the list of people to be appointed as members of Vocational Training Centres Board of Governors. The list should be accompanied with the minutes of the nomination panel meeting and the Curriculum Vitae of the nominated members.

Members of the Vocational Training Centres Board of Governors shall be appointed in writing by the CEC (M) in charge of Education and Technology.

Members appointed to the board shall confirm their acceptance in writing to the CEC (M) within fourteen (14) days.

A person may be disqualified for appointment to VTC Board if: -

1. He/she does not meet the minimum academic qualification of KCSE/KCE Level of secondary education.
2. He/she has a criminal record and has not been granted a pardon.
3. He/she has been declared insolvent or bankrupt and has not been discharged.
4. He/she is adjudged to be of unsound mind or has been detained as criminally insane person.
5. He/she is disqualified from public office by any law for the time being in force.
6. His/her economic or business interests are linked to those of the board of the Vocational Training Centre with an exception of special cases which must receive written permission from the CEC (M).
7. He/she fails to write an acceptance letter to the CEC (M) in charge of Education and Technology.
8. He/she fails to attend three (3) consecutive meetings of the board without written apologies.

8.0 The Functions of The Board of Governors

The functions of the Board of Governors of Vocational Training Centre shall be; -

- (a) Promote the best interests of the Institution and ensure its development,
- (b) Promote quality education and training for all trainees in accordance with the set standards,
- (c) Develop a strategic plan for the institution,
- (d) Provide proper and adequate physical facilities for the institution,
- (e) Create an enabling environment for the institution's manager/principal, instructors and other staff of the institution in the performance of their professional duties,
- (f) Manage all affairs of the Institution in the accordance with the laid down procedures,
- (g) Advise the Department on the staffing needs of the institution,
- (g) Make recommendations for appointment of instructors at the institution,
- (h) Recruit, employ and remunerate such number of instructors as may be required by the Institution subject to the provisions of the law,
- (I) In consultation with the Quality Assurance and Standards Officers, ensure effective curriculum implementation and delivery,
- (j) Ensure the trainees are presented for examination and assessments,
- (k) Prepare annual estimates of revenues and expenditure for the institution and incur expenditure on behalf of the institution,
- (L) Receive, on behalf of the institution: - Fees, grants, subscriptions, donations or other monies and to make payments to the Institution or other bodies or persons in accordance to the relevant law,
- (m) Mobilize resources for the purposes of the institution subject to the provisions of the Public Financial Management Act, 2012, and any other relevant laws,
- (n) Enter into association with other local or international training institutions in the interests of the institution with the approval of the relevant authority,
- (o) Continuously monitor instructors in terms of curriculum implementation and delivery conduct of examinations and assessments in the institution,
- (p) Adopt a code of conduct for the staff and trainees, determines cases of discipline and make reports to the Department of Education and Technology,
- (q) Prepare a comprehensive annual report on all areas of its mandate including education, training and research services and submit the same to the Department,
- (r) Provide for the welfare and safety of the staff and trainees at the Institution,
- (s) Facilitate and ensure the provision of guidance and counseling to all trainees,

- (t) Encourage the community, parents, trainees, staffs and other stakeholders to render voluntary services to the Institutions,
- (u) Upon request, approve the use of the Institutional facilities for educational, training and research programmes not conducted by the institution either for free or on hire.
- (v) Recruit, employ and remunerate such number of non-teaching staff as may be required by the institution in accordance with the Employment Act, and
- (w) Perform any other function to facilitate the implementation of its functions under these guidelines or any other written law.

Dissolution Of The Board Of Governors (as established in the Education Act Cap 211 Section 12)

1. Where in the opinion of the CEC (M), a Board of Governors has behaved irresponsibly or has failed to exercise properly its functions; the CEC (M) may in writing-

a) Suspend the board from the exercise of and performance of all its powers and duties and appoint an administrator to exercise and perform all powers and duties of the board for such period not exceeding one year as the CEC (M) specifies, and/or

b) Require the resignation of all or any of the members of the Board, and appoint or require the appointment of new members of the board.

2. The CEC (M) shall make regulations providing for the manner in which an administrator appointed under sub-section (1) shall exercise all powers and perform the duties of the Board of Governors.

9. Management Discussion and Analysis

During this period, the college had an operation budget of 3,220,000 but we were only able to realize 2,112,427 leading to a budgetary deficit of 1,107,573. This was due to poor fees payments occasioned by a delay in sponsors releasing funds and trainees dropping out. The exam bursary was also not released which led to fewer trainees clearing before paying for their own exams.

Trainee enrolment increased from 63 the previous year to 156 which is a 240% increase, this being attributed to the good partnership between the school and Buuri NG-CDF. Over 230 first years are currently in training.

challenges

- Delayed Disbursement of Conditional Grant for First Years has really pushed us back as we had to use school funds meant to pay instructors to buy trainees materials
- Inadequate number of trainers employed by the government to handle the course load
- Inadequate infrastructure i.e. tools, equipment and infrastructure for effective training
- Untimely payment of fees by parents
- It's very challenging to operate the VTC in the Primary School Compound and we lack Girls Dorm and Administration block in the new compound

10. Environmental And Sustainability Reporting Statement

Ruibi Vocational training centre has continuously adjusted to the changing social, economic and political climate, but with challenges, 48 glorious years on. It is amazing what a focused dream can do. The men and women of Kibirichia location dreamt 48 years ago and walked the dream.

The school has gone through all manner of experiences that are common in this life; trying moments, happy and triumph times, success and failure, days of plenty and sometimes scarcity and lack. We can say like Socrates that “success is in never failing but in rising every time you fall.

The truth is that Ruibi Vocational training centre is doing well today and we can pride ourselves for the success but the journey has been long and the path stony. Indeed, it has taken great patience, sacrifice and endurance to get where we are today. We believe it is the B.O.G. who must take the responsibility to see that Ruibi Vocational training centre continues to provide quality education to the upcoming artisans now

i. Environmental performance

RVTC acknowledges that our behaviour as a learning institution and as trainers of an incoming working population, we have to be at the forefront of ensuring we impact our environment positively. This we have put in place rain water collection measures, we have also established a plant a tree per term slogan to increase our forest cover as we seek for funds to ensure all our security lights are solar fed

ii. Employee welfare

We have an active staff welfare that gives our members a forum for expression and development. The staff is balanced in terms of blending the youth and the mature as well as 6:4 ratio in the gender aspect

iii. Marketplace practices-

The organization should outline its efforts to:

a) Responsible competition practice.

The school has embraced an open-door policy to ensure that we follow ethical practices and tenders are advertised and every applicant given a fair chance

b) Responsible Supply chain and supplier relations

The organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts, respecting payment practices and allowing competitive procurement of services by advertising widely and locally and awarding the deserving.

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

We have been doing our marketing door to door for those near the institution, churches and posters. Our finances have not yet allowed us to reach Radio and Roadshows but every forum we are invited to we grab it

iv. Corporate Social Responsibility / Community Engagements

The school has partnered with maria Zanelli VTC which has a special unit of young students and once a year we visit as an institution and interact with those that are less fortunate.

11. Report of the Board of Management

Board of Management

The members of the Board who served during the year are.

SNO	NAME	CATEGORY	POSITION
1.	Julius Muthee	Religious Entity	Chairperson
2.	John Ngeera	Community	Vice Chairperson
3.	Mercy Kathure Kimathi	Community	Third Signatory
4.	Solomon Musee	Principal	Secretary
5.	Caroline Makena	Special Interest	Executive Member
6.	Joy Baariu	VETO	Executive Member
7.	Rev. Jacob Gituma	Religious Entity	Member
8.	Brian Ntugii	Youth	Member
9.	Lucy Gakii	Youth	Member
10.	Thomas Kithinji M'ikunyua	Special Needs	Member
11.	Dennis Mutuma	Industry/ Commerce	Member

Auditors

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

By Order of the Board



.....
Secretary of the Board

Date:

12. Statement of Board of Management Responsibilities

Section 164 of the Public Finance Management Act, 2012 and (*entities should quote the applicable legislation under which they are regulated*) require the Board of Management to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of Ruibi VTC at the end of the financial year/period and the operating results of Ruibi VTC for that year/period. The Board of Management are also required to ensure that Ruibi VTC keeps proper accounting records which disclose with reasonable accuracy the financial position of Ruibi VTC. The Board of Management are also responsible for safeguarding the assets of Ruibi VTC.

The Board of Management are responsible for the preparation and presentation of Ruibi VTC's financial statements, which give a true and fair view of the state of affairs of Ruibi VTC for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Ruibi VTC, (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 Ruibi VTC, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

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

In preparing the financial statements, the Principal/Manager has assessed Ruibi VTC's ability to continue as a going concern (*disclose as applicable, matters relating to the use of going concern basis of preparation of the financial statements.*). Nothing has come to the attention of the Board of Management to indicate that Ruibi VTC will not remain a going concern for at least the next twelve months from the date of this statement.

RUIBI VOCATIONAL TRAINING CENTRE
Annual Report and Financial Statements for the year ended 30th June 2025

Approval of the financial statements

Ruibi VTC's financial statements were approved by the Board on 28/08/2025 and signed on its behalf by:

JULIUS MUTEE

Name

Chairperson of the Board

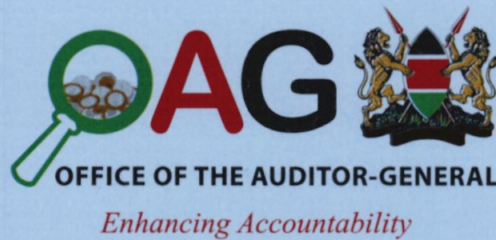


Name

Principal/Manager

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON RUIBI VOCATIONAL TRAINING CENTRE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Ruibi Vocational Training Centre set out on pages 1 to 31, which comprise of the statement of financial position as at

30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended 30 June, 2025 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 Ruibi Vocational Training Centre as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies of the Financial Statement

- i. Statement of financial performance reflects transfers from the County Government of Kshs.1,326,000 as disclosed in Note 6 to the financial statements. However, the annexure 1 on related party balances reflects received grants from county government of Kshs.1,296,000 resulting in unreconciled variance of Kshs.30,000.
- ii. Statement of financial performance reflects board expenses amount of Kshs.80,000 as disclosed in Note 11 to the financial statements. However, the annexure 1 reflects key management compensation of Kshs.50,000 resulting in unreconciled variance of Kshs.30,000.

In the circumstances, the accuracy and completeness of transfers from the County Government of Kshs.1,326,000 and board expenses amount of Kshs.80,000 could not be confirmed.

2. Unsupported Current Portion of Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.2,252,800 which includes student debtors and other exchange debtors balances of Kshs.155,800 and Kshs.2,097,000 respectively as disclosed in Note 14 to the financial statements.. However, the supporting schedules, detailed aging analysis, and issued invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of current portion of receivables from exchange transactions balance of Kshs.2,252,800 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.234,343 held in four (4) commercial bank accounts as disclosed in Note 13 to the financial statements. The following anomalies have been noted.

i. Equity Bank: Fees/Operational Account

Note 13 to the financial statements discloses a balance of Kshs.193,326. However, the corresponding cashbook reflected a balance of Kshs.192,926 leading to a variance of Kshs.1,000. A reconciling item of Kshs.400 could not be traced or verified from the available bank statement.

ii. Kenya Commercial Bank - Project Account

The cashbook, bank reconciliation, and bank statement were not provided for audit verification.

iii. Kenya Commercial Bank: Capitation/Grant Account

The bank certificate was not provided for audit.

iv. Equity Bank: – Fees/Operational Account

The bank statement, cashbook and reconciliation were not availed.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.234,343 could not be confirmed.

4. Unsupported Use of Goods and Services

The statement of financial performance reflects use of goods and services amount of Kshs.2,690,531 as disclosed in Note 9 to the financial statements. This amount comprises various sub-items under the use of goods and services expenditure category. However, review of the supporting ledger revealed that all these items were lumped together in a single ledger account without any breakdown or distinction between the individual expenditure components.

In the circumstances, the accuracy and completeness of use of goods and services amount of Kshs.2,690,531 could not be confirmed.

5. Undisclosed Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment net book value of Kshs.280,000, as disclosed in Note 16 to the financial statements. This amount relates solely to work in progress. However, Management did not disclose the full balances of property, plant, and equipment despite owning various assets, including buildings and training equipment. In addition, the entity does not maintain an updated asset register.

In the circumstances, the accuracy and completeness of property, plant and equipment net book value of Kshs.280,000 could not be confirmed.

6. Unsupported Inventory

The statement of financial position reflects the inventory balance of Kshs.439,260, as disclosed in Note 15 to the financial statements. However, Management did not maintain store ledgers, conduct periodic stock counts, or perform stock valuation during the year.

In the circumstances, the accuracy, existence and completeness of the inventory balance of Kshs.439,260 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects a final receipts budget of Kshs.1,296,000 against actual receipts of Kshs.3,448,228, resulting in an over-funding of Kshs.2,152,228 166% of the budget. However, the Centre spent Kshs.1,511,447 against actual receipts of Kshs.3,448,228, resulting in an under-utilization of Kshs.1,936,781 56% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Mandatory Registration Requirements under the Data Protection Act

Review of compliance with the Data Protection Act, 2019 revealed that Ruibi Vocational Training Centre has not registered with the Office of the Data Protection Commissioner (ODPC) as a data controller or data processor, despite collecting and processing personal data of trainees and staff. Failure to register contravenes Section 18(1) of the Act, which requires all entities that meet the prescribed thresholds to be duly registered before processing personal data.

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

2. Non-Compliance with the Public Procurement Capacity Building Levy Order, 2023

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

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

3. Officer Acting Beyond Six-Months

Review of personnel records revealed that the VTC Principal has served in an acting capacity since 2015, contrary to Section 34(3) of the Public Service Commission Act, 2017 which stipulates that an officer may serve in an acting capacity for a minimum of thirty days but not exceeding six months.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the Institution had not constituted an audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the Centre through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the Centre did not benefit from the oversight role and advice from the audit committee and the internal audit function.

2. Absence of an Approved Staff Establishment

Ruibi Vocational Training Centre does not have an approved staff establishment, contrary to the requirements of Policy B.2 (1). Without a formal staff establishment, it is not

possible to assess whether the Centre is operating with an optimal staffing structure necessary to support the implementation of its mandate.

In the circumstances, the Centre Management may not know the optimal staff required to deliver the objectives of the Centre.

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

Responsibilities of the Management and the Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 December, 2025

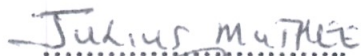
RUIBI VOCVATIONAL TRAINING CENTRE
Annual Report and Financial Statements for the year ended 30th June 2025

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

	Notes	FY 2024/2025 Current FY Kshs
Revenue from non-exchange transactions		
Transfers from the County Government	6	1,326,000.00
		1,326,000.00
Revenue from Exchange transactions		
Fees from students	7	2,105,827.84
Miscellaneous income	8	2,136,800.00
Revenue from Exchange transactions		4,242,627.84
Total Revenue		5,568,627.84
Expenses		
Use of goods and services	9	2,690,530.74
Employee costs	10	673,000.00
Board Expenses	11	80,000.00
Repairs and maintenance	12	335,250.00
Total Expenses		3,778,780.74
Net surplus/(deficit) for the year		1,789,847.10

The notes set out on pages 20 to 26 form an integral part of the Annual Financial Statements

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



 Name Julius Muthee

Chairman of Board

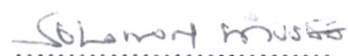
Date 28/11/2025



 Name Douglas Kobia

Accountant
 ICPAK No 10401

Date 28/11/2025



 Name Solomon Musingu

Principal/Manager

Date 28/11/2025

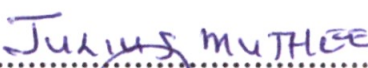
RUIBI VOCATIONAL TRAINING CENTRE
Annual Report and Financial Statements for the year ended 30th June 2025

15. Statement of Financial Position as at 30th June 2025


Description	Notes	FY 2024/2025
		Kshs
Assets		
Current Assets		
Cash and cash equivalents	13	234,343.36
Current portion of receivables from exchange transactions	14	2,252,800.00
Inventories	15	439,259.93
Total Current Assets		2,926,403.29
Non-Current Assets		
Property, plant, and equipment	16	280,000.00
Total Non-Current Assets		280,000.00
Total Assets (A)		3,206,403.29
Liabilities		
Current Liabilities		
Trade and other payables from exchange transactions	17	1,403,341.67
Total Current Liabilities		1,403,341.67
Non-Current Liabilities		
Non-Current Provisions		-
Total non-current liabilities		-
Total Liabilities (B)		1,403,341.67
Net Assets (A-B)		1,803,061.62
Represented By:		
Revaluation Reserves		-
Accumulated Surplus		1,803,061.62
Capital Fund		-
Total Net Assets		1,803,061.62

The Financial Statements set out on pages 2 were signed by:


RUIBI VOCATIONAL TRAINING CENTRE
Annual Report and Financial Statements for the year ended 30th June 2025


.....
Name ~~Muthese~~
Chairman of Board

Date 28/11/2025


.....
Name Douglas Kobig
Accountant
ICPAK No 10401

Date 28/11/2025


.....
Name Solomon Muthese
Principal/Manager

Date 28/11/2025

16. Statement of Changes in Net Assets for The Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated Surplus	Capital Grants/Fund	Total
At July 1, 2024(<i>current year</i>)	0	13,214.52	-	13,214.52
Revaluation gain	0	-	-	-
Surplus/(deficit) for the year	0	1,789,847.10	-	1,789,847.10
Capital grants received during the year	0	-	-	-
At June 30, 2025	0	1,803,061.62	-	1,803,061.62

Note:

1. For items that are not common in the financial statements, Ruibi VTC should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

RUIBI VOCVATIONAL TRAINING CENTRE
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description		FY 2024/2025
	Note	Kshs
Cash flows from operating activities		
Receipts		
Transfers from County Government		1,326,000.00
Fees from students		1,965,494.51
Miscellaneous income		39,800.00
Total Receipts		3,331,294.51
Payments		
Use of goods and services		2,346,915.67
Employee costs		348,000.00
Board Expenses		80,000.00
Repairs and maintenance		335,250.00
Total Payments		3,110,165.67
Net Cash Flows from operating activities	18	221,128.84
Cash flows from investing activities		
Purchase of property, plant, and equipment		0
Purchase of intangible assets		0
Proceeds from the sale of property, plant, and equipment		0
Net cash flows used in investing activities		0
Cash flows from financing activities		0
Proceeds From Borrowing		0
Repayment of Borrowings		0
Net cash flows used in financing activities		0
Net Increase/(Decrease) in Cash and Cash equivalents		221,128.84
Cash & Cash equivalents at the beginning (1 st July)	13	13,214.52
Cash & Cash equivalents at the end. (30 th June)	13	234,343.36

(Presentation of cash flows shall be on the basis of direct method for all public sector entities reporting under the IPSAS Accrual basis of accounting)

RUIBI VOCVATIONAL TRAINING CENTRE
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	A	B	C=A+B	D	E=C-D	F=D/C%
Budget carryovers from the previous year*	-	0	0	0	0	0
Receipts						
Transfers from County Government	1,326,000.00	0	1,326,000.00	1,326,000.00	-	-
Fees from students	0	0	-	1,965,494.51	(1,965,494.51)	-
Miscellaneous Income	0	0	-	39,800.00	(39,800.00)	-
Total Receipts	1,326,000.00	0	1,326,000.00	3,331,294.51	(2,005,294.51)	-
Payments		0	-			-
Use of goods and services	349,680.00	0	349,680.00	1,261,790.67	(912,110.67)	(260.84)
Employee costs	0	0	-	348,000.00	(348,000.00)	-
Board Expenses	0	0	-	80,000.00	(80,000.00)	-
Repairs and maintenance	285,120.00	0	285,120.00	335,250.00	(50,130.00)	(17.58)
Training materials	691,200.00	0	691,200.00	1,085,125.00	(393,925.00)	(56.99)
Total Expenditure	1,326,000.00	0	1,326,000.00	3,110,165.67	(1,784,165.67)	(134.55)
Capital Expenditure payments	0	0	-	0	0	(469.97)
Surplus	-	0	-	221,128.84	(221,128.84)	469.97

(Budget carryovers This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted to the CRF. Budget carryover amounts should not include third-party funds such as contractors' retention.)*

Budget notes

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14

Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	221,128.84
classification/presentation differences	13,214.52
Closing Cash and Cash Equivalent as per the statement of Cash flows	234,343.36

19. Notes to the Financial Statements

1. General Information

Ruibi Vocational Training Centre entity is established by and derives its authority and accountability from TVET Act. Ruibi VTC is wholly owned by the County Government of Meru and domiciled in Buuri sub-county. Ruibi VTC's principal activity is to offer technical training courses to the surrounding community.

2. Statement of Compliance and Basis of Preparation

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

RUIBI VOCATIONAL TRAINING CENTRE
Annual Report and Financial Statements for the year ended 30th June 2025

3. Adoption of New and Revised Standards

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

There are no new standards and interpretations issued in the Financial Year.

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

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

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

iii. Early adoption of standards

Ruibi VTC did not early – adopt any new or amended standards in the financial year

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 Ruibi VTC and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on **29/02/2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Ruibi VTC upon receiving the respective approvals to conclude the final budget. Ruibi VTC's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented.

c) Taxes

Current income tax

Ruibi VTC is exempt from paying taxes as per second schedule *of* the **2024 Income Tax Act**.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to Ruibi VTC. 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. Ruibi VTC also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that Ruibi VTC 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 Ruibi VTC. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Biological Assets

Ruibi VTC recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to Ruibi VTC, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured

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at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) Research and development costs

Ruibi VTC expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Ruibi VTC 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.

f) Financial instruments

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

Financial assets

Classification

Ruibi VTC classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both Ruibi VTC's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that

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are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

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allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

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

k) Provisions

Provisions are recognized when Ruibi VTC 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 Ruibi VTC 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

Ruibi VTC 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

Ruibi VTC 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 Ruibi VTC 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.

l) Social Benefits

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

m) Nature and purpose of reserves

Ruibi VTC creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

Ruibi VTC 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.

p) Foreign currency transactions

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

q) 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.

r) Related parties

Ruibi VTC 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 Ruibi VTC, or vice versa. Members of key management are regarded as related parties and comprise the directors, the principal and senior managers.

s) Service concession arrangements

Ruibi VTC 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, Ruibi VTC 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, Ruibi VTC also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

u) Comparative figures

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

v) Subsequent events

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

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of Ruibi VTC'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. Ruibi VTC 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 Ruibi VTC. 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 Ruibi VTC.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

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

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

6. Transfers from the County Government

Description	FY 2024/2025
	Kshs
Conditional Grants amortised/ recognised in revenue	
Repairs,maintenace and improvement of Tools & equipments	285,120.00
Tools,equipments and instructional/assesment/examination materials	422,400.00
Exercise books & stationery	268,800.00
Skills competitions	83,280.00
Cocurricular activities	92,400.00
Utilities	100,800.00
Local travel & transport	73,200.00
Total Government Grants and Subsidies	1,326,000.00

(b)Transfers from County Government (Categorized)

Name of Ruibi VTC Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year
	Kshs	Kshs	Kshs	Kshs
County Department for Education And Technology	1,326,000.00	0	0	1,326,000.00
Total	1,326,000.00	-	-	1,326,000.00

7. Fees from students

Description	FY 2024/2025
	Kshs
Fees from students	2,105,827.84
Total Fees from students	2,105,827.84

Fees from students is mainly sourced from students enrolled at the institution.

8. Miscellaneous Income

Description	FY 2024/2025
	Kshs
Miscellaneous income (Sale of wheat produce)	39,800.00
Kirua TTI	2,097,000.00
Total other income	2,136,800.00

9. Use of Goods and Services

Description	FY 2024/2025
	Kshs
Teaching and learning materials	1,141,240.07
Electricity	171,576.00
food stuff and kitchen items	770,380.00
General office expense	55,000.00
Fuel & Oil - Firewood	14,500.00
Printing & Stationeries	24,000.00
Local Travel and transport	43,000.00
Training expenses	298,000.00
Skills Development	144,860.00
Bank charges	27,974.67
Total good and services	2,690,530.74

10. Employee Costs

Description	FY 2024/2025
	Kshs
Salaries and wages	673,000.00
Employee Costs	673,000.00

11. Board Expenses

Description	FY 2024/2025
	Kshs
Other Board Expenses	80,000.00
Total	80,000.00

12. Repairs and Maintenance

Description	FY 2024/2025
	Kshs
Repairs and Maintenance	335,250.00
Total Repairs and Maintenance	335,250.00

13. Cash and Cash Equivalent

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Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Account	234,343.36	13,214.52
Total Cash and Cash Equivalents	234,343.36	13,214.52

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
a) Current Account			
Equity Bank-Fees/Operational account	0140294606491	193,326.35	1,133.11
Kenya Commercial Bank-project account	1212769864	3,183.00	3,183.00
Kenya Commercial Bank-Capitation/grant account	1234238144	30,793.75	3,209.25
Equity Bank-Fees/Operational account	140194223096	7,040.26	5,689.16
Grand Total		234,343.36	13,214.52

14. Receivables from Exchange transactions

14 (a) Current Receivables from Exchange transactions

Description	FY 2024/2025
	Kshs
Current Receivables	
Student Debtors	155,800.00
Other Exchange Debtors- Kirua TTI	2,097,000.00
Total Current Receivables	2,252,800.00

14 (b) Ageing Analysis of Receivables from Exchange Transactions

Description	FY 2024/2025	
	Kshs	
	Current FY	% of the total
Less than 1 year	2,252,800.00	100.00
Total (a+b)	2,252,800.00	100.0

15. Inventories

Description	FY 2024/2025
	Kshs
Consumable stores	244,509.93
Tools and equipment stores	194,750.00
Total Inventories at lower of Cost and Net Realizable Value	439,259.93

The inventories are made up of consumables and tools used for learning by the students enrolled at the institution.

Detailed Disclosure on Inventories

	FY 2024/2025
Opening balance	0
Additional Inventory in the year	439,259.93
Inventory expensed in the year	-
Write-downs in the year	-
Others specify	-
Closing balance	439,259.93

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16. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate	0	0	0	0	0	0	0	0	0
At 1 July 2024 (previous year)	0	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Transfers/Adjustments	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
At 30th June 2024 (previous FY)	0	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	280,000.00	280,000.00
Disposals	0	0	0	0	0	0	0	0	0
Transfer/Adjustments	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
At 30th June 2025 (current year)	0	0	0	0	0	0	0	280,000.00	280,000.00
Depreciation And Impairment									
At 1 July 2024 (previous year)	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
At 30 Jun 2024 (previous year)	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
Transfer/Adjustment	0	0	0	0	0	0	0	0	0
At 30th Jun 2025 (current year)	0	0	0	0	0	0	0	280,000.00	280,000.00
Net Book Values									

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At 30th Jun 2024 <i>(previous year)</i>	0	0	0	0	0	0	0	0	0
At 30th Jun 2025 <i>(current year)</i>	-	-	-	-	-	-	-	280,000.00	280,000.00

WIP– 75% complete office construction

RUIBI VOCATIONAL TRAINING CENTRE**Annual Report and Financial Statements for the year ended 30th June 2025****17. Trade and Other Payables from Exchange Transactions**

Description	Insert Current FY	
	Kshs	
Trade payables	1,403,341.67	
Total Trade and Other Payables	1,403,341.67	
Ageing analysis:	Current FY	% of the Total
Under one year	1,403,341.67	100.00
Total (to tie to totals above)	1,403,341.67	100.00

18. Cash generated from operations.

Description	FY 2024/2025
	Kshs
Surplus/(Deficit) for the year	1,789,847.10
Adjusted for:	
Contributed assets	(280,000.00)
Working Capital Adjustments	
Increase in Inventory	(439,259.93)
Increase in Receivables	(2,252,800.00)
Increase in Payables	1,403,341.67
Net Cash Flow from Operating Activities	221,128.84

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

iii. Financial Risk Management

Ruibi VTC'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.

Ruibi VTC's financial risk management objectives and policies are detailed below:

(i) Credit risk

Ruibi VTC 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 Ruibi VTC's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024 (previous year)				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
At 30 June 2025 (current year)				
Receivables from exchange transactions	2,252,800.00	2,252,800.00	0	0
Bank balances	234,343.36	234,343.36	0	0
Total	2,487,143.36	2,487,143.36	0	0

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

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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.

Ruibi VTC has significant concentration of credit risk on amounts due from 2023

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)				
Trade Payables	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Total	0	0	0	0
At 30 June 2025 (current year)				
Trade Payables	0	1,387,875.00	0	1,387,875.00
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Total	0	1,387,875.00	-	1,387,875.00

(iii) Market risk

Ruibi VTC has put in place an internal audit function to assist it in assessing the risk faced by Ruibi VTC 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 Ruibi VTC'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.

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Ruibi VTC'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 Ruibi VTC's exposure to market risks or the manner in which it manages and measures the risk.

a) Interest rate risk

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

Management of interest rate risk

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

iv. Related Party Balances

Nature of related party relationships

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

County Government of Meru

The County Government of Meru is the principal shareholder of Ruibi VTC. The County Government of Meru has provided full guarantees to all long-term lenders of Ruibi VTC, both domestic and external.

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

Description	Insert Current FY
	Kshs
Transactions with Related Parties	
b) Grants /Transfers from the Government	
Grants from County Government	1,296,000.00
Donations in Kind	0
Total	1,296,000.00
c) Key Management Compensation	
Board of Management emoluments	50,000.00
Compensation to Key Management	0
Total	50,000.00
Total	1,346,000.00

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v. Period

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

vi. Currency

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

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1. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
This is the first year of reporting. There is no prior years Auditor General's Recommendations				

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.

Solomon Musee
Principal/Manager

Date 28/08/2025

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Appendix II- Inter-Entity Confirmation Letter

Name of transferring entity: County Government of Meru

Name of beneficiary entity: Ruibi Vocational Centre

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30th June (Current FY)

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Entity:
 Name Douglas Kobir Domiziano Sign [Signature] Date 28/11/2025

Head of Accounts Department - Beneficiary Entity:
 Name Solomon MUSA Sign [Signature] Date 25/11/2025

