

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 14 APR 2026	DAY. Tuesday
PREPARED BY:	Hon. Naome Wago, URS, MP (Deputy Majority Whip)
CLERK-AT-THE-TABLE:	Inzofu Mwale, HSC

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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**MUKEU VOCATIONAL TRAINING  
CENTRE**

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



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**MUKEU VOCATIONAL TRAINING CENTRE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30<sup>TH</sup> JUNE 2025**

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

**Mukeu vocational training centre**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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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 Centre
PPRA	Public Procurement Regulatory Authority

**2. Key Entity Information and Management**

**(a) Background information**

Mukeu Vocational Training Centre is a public TVET institution which was established in the year 1976 as a village polytechnic. It was changed to Youth Polytechnic in the year 2007 registered under the Ministry of Youth Affairs and Sports Later in the year 2017 the institution was registered as Mukeu Vocational Training Center under TVETA Act/2013. It is situated in Nyandarua County, Kinangop Sub-county, Nyakio Ward next to Muke trading centre. The V.T.C is under the department of Education, Technical Training gender and social protection.

**Trades Offered**

- Motor Vehicle Mechanic
- Building Technology
- Electrical and Electronics
- Plumbing

**(b) Principal Activities**

The principal activity/mission/ mandate of Mukeu Vocational Training Centre is to impart skills to trainees for self-reliance.

**Vision**

To be a leading center of excellence in vocational education and training, empowering trainees with practical skills innovative knowledge and ethical values to thrive in the labour market and contribute meaningfully to the society.

**Mission**

To provide quality hands-on vocational training that equip learners with technical skills and personal development needed for employment.

**Motto: Excel in Skills and Technology**

**(c) Key Management**

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

- ❖ BOM Chairman.
- ❖ Director Department of Education, Technical training, Culture Gender and Social Protection,
- ❖ Deputy director
- ❖ Treasurer

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- ❖ Accountant
- ❖ Center Manager
  - Accounting officer  
The accounting officer is the Center Manager
  - Management;
    - BOM Chair
    - Director
    - Deputy Director
    - BOM Treasurer
    - Accountant
    - Center Manager

**(d) Fiduciary Management**

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

<b>SN.</b>	<b>Designation</b>	<b>Name</b>
1.	BOM Chairman	Joseph Mwaniki
2.	Director	Samson Njiiri
3	Deputy Director	Josphine Gathirwa
4	Treasurer	Naomi Kamau
5	Principal Accountant	Ann Theuri
6	Centre Manager	Harun Mwangi

**Key Entity Information and Management (Continued)**

**(e) Fiduciary Oversight Arrangements**

The fiduciary oversight bodies of the institution include

- i. Office of the auditor general
- ii. The county assembly
- iii. The department of Education, Technical Training, culture, gender and social protection.
- iv. Oversight committees

The key fiduciary activities held in the year under review include;

Exam Committee

The committee's activities include,

Exam committee

- Setting exams
- Moderation of exam
- Maintain exam records
- Analysing exam

**Adhoc procurement committee**

The committee's activities include;

- Requisition of materials, tools Opening of quotations
- Inspection of materials, tools and equipment's

**Academic committee**

The committee activities include;

- Ensures learning activities are carried out
- Preparing timetable

**(f) Mukeu Vocational Training Centre**

P.O. Box 75 – 20319

South Kinangop.

**(g) Mukeu Vocational Training Centre Contacts**

Telephone: (254) 711158570

E-mail: [mukeuyouthpoly@gmail.com](mailto:mukeuyouthpoly@gmail.com)

**(h) Bankers**

Equity Bank  
Account Number ----- 0200162449257  
Naivasha Branch  
KCB Bank  
Account Number ----- 1232869945  
Njabini Branch

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**

The County Attorney  
County Government of Nyandarua  
P.O. Box 701 - 20303  
Ol'kalou, Kenya

### 3. The Board of Management



**Mr. Joseph Mwaniki Kimonde**  
**BOM Chairman**

Joseph was born in 1966 and holds a craft three certificate in motor vehicle mechanic with an experience of twenty years in the field. Automotive engineer. He is the chairman to the Board.



**Mr. Peter Ngigi Kinuthia**  
**BOM Vice Chairman**

Peter was born in 1976. Holds a diploma in pharmacy and has an experience of fifteen years as a pharmacist. He is the vice chairman to the Board.



**Ms. Naomi Wanjiru Kamau**  
**BOM treasurer**

Naomi was born in 1981. She is a business Lady and has a work experience of eighteen years in business and farming. She is the BOM treasurer.



**Mr. Harun Mwangi Karuga**  
**BOM Secretary**

Harun was born in 1969 and holds a Craft Certificate in masonry TEP. He has a work experience twenty years in building construction industry and 13 years in the technical training career. He is the secretary to the BOM.



**Ms. Josephine Gathirwa**  
**BOM Member**

Josephine is a Civil Engineer with a work Experience of 17 years. She is a BOM Member.



**Ms. Lucy Waithira Githutha**  
**BOM Member**

Lucy was born in 1972 she holds a certificate in Fashion and Design Work and has an Experience of 20 years.



**Mr. David Nyaga Mungai**  
**BOM Member**





David was born in 1967. He holds a certificate in motor vehicle mechanic with a work experience of sixteen years. He is a BOM member.

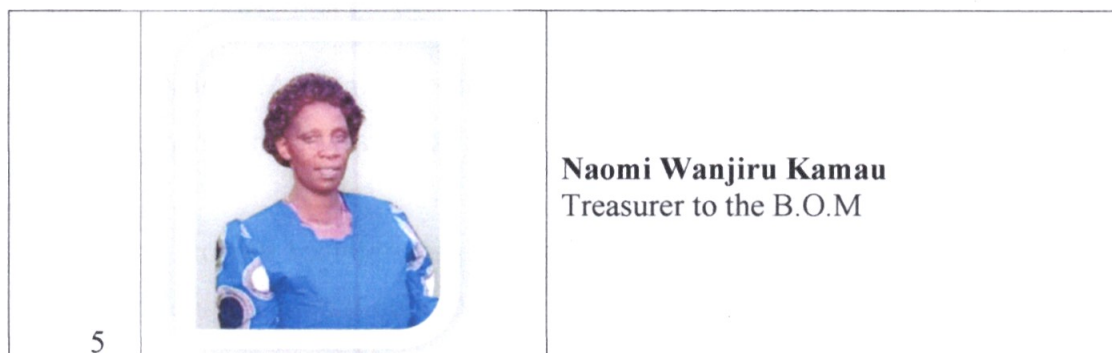


**Mr. Josphat Maina Njogu**  
**BOM Member**

Josphat was born in 02/05/1991. He holds a diploma in information technology with twelve years working experience. He is a BOM member.

4. Key Management Team

SN.	Member/ Director	Details
1.		<p><b>Samson Njiiri</b> Director, Education and Vocational Training</p>
2.		<p><b>Josephine Gathirwa</b> Assistant Director, Vocational Training and Home Craft Centres</p>
3		<p><b>Harun Mwangi Karuga</b> Secretary to the B.O.M. and Centre Manager</p>
4		<p><b>Joseph Mwaniki Kimonde</b> Chair to the B.O.M.</p>



## **5. Chairman's Statement**

The 2024/25 FY had several activities that saw the institution operate smoothly. The institution had a total of 75 in various courses as follows.

- Motor vehicle mechanic
- Electrical and electronics
- Masonry
- Plumbing

The institution admitted trainees', trained them, registered and sat for national examinations and participated in other co curriculum activities. Fourteen trainees sat for the NITA examination.

The institution operations were supported through the capitation from County Government and other support came through bursaries from county government and NGCDF.

The institution faced a number of challenges that include;

- i. Understaffing. The institution has 2 instructors employed by the County Government. The BOM has to hire the rest instructors in order bridge the gap of trainee instructor ratio.
- ii. Financial challenges. The institution was not able to meet some of its financial obligations during the financial year. Most of the trainees were not able pay the school fees leaving the institution with some financial constraints leading to unpaid services to service providers.
- iii. Inadequate infrastructure. The institution has a few workshops and some of them are in bad state, and again with financial constraints, nothing much can be done to improve the infrastructure.
- iv. Low enrolment. The institution experienced fluctuating enrolment throughout the year as a result of lack of school fees and bursary support.

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The Board of Management is committed to doing its oversight duties to ensure Mukeu VTC grows in different dimensions including enrolment, financial growth, and infrastructural growth, just to mention but a few.

We are grateful to the County Government of Nyandarua for their continued support, especially through capitation to trainees. This has seen to it that the institution thrives despite the many challenges.



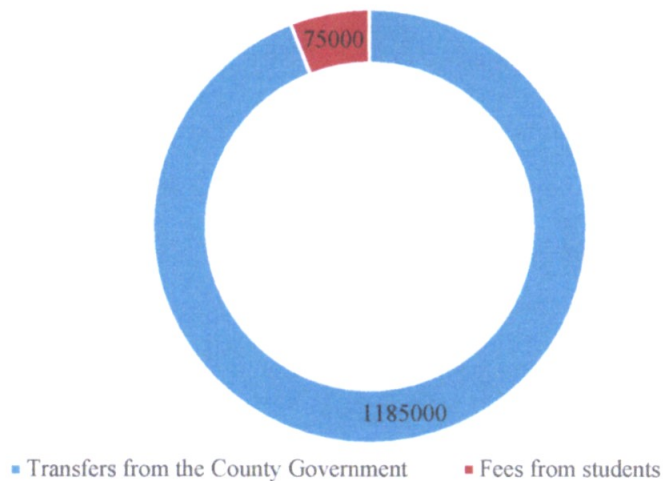
.....  
**JOSEPH MWANIKI KIMONDE**  
**B.O.M CHAIRPERSON**

**6. Report of the Manager**

In the year under review, the institution had 75 trainees in various courses that include, Masonry, plumbing, Electrical and electronics, and motor vehicle mechanic. Fourteen of the trainees sat for the NITA examination.

The operations of the institutions were through the transfer from the County government and Bursary. The total revenue for the institution amounted Ksh. 1,133,777. The revenues is from the County Government and the bursary fees.

REVENUES

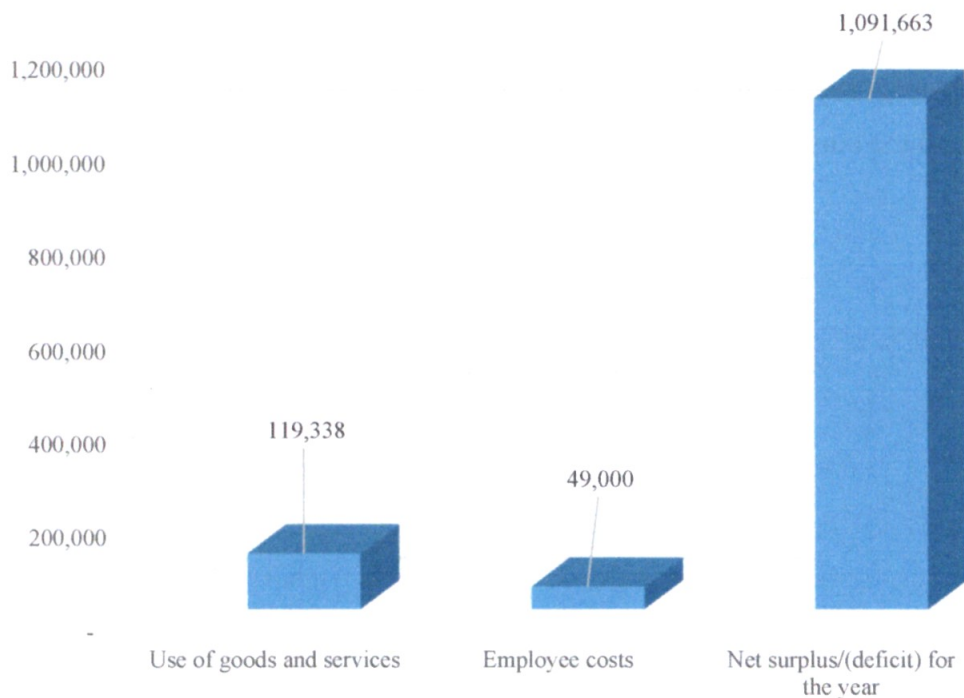


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The total expenditure in the financial amounted to kes. 168,338 compose of kes 119,338 as use of goods and kes 49,000 as employees' cost. The institution had a surplus of kes. 1,091,663.

INSTITUTION PERFORMANCE



The surplus during the year was a result of delay in transfer from the County Government.

The institution looks forward for a continued support from the County Government and other stakeholders.

*Harun Mwanngi Karuga*

**HARUN MWANNGI KARUGA**  
**CENTRE MANAGER**



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**7. Statement of Performance against Predetermined Objectives**

Mukeu VTC has seven strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2023/ 27. These strategic pillars are as follows:

- i) Increase trainee’s enrolment
- ii) Production of high-quality products and services
- iii) Assets management
- iv) Integration of ICT in learning
- v) Marketing of institution
- vi) Quality training
- vii) Environmental conservation

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

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Increase trainee’s enrolment	To increase trainees’ enrolment and introduce new academic programs	Number of trainee’s enrolment increased	- maintaining admission registers. - posters - Having exhibitions - Attending community meetings - Marketing in the churches	Increased enrolment from 76 to 79
Production of high-quality products and services	To increase the production of high-quality products and services	Percentage of high-quality products and services produced	Provision of modern tools and equipment Development of a service charter	80%
Assets management	Updated inventory	Percentage of inventory updated	Stoke taking Branding Asset tagging	90%
Integration of ICT in learning	To digitize trainings	Number of courses digitized	Equip the computer laboratory with ICT equipment	4

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<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Marketing of institution	To sensitize the community on the institution	Number of sensitization activities held	Attending chief's barazas Media advertisements	4
Quality Training	To train and produce highly skilled, competent and self-driven human resource for the labour market;	Number of competent graduates produced	-Maintaining professional documents for instructors. - conducting quality trainings by instructors.	8
Environmental conservation	To conserve the institution surroundings	Percentage of surroundings conserved	Planting of trees and flowers	60%

## **8. Corporate Governance Statement**

The institution is governed by a board of members appointed by the CECM in charge of education, children, culture, gender and social protection. The BOM is composed chair, vice chair, treasurer, secretary (centre manager), 3 members from the community and 4 Ex officials (director education, area chief, representative of area MCA and ward admin). The B.O.M. is guided by a policy guidelines document which outlines the respective roles, responsibilities and authorities of the board.

The functions of the Board of Management of a Vocational Training Centre are:

- i. Promote quality education and training for all trainees in accordance with the set standards.
- ii. Ensure the provision of proper and adequate infrastructure for the institution.
- iii. Managing institution's affairs in accordance with the rules and regulations that may be provided by the Executive committee members
- iv. Determine cases of trainees and trainer's discipline and make report to the Director of Education
- v. Prepare comprehensive quarterly reports on all areas of its mandate for submission to the relevant stakeholders.
- vi. Provide for the welfare and safety of the trainees, instructors and non-teaching staff in the institution.
- vii. Administering and managing the resources of the institution
- viii. Receiving, collecting and accounting for any funds accruing to the institution.
- ix. Employing such numbers of teaching and non-teaching as may be required by institution in accordance with the laid down regulations and
- x. perform any other function to facilitate the implementation of its function under these guidelines or any other written law

The Mukeu VTC Bom held 3 meetings in the year under review. The issues discussed touched on the seven strategic pillars of the institution.

**9. Management Discussion and Analysis**

Mukeu V.T.C have been running its operations relying on school fees paid by trainees, and capitation allocated for materials, tools and equipment from the county government.

The institution had a total of 73 trainees in various courses Masonry, plumbing, motor vehicle mechanics and electrical. The institution admitted trainees, trained them, registered and sat for national examinations and participated in other co curriculum activities. Fourteen trainees sat for the NITA examination.

The institution received a capitation from the County Government of Nyandarua for the financial year 2024/25 amounting to Kshs. 1,095,000 for the 73 trainees, each Kshs. 15,000. The bursary had Ksh. 13,000 and were used for general operations of the institution.

No major development project was done due to insufficient funds

**Major Risks facing the institution**

- ❖ Inadequate funding
- ❖ Trainees failing to pay school fees
- ❖ Accumulated debts Inherited from previous years
- ❖ Fluctuating enrolment
- ❖ Understaffing
- ❖ Dropouts due to lack of school fees

## **10. Environmental And Sustainability Reporting Statement**

### **i. Sustainability strategy and profile**

The institution utilized the small available land by growing vegetables to support feeding program. The vegetables are grown organically to avoid land degradation.

The institution harvest rain water, stores and retains it in water tanks for domestic and agricultural use.

### **ii. Environmental performance**

The institution is guided by the national environmental policy 2013.

The institution reuses and recycles some waste products for instance; textile waste and synthetic hair waste is used in carpentry for stuffing sofas, carpentry waste is used as firewood.

The institution planted trees along the fences, which is a way of preventing soil erosion, cleaning the air and attracting rainfall.

### **iii. Employee welfare**

Human resource management – recruitment, performance management, succession planning is done by B.O.M.

Appraisal and reward systems are done annually

The institution has staff welfare where each staff contributes an amount every month to cater for any arising issue affecting the staff.

### **iv. Marketplace practices-**

#### **a) Responsible competition practice.**

The institution appoints a committee of procurement that ensures all procedures are adhered to and ensures the tenders are open to all qualified registered bidders in line with PPRA.

#### **b) Responsible Supply chain and supplier relations**

The institution honours the contracts and makes payment to the suppliers whenever due.

#### **c) Responsible marketing and advertisement**

The institution uses brochures, sign boards, chief's baraza, churches and online adverts.

d) Product stewardship

Besides quality academic programs the institution ensures that the trainees have qualified trainers and favourable training environment. In addition, it ensures trainees participate in co-curricular activities; i.e. sports, music and drama festivals.

**v. Corporate Social Responsibility / Community Engagements**

The institution provides the neighbouring community with water and also carry out cleaning of Mukeu town occasionally.

**11. Report of the Board of Management**

The Board report together with financial statements for the year ended June 30, 2025, shows the state affairs of Mukeu VTC.

**Principal activities**

The principal activity of Mukeu Vocational Training Centre is to equip trainees with skills for self-reliance.

**Board of Management**

The members of the Board who served during the year are shown on page 8

**Auditors**

The Auditor General is responsible for the statutory audit of Mukeu Vocational Training Centre in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 of Mukeu Vocational Training Centre for the year ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....  
**HARUN MWANGI KARUGA**  
**SECRETARY OF THE BOARD**



**DATE:**

**12. Statement of Board of Management Responsibilities**

Section 81 of the Public Finance Management Act, 2012, and section 29 of Schedule 2 of the Technical and Vocational Education and Training Act require the Board members to prepare financial statements in respect of Mukeu Vocational Training Centre which gives a true and fair view of the state of affairs of Mukeu Vocational Training Centre at the end of the financial year/period and the operating results of Mukeu Vocational Training Centre for that year/period. The Council members are also required to ensure that Mukeu Vocational Training Centre keeps proper accounting records which disclose with reasonable accuracy the financial position of Mukeu Vocational Training Centre. The council members are also responsible for safeguarding the assets of the Centre.

The Board members are responsible for the preparation and presentation of Mukeu Vocational Training Centre financial statements, which give a true and fair view of the state of affairs of Mukeu Vocational Training Centre for and at the end of the financial year 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 Mukeu Vocational Training Centre,
- iii. Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- iv. Safeguarding the assets of the Centre,
- v. Selecting and applying appropriate accounting policies, and
- vi. Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Mukeu Vocational Training Centre financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector

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Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and, the TVET Act) The Board members are of the opinion that Mukeu Vocational Training Centre financial statements give a true and fair view of the state of Mukeu Vocational Training Centre transactions during the financial year ended June 30, 2025, and of Mukeu Vocational Training Centre financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for Mukeu Vocational Training Centre, which have been relied upon in the preparation of Mukeu Vocational Training Centre's financial statements as well as the adequacy of the systems of internal financial control.


In preparing the financial statements, the Principal has assessed Mukeu Vocational Training Centre's ability to continue as a going concern. Nothing has come to the attention of the Council members to indicate that Mukeu Vocational Training Centre will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

Mukeu Vocational Training Centre financial statements were approved by the Board on \_\_\_\_\_ and signed on its behalf by:



.....  
**Joseph Mwaniki Kimonde**  
Chairperson of the Board



.....  
**Harun Mwangi Karuga**  
Centre Manager



# REPUBLIC OF KENYA



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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 MUKEU VOCATIONAL TRAINING CENTRE FOR THE YEAR ENDED 30 JUNE, 2025**

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### **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 Mukeu Vocational Training Centre set out on pages 1 to 58, which comprise of the statement of financial position as

at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mukeu 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 the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Non-Disclosure of Property, Plant and Equipment**

The statement of financial position does not reflect and disclose component and corresponding balance of property, plant and equipment which includes; land, building, plant and machinery, motor vehicles, computers and related equipment, office equipment, furniture and fittings. In addition, the cost and depreciation values and net book values has not been disclosed in the note to the financial statements.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mukeu 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 comparison of budget and actual amounts reflects budgeted receipts and actual on comparable basis amounting to Kshs.3,530,771 and Kshs.3,530,771 respectively resulting in a nil revenue variance of the budget. Similarly, the Centre expended Kshs.3,449,692 against an approved budget of Kshs.4,417,192 resulting to a variance of Kshs.967,500 or 22% of the approved budget.

The under-expenditure implied that some of the planned activities were not implemented which could impact negatively on the achievement of the overall Centre's goals and objectives.

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 effects of the matter described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

### **Other Information**

The Management is responsible for the Other Information set out on page iii to xxii which comprise of Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, Statement of Directors Responsibilities, 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 Mukeu Vocational Training Centre 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. Unapproved budget**

The statement of financial performance reflects total revenue of Kshs.3,530,771 and total expenditure of Kshs.3,449,692. Management of the Vocational Centre did not submit an approved budget for audit that conforms to the standard budget estimates format prescribed by the County Treasury.

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

## **2. Non-Compliance with Governance Requirements**

Review of the records of the board of management revealed that the Centre had no board expenses captured in the financial statement. Further, all the listed Board members were found to be from one community and there was no evidence of representation of persons with disabilities, minorities or marginalized groups as required by law.

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 Valuation Report and Land Ownership Documents**

The statement of financial position captures Nil balance for property, plant and equipment. Further, the management does not have land ownership document for the land where the vocational training Centre sits. The value of the land was not disclosed in the financial statement. Further, no valuation report was provided for audit.

In the circumstances, Mukeu Vocational Training Centre does not have the title and value of the land in which it is situated.

#### **2. Failure to Maintain Updated Asset Register**

Review of the Vocational Centre asset register revealed that appropriate details of assets such as serial number, tag number, make & model, date of delivery / installation, purchase amount, depreciation rate, annual depreciation, accumulated depreciation, net book value are lacking in the register.

In the circumstances, verification, completeness and current status of the Vocational Centre assets could not be confirmed.

### **3. Weakness in Internal Audit Function**

The Centre does not have a clearly defined internal audit structure outlining roles, responsibilities and reporting lines. Further, no internal audit reviews have been undertaken at the Centre during the period under audit. As a result, there was no evidence of ongoing assessment of internal controls, risk management and compliance processes as required under the PFM legal framework.

In the circumstances, the effectiveness of the internal audit function could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 those Charged with Governance**

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 is 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**

**17 December, 2025**

**Mukeu Vocational 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
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the County Government	6	3,517,771
Grants from Development partners	7	-
Transfers from National Government Entities	8	-
Public Contributions and Donations	9	-
<b>Revenue from Exchange transactions</b>		
Fees from students	10	13,000
Sale of goods	11	-
Rental revenue from facilities and equipment	12	-
Finance income	13	-
Miscellaneous income	14	-
Revenue from Exchange transactions		-
<b>Total Revenue</b>		<b>3,530,771</b>
<b>Expenses</b>		
Use of goods and services	15	638,621
Employee costs	16	2,550,271
Board Expenses	17	-
Depreciation and amortization expense	18	-
Repairs and maintenance	19	260,800
Contracted services	20	-
Grants and subsidies	21	-
Finance costs	22	-
<b>Total Expenses</b>		<b>3,449,692</b>
Other Gains/(Losses)		-
Gain on sale of assets	23	-
Gain/ Loss on fair value of investments	24	-
Impairment loss	25	-
Total Other Gains/(Losses)		-
<b>Net surplus/(deficit) for the year</b>		<b>81,079</b>

**Mukeu Vocational Training Centre**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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.....  
**Joseph Mwaniki Kimonde**  
**Chairman of Board**

Date ..... *10/12/25* .....

*[Handwritten signature]*

.....  
**Anne Theuri**  
**Accountant**  
**ICPAK No 18477**

Date ..... *10/12/2025* .....

*[Handwritten signature]*

.....  
**Harun Mwangi**  
**Manager**

Date ..... *10/12/2026* .....



**Mukeu 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
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	26	1,147,362
Current portion of receivables from exchange transactions	27(a)	-
Receivables from non-exchange transactions	28	-
Inventories	29	-
Investments in financial assets	30	-
<b>Total Current Assets</b>		<b>1,147,362</b>
<b>Non-Current Assets</b>		
Long term receivables from exchange transactions	27(b)	-
Investments	30	-
Property, plant, and equipment	31	-
Intangible assets	32	-
Investment property	33	-
Biological Assets	34	-
<b>Total Non-Current Assets</b>		<b>-</b>
<b>Total Assets (A)</b>		<b>1,147,362</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables from exchange transactions	35	-
Refundable deposits from customers/Students	36	-
Current provisions	37	-
Finance lease obligation	38	-
Deferred income	39	-
<b>Total Current Liabilities</b>		<b>-</b>
<b>Non-Current Liabilities</b>		
Finance lease obligation	38	-
Deferred income	39	-
Non-Current Provisions	37	-

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Service Concession Arrangements	40	-
<b>Total non- current liabilities</b>		-
<b>Total Liabilities (B)</b>		-
<b>Net Assets (A-B)</b>		<b>1,147,362</b>
Represented By:		
Revaluation Reserves		
Accumulated Surplus		1,147,362
Capital Fund		-
<b>Total Net Assets</b>		<b>1,147,362</b>

*[Handwritten Signature]*

.....

**Joseph Mwaniki Kimonde**  
**Chairman of Board**

Date *10/12/25* .....

*[Handwritten Signature]*

.....

**Anne Theuri**  
**Accountant**  
**ICPAK No 18477**

Date *10/12/2025* .....

*[Handwritten Signature]*

.....

**Harun Mwangi**  
**Manager**

Date *10/12/2025* .....



**Mukeu Vocational Training Centre**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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

	Revaluation reserve	Accumulated Surplus	Capital Grant/Fund	Total
At July 1, 2025	-	1,066,283	-	1,066,283
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	81,079	-	81,079
Capital grants received during the year	-	-	-	-
<b>At June 30, 2025</b>	-	<b>1,147,362</b>	-	<b>1,147,362</b>

**Mukeu Vocational 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**

<b>Statement of Cash Flows For The Year Ended 30 June 2025</b>		
<b>Description</b>		<b>FY 2024/2025</b>
	<b>Note</b>	<b>Kshs</b>
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from County Government		1,095,000
Grants from donors and development partners		-
Transfers from National Government entities		-
Public contributions and donations		-
Fees from students		13,000
Sale of goods		-
Rental revenue from facilities and equipment		-
Finance income		-
Miscellaneous income		-
<b>Total Receipts</b>		<b>1,108,000</b>
<b>Payments</b>		
Use of goods and services		638,621
Employee costs		127,500
Board Expenses		-
Repairs and maintenance		260,800
Contracted services		-
Grants and subsidies		-
<b>Total Payments</b>		<b>1,026,921</b>

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<b>Net Cash Flows from operating activities</b>	<b>41</b>	<b>-</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant, and equipment		-
Purchase of intangible assets		-
Proceeds from the sale of property, plant, and equipment		-
<b>Net cash flows used in investing activities</b>		<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds From Borrowing		-
Repayment of Borrowings		-
<b>Net cash flows used in financing activities</b>		<b>-</b>
Net Increase/(Decrease) in Cash and Cash equivalents		81,079
Cash & Cash equivalents at the beginning (1st July)	26	1,066,283
Cash & Cash equivalents at the end. (30th June)	26	1,147,362

**Mukeu Vocational 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 25**

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	A	B	C=A+B	D	E=C-D	F=E/C%
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from County Government	3,517,771	-	3,517,771	3,517,771	-	0
Grants from donors and development partners	-	-	-	-	-	0
Transfers from National Government entities	-	-	-	-	-	0
Public contributions and donations	-	-	-	-	-	0
Fees from students	13,000	-	13,000	13,000	-	0
Sale of goods	-	-	-	-	-	0
Rental revenue from facilities and equipment	-	-	-	-	-	0
Finance income	-	-	-	-	-	0
Miscellaneous Income	-	-	-	-	-	0
<b>Total Income</b>	<b>3,530,771</b>	<b>-</b>	<b>3,530,771</b>	<b>3,530,771</b>	<b>-</b>	<b>0</b>
Expenses						
Use of goods and services	638,621	-	638,621	638,621	-	-
Employee costs	3,517,771	-	3,517,771	2,550,271	967,500	28

**Mukeu Educational Training Centre**  
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Board Expenses	-	-	-	-	-	-
Repairs and maintenance	260,800	-	260,800	260,800	-	-
Contracted services	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>4,417,192</b>	-	<b>4,417,192</b>	<b>3,449,692</b>	967,500	22
<b>Surplus For the Period</b>				<b>81,079</b>	-	-
<b>Capital Expenditure</b>					81,079	-

**19. Notes to the Financial Statements**

**1. General Information**

Mukeu Vocational Training Centre is established by and derives its authority and accountability from Act. Mukeu Vocational Training Centre is wholly owned by the County Government of Nyandarua and domiciled in Kinangop sub-county. Mukeu Vocational Training Centre's principal activity is training.

**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 Mukeu Vocational Training Centre's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Mukeu Vocational Training Centre. 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.

**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.**

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

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	<ul style="list-style-type: none"> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></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"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>iii. Disclosures that identify and explain the amounts in Mukeu Vocational Training Centre'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.</li> </ul>

**iii. Early adoption of standards**

Mukeu Vocational Training Centre did not early – adopt any new or amended standards in the financial year

#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

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

##### **Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to Mukeu Vocational Training Centre 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**

Mukeu Vocational Training Centre 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 Mukeu Vocational Training Centre.

##### **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 2025/2025 was approved by the Board on 27/06/24. 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 Mukeu Vocational Training Centre upon receiving the respective approvals to conclude the final budget. Accordingly, Mukeu Vocational Training Centre recorded additional appropriations of - on the FY 2025/2025 budget following the Board's approval. Mukeu Vocational Training Centre'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***

Mukeu Vocational Training Centre is exempt from paying taxes as per schedule

***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 an 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, Mukeu Vocational Training Centre 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 Mukeu Vocational Training Centre. 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. Mukeu Vocational Training Centre 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 Mukeu Vocational Training Centre 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

**Mukeu Vocational Training Centre**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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Mukeu Vocational Training Centre. 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**

Mukeu Vocational Training Centre 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 Mukeu Vocational Training Centre, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

**i) Research and development costs**

Mukeu Vocational Training Centre expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Mukeu Vocational Training Centre can demonstrate:

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

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

**j) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. Mukeu Vocational Training Centre 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, Mukeu Vocational Training Centre 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***

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

***Subsequent measurement***

Based on the business model and the cash flow characteristics, Mukeu Vocational Training Centre 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 Mukeu Vocational Training Centre 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**

Mukeu Vocational Training Centre 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. Mukeu Vocational Training Centre recognizes a loss 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**

Mukeu Vocational Training Centre classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

**k) Inventories**

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

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

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

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

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

**l) Provisions**

Provisions are recognized when Mukeu Vocational Training Centre 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 Mukeu Vocational Training Centre 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***

Mukeu Vocational Training Centre 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***

Mukeu Vocational Training Centre 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 Mukeu Vocational Training Centre in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

### **m) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. Mukeu Vocational Training Centre 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 Mukeu Vocational Training Centre will incur in fulfilling the present obligations represented by the liability.

### **n) Nature and purpose of reserves**

Mukeu Vocational Training Centre creates and maintains reserves in terms of specific requirements.

### **o) Changes in accounting policies and estimates**

Mukeu Vocational Training Centre recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

### **p) Employee benefits**

#### **Retirement benefit plans**

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

**q) Foreign currency transactions**

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

**r) Borrowing costs**

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

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**s) Related parties**

Mukeu Vocational Training Centre 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 Mukeu Vocational Training Centre, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

**t) Service concession arrangements**

Mukeu Vocational Training Centre 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, Mukeu Vocational Training Centre 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, Mukeu Vocational Training Centre also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**u) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are

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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.

**v) Comparative figures**

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

**w) Subsequent events**

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

## **5. Significant Judgments and Sources of Estimation Uncertainty**

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

### **Provisions**

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

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
<b>Unconditional Grants</b>	
Capitation Grants	1,095,000
Operational Grant	-
Unconditional Development grants	-
Other Grants	2,422,771
Total unconditional Grants	-
<b>Conditional Grants amortised/ recognised in revenue</b>	-
Library Grant	-
Hostels Grant	-
Administration Block Grant	-
Laboratory Grant	-
Learning Facilities Grant	-
Other Organizational Grants	-
<b>Total Government Grants and Subsidies</b>	<b>3,517,771</b>

(b) Transfers from County Government (Categorized)

Name of the Entity 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 XX	-	-	0	0
Total	-	-	0	0

**7. Grants from Development Partners**

Description	FY 2024/2025
	Kshs
In-Kind Donations	-
Donor 1	-
Donor 2	-
Other Donors (specify)	-
<b>Total Grants from Development Partners</b>	<b>-</b>

**(a) Reconciliations of grants from development partners**

Description	FY 2024/2025
	Kshs
Balance unspent at beginning of year	-
Current year receipts	-
Conditions Met - Transferred to Revenue	-
Conditions Yet To Be Met	-

**8. Transfers from National Government entities**

Description	FY 2024/2025
	Kshs
	Kshs
Transfer from Ministry/State dept XX	-
Other transfers(specify)	-
<b>Total Transfers</b>	<b>-</b>

**9. Public Contributions and Donations**

Description	FY 2024/2025
	Kshs
Public Donations	-
Donations from Local Leadership	-
Donations from Religious Institutions	-
Donations from Alumni	-
Other Donations	-

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Total Donations and Contributions	-
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**10. Fees from students**

Description	FY 2024/2025
	Kshs
Tuition Fees	13,000
Activity Fees	-
Industrial Attachment Fees	-
Examination Fees	-
Library Fees	-
Facilities And Materials	-
Registration Fees	-
Others (Specify)	-
<b>Total Fees from students</b>	<b>13,000</b>

**11. Sale of Goods**

Description	FY 2024/2025
	Kshs
Sale of Books	-
Sale of Publications	-
Sale of Farm Produce	-
Cafeteria sales	-
Other sales (specify)	-
<b>Total Revenue from Sale of Goods</b>	<b>-</b>

**12. Rental revenue from facilities and equipment**

Description	FY 2024/2025
	Kshs
Hire of Facilities and Equipment	-
Contingent Rentals	-
Operating Lease Revenue	-
<b>Total</b>	<b>-</b>

**13. Finance Income**

Description	FY 2024/2025
	Kshs
Cash investments and fixed deposits	-
Interest income from treasury bills	-
Interest income from treasury bonds	-
Interest from outstanding debtors	-
<b>Total finance income</b>	-

**14. Miscellaneous Income**

Description	FY 2024/2025
	Kshs
Insurance recoveries	-
Consultancy fees	-
Income from sale of tender	-
Services concession income	-
Reimbursements and refunds	-
Graduation fees	-
Bad debts recovered	-
Income written back	-
Miscellaneous income (specify)	-
<b>Total other income</b>	-

**15. Use of Goods and Services**

Description	FY 2024/2025
	Kshs
Teaching and learning materials	219,200
Industrial attachment costs	-
Electricity and Water	50,675
Security	-
Professional and consultancy services	-
Subscriptions and Registration	-
Advertising	-
Examination fees	-
Audit fees	-
Catering, conferences, and delegations	94,330
Travelling and accomodation	63,000
Fuel and oil	-
Insurance	-
Legal expenses	-
Licenses and permits	9,000
Postage	-
Printing and stationery	150,030
Hire charges	-
Rent expenses	-
Skills development levies	-
Telephone expenses	-
Internet expenses	-
Training expenses	-

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Bank Charges	5,386
Co-curricular Activities	47,000
Sanitary And Cleaning Materials	-
Farm Inputs	-
Skills Competition	-
Other (specify)	-
<b>Total good and services</b>	<b>638,621</b>

**16. Employee Costs**

Description	FY 2024/2025
	Kshs
Salaries and wages-BOM Staff	127,500
Salaries and wages-County Staff	2,133,703
Employee related costs - contributions to pensions and medical aids	289,068
Travel, motor car, accommodation, subsistence and other allowances	-
Housing benefits and allowances	-
Overtime payments	-
Social contributions	-
<b>Employee Costs</b>	<b>2,550,271</b>

**17. Board Expenses**

Description	FY 2024/2025
	Kshs
Chairman's Honoraria	-
Directors Emoluments	-
Other Allowances	-
Other Board Expenses	-
<b>Total</b>	<b>-</b>

**18. Depreciation and Amortization expense**

Description	FY 2024/2025
	Kshs
Property, plant and equipment	-
Intangible assets	-
Investment property carried at cost	-
<b>Total depreciation &amp; amortization Expense</b>	<b>-</b>

### 19. Repairs and Maintenance

Description	FY 2024/2025
	Kshs
Property	40,250
Investment property – earning rentals	-
Tools, Equipment, machinery and Buildings	220,550
Vehicles	-
Furniture and fittings	-
Computers and accessories	-
<b>Total Repairs and Maintenance</b>	<b>260,800</b>

### 20. Contracted Services

Description	FY 2024/2025
	Kshs
Actuarial valuations	-
Investment valuations	-
Property valuations	-
Other (specify)	-
<b>Total contracted services</b>	<b>-</b>

### 21. Grants and Subsidies

Description	FY 2024/2025
	Kshs
Community Development	-
Education Initiatives and Programs	-
Social Development	-
Social benefits expenses	-
Community Trust	-

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Sporting Bodies	-
<b>Total Grants and Subsidies</b>	<b>-</b>

## 22. Finance Costs

Description	FY 2024/2025
	Kshs
Borrowings (Amortized Cost)	-
Finance Leases (Amortized Cost)	-
Unwinding of Discount from lease liabilities	-
Interest on Bank Overdrafts	-
Interest on Loans from Commercial Banks	-
<b>Total Finance Costs</b>	-

## 23. Gain On Sale of Assets

Description	FY 2024/2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Other Assets not capitalised	-
<b>Total Gain On Sale of Assets</b>	-

## 24. Gain/(loss) on Fair Value Investments

Description	FY 2024/2025
	Kshs
Fair value on equity investments	-
Fair value arising from investment property	-
Fair value arising from biological assets	-
Fair value- other financial assets (specify)	-
<b>Total Gain</b>	-

**25. Impairment Loss**

Description	FY 2024/2025
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<b>Total Impairment Loss</b>	-

**26. Cash and Cash Equivalents**

Description	FY 2024/2025
	Kshs
Current Account	1,147,362
On - Call Deposits	-
Fixed Deposits Account	-
Others (Specify)	-
<b>Total Cash and Cash Equivalents</b>	<b>1,147,362</b>

**26 (a). Detailed Analysis of Cash and Cash Equivalents**

Financial Institution	Account number	FY 2024/2025
		Kshs
<b>a) Current Account</b>		
Equity Bank	200162449257	13,585
KCB Bank, etc.	1232869945	1,133,777
<b>Sub- Total</b>		<b>1,147,362</b>
<b>b) On - Call Deposits</b>		
- Bank		-
- Bank – etc.		-
<b>Sub- Total</b>		-
<b>c) Fixed Deposits Account</b>		
- Bank		-
- Bank		-

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<b>Sub- Total</b>		-
<b>d) Others (Specify)</b>		
Cash in Transit		-
Cash in Hand		-
Mobile Money account		-
<b>Sub- Total</b>		-
<b>Grand Total</b>		<b>1,147,362</b>

**27. Prepayments**

Description	FY 2024/2025
	Kshs
Insurance	-
Rent	-
Water	-
Internet	-
Others specify	-
<b>Total</b>	-

**28. Receivables from Exchange transactions**

**28 (a) Current Receivables from Exchange transactions**

Description	FY 2024/2025
	Kshs
<b>Current Receivables</b>	
Student Debtors	-
Rent Debtors	-
Advance payments	-
Consultancy Debtors	-
Other Exchange Debtors	-
Less: Impairment Allowance	(-)
<b>Total Current Receivables</b>	-

**28 (b) Long- term Receivables from Exchange transactions**

Description	FY 2024/2025
	Kshs

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<b>Non-Current Receivables</b>	
Refundable Deposits	-
Advance Payments	-
Public Organizations	-
Less: Impairment Allowance	(-)
<b>Total</b>	-
Current Portion Transferred To Current Receivables	(-)
<b>Total Non-Current Receivables</b>	-
<b>Total Receivables</b>	-

28 (c) Ageing Analysis of Receivables from Exchange Transactions

Description	FY 2024/2025	
	Kshs	
	Current	% of the total
Less than 1 year	-	%
Between 1- 2 years	-	%
Between 2-3 years	-	%
Over 3 years	-	%
<b>Total (a+b)</b>	-	%

28 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	FY 2024/2025
	Kshs
At the beginning of the year	-
Provisions during the year	-
Recovered during the year	(-)
Write offs during the year	(-)
At the end of the year	-

29. Receivables from non-exchange transactions

Description	FY 2024/2025
	Kshs
<b>Current Receivables</b>	
Capitation Grants*	-
Transfers from Other Govt. entities	-
Undisbursed Donor Funds	-
Other Debtors (Non-Exchange Transactions)	-
Less: Impairment Allowance	(-)
<b>Total Current Receivables</b>	-

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

Description	FY 2024/2025	
	Kshs	
	Current FY	% of the total
Less than 1 year	-	%
Between 1- 2 years	-	%
Between 2-3 years	-	%
Over 3 years	-	%
<b>Total</b>	-	%

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

Description	FY 2024/2025
	Kshs
At the beginning of the year	-
Additional provisions during the year	-
Recovered during the year	(-)
Written off during the year	(-)
At the end of the year	-

30. Inventories

Description	FY 2024/2025
	Kshs
Consumable stores	-
Maintenance stores	-
Health Unit stores	-
Electrical stores	-
Cleaning Materials stores	-
Catering stores	-
Less: Impairment allowance	-
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	-

**Detailed Disclosure on Inventories**

	FY 2024/2025
<b>Opening balance</b>	-
Additional Inventory in the year	-
Inventory expensed in the year	-
Write-downs in the year	-
Others specify	-
<b>Closing balance</b>	-

**31. Investments in financial assets**

Description	FY 2024/2025
	Kshs
<b>a) Investment in Treasury Bills and Bonds</b>	
<b>Financial Institution</b>	
CBK	-
CBK	-
<b>Sub- Total</b>	-
<b>b) Investment with Financial Institutions/ Banks</b>	
Bank X	-
Bank Y	-
<b>Sub- Total</b>	-
<b>c) Equity Investments (Specify)</b>	
Equity/ Shares in Company -	-
<b>Sub- Total</b>	-
<b>Grand Total</b>	-
<b>Analyzed as:</b>	
Current portion of Investment	-
Non-Current portion of Investment	-

**d) Shareholding in other entities**

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

Name of Entity where Investment is Held	No of Shares			Nominal Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding		FY 2024/2025
	%	%	%	Kshs	Kshs
Entity A	-	-	-	-	-
Entity B	-	-	-	-	-
	-	-	-	-	-

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**32. 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
<b>Depreciation Rate</b>		X%	X%	X%	X%	X%	X%		
<b>At 1 July 2025 (previous year)</b>	-	-	-	-	-	-	xx	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	-	-	(-)	-	-	(-)	(-)
Transfers/Adjustments	-	(-)	-	(-)	(-)	-	(-)	-	(-)
Revaluation	-	-	-	-	-	-			-
<b>At 30<sup>th</sup> June 2025 (previous FY)</b>	-	-	-	-	-	-	(-)	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	(-)	-	-	-	(-)	-	-	(-)	(-)
Transfer/Adjustments	(-)	-	-	(-)	(-)	-	(-)	-	(-)
Revaluation	-	-	-	-	-	-			-
<b>At 30<sup>th</sup> June 2025 (current year)</b>	-	-	-	-	-	-	(-)	-	-
<b>Depreciation And Impairment</b>									
<b>At 1 Jun 2025 (previous year)</b>	-	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Depreciation	-	(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
Disposals	-	-	-	-	-	-	(-)	-	-
Impairment	-	-	-	-	(-)	-	(-)	-	(-)
<b>At 30 Jun 2025 (previous year)</b>		-	-	-	-	-	(-)	-	-
Depreciation	-	(-)	(-)	-	(-)	(-)	(-)	-	(-)
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	(-)	-	-	(-)	-	(-)	-	(-)
Transfer/Adjustment	-	(-)	(-)	-	(-)	-	(-)	(-)	-
<b>At 30<sup>th</sup> Jun 2025 (current year)</b>	-	-	-	-	-	-	-	-	-
<b>Net Book Values</b>									
<b>At 30<sup>th</sup> Jun 2025 (previous year)</b>	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> Jun 2025 (current year)</b>	-	-	-	-	-	-	-	-	-

[Include Brief Description Of WIP]

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**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by professional valuers on -. These amounts were adopted in the financial statements on -.

**32 (b) Property, Plant and Equipment at Cost**

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
<b>Total</b>	-	-	-

**33. Intangible Assets**

Description	FY 2024/2025
	Kshs
<b>Cost</b>	
<b>At beginning of the year</b>	-
Additions	-
<b>At end of the year</b>	-
Additions–internal development	-
<b>At end of the year</b>	-
<b>Amortization and impairment</b>	
<b>At beginning of the year</b>	-
Amortization	-
<b>At end of the year</b>	-
Impairment loss	-
<b>At end of the year</b>	-
<b>NBV</b>	-

### 34. Investment Property

Description	FY 2024/2025
	Kshs
<b>At beginning of the year</b>	-
Additions	-
Disposal during the year	(-)
Depreciation	(-)
Impairment	(-)
Gain or loss on fair value- if fair value is elected	-
<b>At end of the year</b>	-

### 35. Biological Assets

	FY 2024/2025
	Kshs
Trees in a plantation forest	-
Animals: Dairy Cattle, Pigs, Sheep	-
Others specify	-
<b>Total</b>	-

### 36. Trade and Other Payables from Exchange Transactions

Description	FY 2024/2025	
	Kshs	
Trade payables	-	
Salary deductions	-	
Third-Party Payments	-	
Other Payables	-	
<b>Total Trade and Other Payables</b>	-	
<b>Ageing analysis:</b>	<b>FY 2024/2025</b>	<b>% of the Total</b>
Under one year	-	%
1-2 years	-	%
2-3 years	-	%
Over 3 years	-	%
<b>Total (to tie to totals above)</b>	-	%

### 37. Refundable Deposits from Customers/Students

Description	FY 2024/2025
	Kshs
Fees prepayments	-

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Caution money	-	
Prepayments	-	
Other refundable deposits	-	
<b>Total Deposits</b>	-	
	<b>FY 2024/2025</b>	<b>% of the Total</b>
<b>Ageing analysis:</b>		
Under one year	-	%
1-2 years	-	%
2-3 years	-	%
Over 3 years	-	%
<b>Total (to tie to totals deposits above)</b>	-	%

**38. Provisions**

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
<b>Balance b/f</b>	-	-	-	-
Additional provisions	-	-	-	-
Provision utilised	(-)	(-)	(-)	(-)
Change due to discount and time value for money	(-)	(-)	(-)	(-)
<b>Total provisions at the end year</b>	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

**39. Finance Lease Obligation**

Description	FY 2024/2025
	Kshs
At the start of the year	-
Discount interest on Lease Liability	-
Paid during the year	(-)
At end of the year	-

**Maturity Analysis**

Period	Amount
	Kshs
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	-
Less: Unearned Interest	(-)
<b>Total</b>	-

**Analysed as:**

Description	Amount
	Kshs
Current	-
Non- Current	-
<b>Total</b>	-

#### 40. Deferred Income

Description	FY 2024/2025
	Kshs
County Government	-
National Funding Bodies	-
Public Contributions and Donations	-
<b>Total Deferred Income</b>	-

The deferred income movement is as follows:

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

*Include columns as needed for the various sources of income deferred.*

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
<b>Total</b>	-

#### 41. Service Concession Arrangements

Description	FY 2024/2025
	Kshs
Fair value of service concession assets recognized under PPE	-
Accumulated depreciation to date	(-)
Net carrying amount	=
Service concession liability at beginning of the year	-
Service concession revenue recognized	(-)
Service concession liability at end of the year	=

42. Cash generated from operations.

	FY 2024/2025
	Kshs
Surplus/(Deficit) for the year	-
<b>Adjusted for:</b>	
Depreciation	-
Non-Cash grants received	(-)
Contributed assets	(-)
Impairment	-
Gains and Losses on Disposal of Assets	(-)
Contribution to provisions	-
Contribution to impairment allowance	-
Finance Income	(-)
Finance Cost	-
<b>Working Capital Adjustments</b>	
Increase in Inventory	(-)
Increase in Receivables	(-)
Increase in Deferred Income	-
Increase in Payables	-
Increase in Payments received in advance	-
<b>Net Cash Flow from Operating Activities</b>	-

**43. Financial Risk Management**

Mukeu Vocational Training Centre'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.

Mukeu Vocational Training Centre's financial risk management objectives and policies are detailed below:

**(i) Credit risk**

Mukeu Vocational Training Centre 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 Mukeu Vocational Training Centre's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

<b>Description</b>	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>At 30 June 2025 (previous year)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2025 (current year)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

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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.

Mukeu Vocational Training Centre has significant concentration of credit risk on amounts due

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 Mukeu Vocational Training Centre's directors, who have built an appropriate liquidity risk management framework for the management of Mukeu Vocational Training Centre's short, medium and long-term funding and liquidity management requirements. Mukeu Vocational Training Centre 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
<b>At 30 June 2025 (previous year)</b>				
Trade Payables	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2025 (current year)</b>				
Trade Payables	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
<b>Total</b>	-	-	-	-

**(iii) Market risk**

Mukeu Vocational Training Centre has put in place an internal audit function to assist it in assessing the risk faced by Mukeu Vocational Training Centre 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 Mukeu Vocational Training Centre'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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Mukeu Vocational Training Centre'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 Mukeu Vocational Training Centre'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 Mukeu Vocational Training Centre's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

**Management of interest rate risk**

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

**iv) Capital Risk Management**

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

Description	FY 2024/2025
	Kshs
Revaluation Reserve	-
Retained Earnings	-
Capital Reserve	-
<b>Total Funds</b>	-
Total Borrowings	-
Less: Cash and Bank Balances	(-)
Net Debt/(Excess Cash and Cash Equivalents)	-
<b>Gearing</b>	xx%

**44. Related Party Balances**

**Nature of related party relationships**

Entities and other parties related to Mukeu Vocational Training Centre 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 Nyandarua**

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The County Government of Nyandarua- is the principal shareholder of - VTC. The County Government of Nyandarua- has provided full guarantees to all long-term lenders of Mukeu Vocational Training Centre, both domestic and external. Other related parties include:

- i) The County Government.
- ii) The Parent Department.
- iii) Board of Management;
- iv) Key management;
- v) -

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

Description	FY 2024/2025
	Kshs
<b>Transactions with Related Parties</b>	
<b>a) Sales to related parties</b>	
Hire of facility by govt. agencies	-
Others ( <i>specify</i> )	-
<b>Total</b>	-
<b>B) Purchases from related parties</b>	
Purchases of electricity from KPLC	-
Purchase of water from govt service providers	-
Rent expenses paid to govt agencies	-
Training and conference fees paid to govt. agencies	-
Others ( <i>specify</i> )	-
<b>Total</b>	-
<b>b) Grants /Transfers from the Government</b>	
Grants from National Govt	-
Grants from County Government	-
Donations in Kind	-
<b>Total</b>	-
<b>Total</b>	
<b>c) Key Management Compensation</b>	
Board of Management emoluments	-
Compensation to Key Management	-
<b>Total</b>	-

#### 45. Contingent Assets and Contingent Liabilities

##### Contingent Assets

Description	FY 2024/2025
	Kshs
<b>Contingent Assets</b>	
Insurance Reimbursements	-
Assets arising from determination of Court Cases	-
Reimbursable Indemnities and Guarantees	-
Others ( <i>Specify</i> )	-
<b>Total</b>	-

##### Contingent Liabilities

Description	FY 2024/2025
	Kshs
<b>Contingent Liabilities</b>	-
Court Case - against ( <i>Mukeu Vocational Training Centre</i> )	-
Bank guarantees in favour of subsidiary	-
Contingent liabilities arising from Contracts including PPPs	-
Others ( <i>Specify</i> )	-
<b>Total</b>	-

(Give details)

#### 46. Capital Commitments

Capital Commitments	FY 2024/2025
	Kshs
Authorised for	-
Authorised and Contracted for	-
<b>Total</b>	-

**47. Events After The Reporting Period**

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

**48. Currency**

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

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**20. 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)

*Harun Mwangi*  
.....

Harun Mwangi  
Manager

Date *10/12/2025*  
.....



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**Appendix II: Projects Implemented by (Mukeu Vocational Training Centre)**

**Projects**

Projects implemented by the - VTC Funded by development partners.

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

**Status of Project Completion**

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

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**Appendix III- Inter-Entity Confirmation Letter**

Name of transferring entity: .....


Name of beneficiary entity: .....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	26/06/2025	1,095,000		1,095,000	
Total				1,095,000	

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

**Head of Accounts Department - Disbursing Entity:**  
 Name Anne Thees Sign [Signature] Date 10/12/2025

**Head of Accounts Department - Beneficiary Entity:**  
 Name HARUN MWANGI Sign [Signature] Date 10/12/2025



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**Appendix IV: Reporting of Climate Relevant Expenditures**

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

- VTC

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**Appendix V: Reporting on Disaster Management Expenditure**

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