

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 12 MAR 2026	DAY: THUR
TABLED BY: Dep. Leader of the Majority Party HON. THOMAS BASHAMBA	
CLERK-AT-THE-TABLE:	MURGI OJUNO

PARLIAMENT  
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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**LESHAU VOCATIONAL TRAINING  
CENTRE**

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

**COUNTY GOVERNMENT OF NYANDARUA**



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***NYANDARUA COUNTY GOVERNMENT***  
***LESHAU VOCATIONAL TRAINING CENTER***  
**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)

**Leshau Vocational Training Center**  
**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
CECM	County Executive Committee Member
CDF	Constituency Development Fund
TVET	Technical and Vocational Education and Training

**Leshau Vocational Training Center**  
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**2. Key Entity Information and Management**

**(a) Background information**

Leshau vocational training centre was established in the year 1978 as a community-based program to cater for the less fortunate trainees who did not make to proceed to secondary school due to various reasons such as disability or lack of school fees.

During its earlier years, only few courses were offered and therefore the enrolment was small ranging from ten to thirty trainees. The courses offered included carpentry and joinery, mason, and dressmaking.

In 2006, village polytechnics were absorbed and registered as youth polytechnics by the National Government under the Ministry of Youth affairs, Leshau was among them. Under the Ministry of Youth, the institute proliferated in terms of enrolment and courses offered. The enrolment increased above two hundred and the number of courses increased to eight.

Under the new constitution, the institute was devolved in the year 2014 and was owned by Nyandarua County government. The institute was registered by TVET in 2017 under the Ministry of Education, culture, gender and social services.

The centre is located in Ndaragwa sub county, Leshau Pondo ward along Nyahururu Nyeri highway three kilometres from Leshau centre.

Leshau VTC trains artisan courses which are examined by either NITA or KNEC.

**(b) Principal Activities**

The principal activity of the institute is to empower trainees with skills and knowledge in various trade areas mentioned above.

The vision of the institute is to be a leading institution in empowering the youths with appropriate skills towards self-reliance and nation building.

The mission is to provide quality technical and vocational training to meet changing societal needs.

Our core objectives include:

1. Increase the enrolment from the current 151 to over 300
2. To impart quality and adequate trade skills and competences to the trainees.
3. To initiate one production unit.
4. Improve the infrastructure of the VTC
5. Establishing collaboration with partners.

**(c) Key Management**

Leshau Vocational Training Centre's day-to-day management is under the following key organs:

- BOM Chairman
- Director
- Deputy director
- BOM Treasurer
- Accountant
- Center manager

The accounting officer is the center manager.

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**(d) Fiduciary Management**

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

SN.	Designation	Name
1	Chairman(BOM)	Kiiru Kimani Michael
2	Director	Samson Njiiri
3	Deputy director	Margaret Gatimu
4	Treasurer	Esther Kariuki
5	Principal accountant	Anne Theuri
6	Center Manager	Mathew Karani

**(e) Fiduciary Oversight Arrangements**

The fiduciary oversight bodies of the institution include

- i. The County Assembly
- ii. The Department of Education, Technical Training, Culture, and Social Protection
- iii. Center oversight committees

The following were oversight committees for different function at the VTC

**Discipline committee**

The committee consist of five members and the chair is the deputy manager.

The duties for this committee include:

- Coming up with discipline policy
- Setting rules and regulation
- Handling discipline cases
- Determining whether a student should be expelled or suspended

Guidance and counselling committee

This committee has three members and its mandate includes:

- Performing individual and group counselling
- Recommending to the management for cases that require intervention
- Dealing with cases of drug abuse and other indiscipline cases that need counselling
- Assist girls faced with challenges of early pregnancy and lack of sanitary

**Innovation committee**

This committee has three members and its function includes:

- Looking for new innovation ideas
- Implementing new projects
- Participating in the technical innovation congress
- Requisition of innovation materials

**Industrial attachment**

The responsibilities of the committee include:

- Identifying trainees eligible for attachment
- Finding attachment opportunities for the trainees
- Assessing trainees on attachment
- Making follow-up on graduates

**Exam committee**

The committee's activities include;

- Setting internal exams
- Moderation of internal exam
- Analysing exam internal exams

**(f) Entity Headquarters**

Leshau Vocational Training Centre  
P.O. Box 782-20300  
Nyahururu

**(g) Entity Contacts**

Leshau Vocational Training Centre  
Telephone: 0720243067  
E-Mail: Leshauvtc2021@Gmail.Com

**(h) Entity Bankers**

Kenya commercial  
P.O. Box 48400 00100  
Nairobi

Cooperative bank of Kenya  
Po Box 48231  
Nairobi

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**(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**

County Attorney  
Nyandarua County Government  
P. O BOX 701-20303  
Olkalou

### **3. The Board of Management**



**Mr. KIRU KIMANI MICHAEL**

**BOM chairman**

Mr Kuru was born in the year 1987. Holds a bachelor of technology in electrical and electronic degree. He has vast experience in electrical engineering and technical teaching having taught in Nyandarua NP and currently serving as the deputy academic at Nyandarua National Polytechnic.



**Mr. JUSTUS NDIRANGU KINGORI**

**BOM vice chairman**

Mr Ndirangu was born on 1980 and hold a master degree in finance with an experience of over ten years in the profession. Mr Ndirangu currently is working at Safaricom.



**Ms. ESTHER KARIUKI**

**BOM treasurer**

Madam Esther Kariuki was born on 1987 has a bachelor degree in education business and mathematics and a diploma in Electrical and electronic with over TWELVE teaching experience in electrical in IVEI institute and currently teaching at Kippiri technical and vocational college.



**Mr. MATHEW KARANI MWANGI**

**BOM secretary**

Mr Karani was born in the year 1979. He holds a higher diploma in education management, a Diploma in electrical and senior management qualification. He boast an impressive career spanning over 18 years in technical education.



**Ms. MODESTA NGIMA NDIRITI**  
**BOM member**

Modesta Ngima was born in the year 1964 and is qualified grade 1 tailor and fashion designer with experience of over thirty years in fashion and design and also teaching

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**Ms. JOAN MWANGI**  
**BOM member**

Madam Joan Mwangi has a degree in ICT and has been a trainer for over seven years having worked in Kinangop TVC and Nyandarua NP. Currently working at Nyandarua National Polytechnic

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**Mr. JOEL MUCHAKO KINGORI**  
**BOM member**

Mr Muchako was born in 1968 and holds a diploma in public relation and has been in public administration as NGAO officer for over twenty years

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**5. Chairman's Statement**

In its endeavour to create a technical driven economy, the Government of Kenya has placed a lot of emphasis on Technical and Vocational Education and Training (TVET).

Any TVET institution should endeavour to provide the requisite knowledge, skills and attitudes necessary to drive the national economic growth and development agenda. As a result, it is necessary that the TVET institutions re-examine their individual mission for relevance.

Leshau Vocational Training Centre like other VTCs is expected to provide the economy with a labour force that has an appropriate mix of technical and vocational skills and attitudes in solving society needs. The VTC will continually endeavour to support the Kenyan economy through development and implementation of the set strategic plan. The institute objectives will provide the VTC with a road map for carrying out its mandate and manage the perceived challenges in achieving the desired educational and training goals.

The management is committed to improving service delivery through effective leadership, teamwork, and coordinated efforts in order to achieve a comparative advantage in an increasingly competitive educational sector. Successful implementation of the VTC strategic plan will call for teamwork and commitment by all the stakeholders.

  
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**Kimani Kiiru**

**B.O.M Chairperson**

**Leshau Vocational Training Center**  
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**6. Report of the Center Manager**

Leshau VTC is a technical institute under the county government of Nyandarua. The centre has nine (9) staff, seven being teaching staff and three being non-teaching staff.

Among the seven-teaching staff, three are employed by the County Government while four are employed by the BOM.

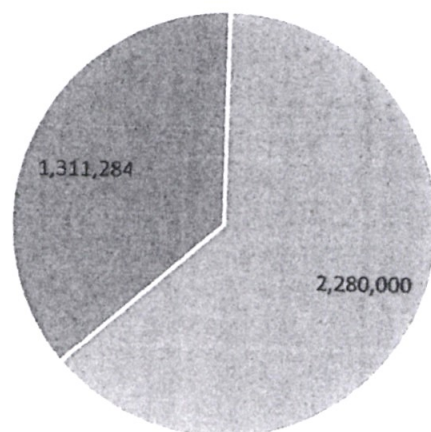
The institute train artisan level examined by either KNEC or NITA and the course takes three years to complete up to grade 1. Trainees are encouraged to do up to grade 1. During the year under review a total of two hundred and eighteen trainees graduated with various trade areas.

The centre released qualified and skilled labour force to the community with the following areas of specialisation: welding, hairdressing, masonry, carpentry, plumbing, motor vehicle mechanics, and electrical. These skills enable graduates to be competitive in labour market and many of them are absorbed in Jua Kali sectors, private sector, self-employment, and the government.

With boarding facilities, the institute admit trainees from within, over the county and beyond. The centre has workshops that are well equipped with machines, equipment, and tools.

The County Government of Nyandarua has been supporting the vocational centre with subsidized vocational training grants amounting to fifteen thousand shilling (Ksh.15, 000) per trainee. For the financial 2024/2025 the VTC received Kshs 2,280,000 which was deposited into the bank account in June 2025. The center also collected fees amounting to Kshs 1,311,284 including exam fees.

comparison of county capitation and fees collection



☐ CAPITATION    ■ FEES

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

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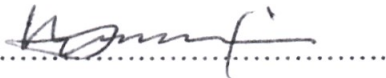
Leshau Vocational Training Centre also received bursary amounting two hundred thousand from the national government constituency fund (NG-CDF) as part of the school fees. The support has enabled trainees to have access to subsidized training whereby the county grant is used to purchase instructional materials, tools and equipment, stationery and utility while the bursary caters for boarding and lunch

Having a well-established BOM, qualified technical staff and a strategic plan, the institute is determined to move to another level in terms of enrolment, infrastructure, and governance.

However, the institution encounters the following challenges:

- inadequate workshops,
- lack of a three-phase power system,
- inadequate trainers,
- lack of enough land for expansion, and
- competition from Ndaragwa Technical and Vocational College which is offering the same courses and level.

With assistance from the county government, we believe we shall be able to overcome all the above challenges.



Mathew Karani Mwangi

**Centre Manager**

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

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

Leshau VTC develops its annual work plans based on six pillars indicated below. The assessment of the Board's performance against its annual work plan is done on a quarterly basis. Leshau VTC achieved its performance targets set for the financial year 2024/25 period for its six.

- Leadership and Management
- Institution Culture
- Production Units
- Co-Curriculum Activities
- Infrastructure Development
- Partnership and Collaboration

<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
<b>LEADERSHIP AND MANAGEMENT</b>	1.To increase the trainee enrolment.	-number of trainees enrolment increased	-Publicity -Quality training -Introduction of - Short courses	-5
	2.To increase grade to grade transition levels from 10% to 20% annually	Proportion of trainees translating to next level	Quality training	-20 per cent translated to the next level
	3.To ensure prudent use of provided resources in every academic/financial year	Proportion of Financial documents maintained	Update of financial documents Regular oversight and guidance Proper book keeping	-100 per cent maintained

**Leshau Vocational Training Center**

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	4.Enhance marketing and publicity on a termly basis	-number of balazas, road show and Posters posted	-advertisement -Publicity through chief balazas	-3
<b>PRODUCTION UNITS</b>	To Establish a production unit	Number of production unit Established	Engagement of production craft man	1
<b>CO-CURRICULUM ACTIVITIES</b>	Promote co-curricular activities in the VTC	Proportion of co-curricular activities promoted	-procurement of co-curricular activities equipment -participation of co-curricular activities	80 per cent achieved
<b>INFRASTRUCTURE DEVELOPMENT</b>	Upgrade the existing infrastructure	Number of infrastructure developed	Renovation of workshop walls and roof Construction of boys bathroom	2
<b>PARTNERSHIP AND COLLABORATION</b>	Collaboration with other development partners	Number of development partners identified	Networking and search for collaboration of partners	1
<b>INSTITUTION CULTURE</b>	To develop a new institutional culture	Proportion of new culture developed	Application of core values in every aspect of day to day learning	70 per cent

## **8. Corporate Governance Statement**

The current BOM has seven members and the assistant director as an ex-official. BOM meetings are held thrice per year i.e. once per term.

### **Process of BOM appointment**

A nomination panel is appointed by the CECM is responsible for the appointment of the BOM. The committee consist of the following members:

1. Assistant director
2. VTC manager
3. Representative of the area MCA
4. Ward admin
5. VTC sponsor
6. Area chief/assistant chief

The nomination panel shall ensure the following requirement for the BOM membership are met

1. Minimum qualification is at least KCSE
2. the person should be of integrity
3. the composition should meat 1/3 gender rule
4. The CECM appoint all members of the BOM

### **Composition of the BOM**

The composition of the BOM shall be as follows:

1. The VTC manager will be the secretary to the BOM
2. One person with good leadership and management quality preferably in area of technical and vocational education
3. One person with financial management
4. One person with engineering skills
5. One person with technical training
6. One person conversant with ICT
7. One person representing jua kali

### **Rules of engagement**

1. The term of office for the BOM is three years
2. All contracts are non-remunerative
3. The BOM shall hold not less than three ordinary meeting each year
4. Questions before the BOM shall be decided by the votes of the majority members present and voting.

### **The function of the BOM**

The function of the BOM of the VTC shall be:

1. Promote quality education and training for all trainees in accordance with the set standards
2. Ensure the provision of proper and adequate infrastructure for the institution
3. Determine the cases of trainees and trainers' discipline and make report to the director of education
4. Prepare comprehensive report quarterly on all areas of its mandate for submission to the directorate
5. Provide for the welfare and safety of the trainees, instructors, and non-teaching staff in the institution

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**BOM remuneration**

The contract of BOM member is non remunerative but lunch and transport can be provided depending on availability of resources

The current BOM was inaugurated on 16/5/2023 and its contract will take three years thereby ending on 16/5/2026.

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

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**9. Management Discussion and Analysis**

Leshau 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 current enrolment is one hundred and fifty two. (152). Currently, the courses offered include Masonry, Electrical Installation, Hairdressing, Carpentry and Joinery, Plumbing, Welding, Motor Vehicle Mechanics, and Computer. The institute has boarding facilities for both boys and girls.

Graduation ceremony which took place on 20<sup>th</sup> December 2024 saw two hundred and twenty grandaunts graduating with various courses. The institution also participated in talent search at the sub county level. Two trainees attained position one and were to proceed for county level

The institution received a capitation from the County Government of Nyandarua for the financial year 2024/25 amounting to Kshs 2,280,000. The school fees paid by the trainees amounted to Kshs 1,311,284 including exam fees. The County Government pays salaries for the staff recruited by the County Public Service Board.

For the financial year 2024/2025 Leshau Vocational Training Centre initiated internal minor projects to improve the status of the VTC these projects include:

1. Construction of the old workshop front wall and painting of roof
2. Construction of the support staff single room.
3. Planting of the boy's dormitory life fence

The construction of the old workshop front office and two staff residential single rooms has been completed.

**Major risk**

With the collaboration with the county government, the institution does not foresee any major risk but there are a few challenges such as:

1. Inadequate infrastructures such as workshops and classes
2. Inadequate teaching staff
3. Shortage of water during the dry season
4. Fee payment challenges
5. Dropout due to fee balances

**Governance**

The management has ensured that the institution has complied with the set government policies and laws as stipulated in the constitution of Kenya 2010. The management has also complied with the provision of chapter 6 of the constitution in defining governance structure as well as Public Procurement Asset Disposal Act 2015 that addresses any conflict of interest

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

### **Sustainability strategy and profile**

Owing to the high living cost many parents have not been able to pay school fees. However, the management engaged in encouraging trainees to apply for bursaries whenever the opportunity arises. The institute has been able to sustain itself through the bursary given by the county government to students.

### **Environmental performance**

Leshau Vocational Training Centre has been at the forefront of environmental improvement and for the year 2024/2025 the institute has planted over 60 trees and over 60 flowers. The institute has been involved in community activities such as tree planting and town cleaning.

### **Employee welfare**

The institution recognizes the need to provide a suitable working environment and safety for its employees by having a policy guideline on the same

### **Marketplace practices-**

When procuring its instructional materials, the institute always floats quotations to different suppliers and the process of procurement is followed later.

### **Corporate Social Responsibility / Community Engagements**

Leshau VTC engaged in many activities with the neighbouring communities. Some of these activities included friendly matches and clean up exercises.

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

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

The Board members submit their report together with the financial statements for the year ended June 30, 2025, which show the state of Leshau Vocational Training Centre affairs.

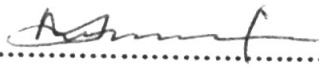
**Principal activities**

The principal activities of Leshau Vocational Training Centre are to equip trainees with skills for self-reliance.

**Auditors**

The Auditor General is responsible for the statutory audit of Ngorika Vocational Training Centre in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 of Ngorika 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



.....  
**MATHEW K. MWANGI**  
**Secretary of the Board**  
**Leshau vocational training centre**

Date: 26/8/2025.....

## **12. Statement of Board of Governors Responsibilities**

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

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

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

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In preparing the financial statements, the Centre Manager has assessed Leshau Vocational Training Centre's ability to continue as a going concern and nothing has come to the attention of the board members to indicate that Leshau 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**

Leshau Vocational Training Centre's financial statements were approved by the Board on 25/8/2025 and signed on its behalf by:

.....*kimani*.....

Kimani Kiiru

**B.O.M Chairperson**

.....*Mathew*.....

Mathew Karani Mwangi

**Centre Manager**

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON LESHAU VOCATIONAL TRAINING CENTRE FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF NYANDARUA**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on the Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the 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.

An Unmodified Opinion is issued when the Auditor-General concludes that 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**

#### **Opinion**

I have audited the accompanying financial statements of Leshau Vocational Training Centre - County Government of Nyandarua set out on pages 1 to 43, 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, the financial statements present fairly, in all material respects, the financial position of Leshau Vocational Training Centre - County Government of Nyandarua 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 Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Leshau Vocational Training Centre - County Government of Nyandarua 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 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.5,854,197 and Kshs.5,854,197 respectively resulting in a nil revenue variance of the budget. Similarly, the Centre expended Kshs.6,362,475 against an approved budget of Kshs.5,854,197 resulting to an over expenditure of Kshs.508,278 or 9%.

The over-expenditure implies that some of the utilized funds had not been budgeted for, which point to poor internal controls in place on budget preparation.

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. There were no key audit matters to report in the year under review.

### **Other Information**

The Management is responsible for the Other Information set out on page iii to xxii which comprise of Key Entity Information and Management, Management Team, Centre Information and Overall Performance, Statement of Performance against Centre's predetermined Objectives, Environmental and Sustainability Reporting and Statement of

Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the 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. Failure to Maintain Comprehensive Asset Register**

Audit review of the records of the college revealed that, Leshau Vocational Training Centre maintains an asset register. However, the register does not have crucial details such as cost of acquisition. Failure to maintain a comprehensive asset register is a violation of IPSAS 17 guidelines which requires Assets Register to have identification or serial number, acquisition date, description of asset, location, class, cost of acquisition,

accumulated depreciation, net book value and assets are tagged with identification codes.

## **2. Failure to Undertake Asset Tagging for Identification**

Audit review of records indicated that, the management of the college has maintained an asset register as provided for in the law. However, it was noted that most items had not been labelled for identification, control, traceability, and for ease of verification.

This is a violation of Section 77(6) of guidelines on asset and liability management in the public sector 2020, which provides that an accounting officer shall develop and implement an asset identification system.

## **3. Under Staffing in Leshau Vocational Training Centre**

Audit of Records for Leshau Vocational Training Centre revealed that there are only three (3) county staff doing every activity in the Centre. County Government of Nyandarua should consider increasing staffing in the Centre in order to increase efficiency and have segregation of duties.

## **4. Lack of Adequate Infrastructure**

Audit inspection of the Centre revealed that Leshau Vocational Training Centre had a student population of one hundred and fifty-two (152). However, there are inadequate workshops, Lack of three phase power system and inadequate trainers. In addition, the Centre had no dining hall as well as a power backup. The Centre is therefore not in compliance with the law on basic requirements as a training Centre.

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

## **Responsibilities of the Management and 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.

Those charged with governance are responsible for overseeing 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

**01 December, 2025**

Leshau Vocational Training Center  
Annual Report and Financial Statements for the year ended 30th June 2025


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

Description	Notes	FY 2024/2025 Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the County Government	6	4,335,977
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	1,319,320
Sale of goods	11	100,000
Rental revenue from facilities and equipment	12	-
Finance income	13	-
Miscellaneous income	14	98,900
Revenue from Exchange transactions		-
<b>Total Revenue</b>		<b>5,854,197</b>
<b>Expenses</b>		
Use of goods and services	15	3,217,101
Employee costs	16	2,665,928
Board Expenses	17	38,000
Depreciation and amortization expense	18	-
Repairs and maintenance	19	441,446
Contracted services	20	-
Grants and subsidies	21	-
Finance costs	22	-
<b>Total Expenses</b>		<b>6,362,475</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>(508,278)</b>

The Financial Statements set out on pages 9 to 42 were signed by:

Leshau Vocational Training Center  
Annual Report and Financial Statements for the year ended 30th June 2025

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.....


*Name*  
Chairman of Board

Date 26/8/25

  
.....

*Name Anne Theuri*  
Accountant  
ICPAK No 18477

Date 26/08/2025

  
.....

*Name*  
Principal/Manager

Date 26/8/2025

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

**15. Statement of Financial Position As At 30th June 2025**

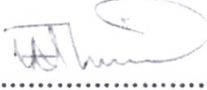
Description	Notes	FY 2024/2025 Kshs
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	26	2,602,304
Current portion of receivables from exchange transactions	27(a)	-
Receivables from non-exchange transactions	28	-
Inventories	29	-
Investments in financial assets	30	-
<b>Total Current Assets</b>		<b>2,602,304</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>2,602,304</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	-
Service Concession Arrangements	40	-
<b>Total non- current liabilities</b>		<b>-</b>
<b>Total Liabilities (B)</b>		<b>-</b>

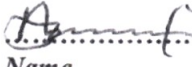
**Leshau Vocational Training Center  
Annual Report and Financial Statements for the year ended 30th June 2025**

<b>Net Assets (A-B)</b>		<b>2,602,304</b>
Represented By:		
Revaluation Reserves		-
Accumulated Surplus		(508,278)
Capital Fund		3,146,782
<b>Total Net Assets</b>		<b>2,638,504</b>

The Financial Statements set out on pages 1 to 8 were signed by:

  
.....  
*Name*  
**Chairman of Board**

  
.....  
*Name*  
**Accountant**  
**ICPAK No**

  
.....  
*Name*  
**Principal/Manager**

**Date** 26/08/2025

**Date** 26/08/2025

**Date** 26/8/2025

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

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

Description	Revaluation reserve	Accumulated Surplus	Capital Grant/Fund	Total
At July 1, 2025		3,146,782	-	3,146,782
Revaluation gain		-	-	-
Surplus/(deficit) for the year		(508,278)	-	(508,278)
Capital grants received during the year		-	-	-
<b>At June 30, 2025</b>		<b>2,638,504</b>	<b>-</b>	<b>2,638,504</b>

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

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

Description	FY 2024/2025	
	Note	Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from County Government		2,280,000
Grants from donors and development partners		-
Transfers from National Government entities		-
Public contributions and donations		-
Fees from students		1,319,320
Sale of goods		100,000
Rental revenue from facilities and equipment		-
Finance income		-
Miscellaneous income		98,900
<b>Total Receipts</b>		<b>3,798,220</b>
<b>Payments</b>		
Use of goods and services		3,217,101
Employee costs		609,951
Board Expenses		38,000
Repairs and maintenance		441,446
Contracted services		-
Grants and subsidies		-
<b>Total Payments</b>		<b>4,306,498</b>
<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>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>(508,278)</b>
Cash & Cash equivalents at the beginning (1st July)	26	3,146,782
Cash & Cash equivalents at the end. (30th June)	26	<b>2,638,504</b>

Meshau Vocational Training Center  
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description	Original budget A	Adjustments B	Final Budget C=A+B	Actual on comparable basis D	Performance difference E=C-D	Utilization Difference F=E/C%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from County Government	4,335,977	-	4,335,977	4,335,977	-	0%
Grants from donors and development partners	-		-	-	-	0%
Transfers from National Government entities	-		-	-	-	0%
Public contributions and donations	-		-	-	-	0%
Fees from students	1,319,320		1,319,320	1,319,320	-	0%
Sale of goods	100,000		100,000	100,000	-	0%
Rental revenue from facilities and equipment	-		-	-	-	0%
Finance income	-		-	-	-	0%
Miscellaneous Income	98,900		98,900	98,900	-	0%
<b>Total Income</b>	<b>5,854,197</b>		<b>5,854,197</b>	<b>5,854,197</b>	-	0%
Expenses						
Use of goods and services	2,733,557		2,733,557	3,217,101	(483,544)	-18%
Employee costs	2,777,120		2,777,120	2,665,928	111,192	4%
Board Expenses	38,000		38,000	38,000	-	0%

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

Repairs and maintenance	305,520		305,520	441,446	(135,926)	-44%
Contracted services					-	0%
Grants and subsidies					-	0%
<b>Total Expenditure</b>	<b>5,854,197</b>	<b>-</b>	<b>5,854,197</b>	<b>6,362,475</b>	<b>(508,278)</b>	<b>-9%</b>
<b>Surplus For the Period</b>						
<b>Capital Expenditure</b>				<b>(508,278)</b>		
					-	-

**(Budget notes)**

1. The difference differences between actual and budgeted amounts was as a result of utilization of funds brought forward

19. Notes to the Financial Statements

1. General Information

Leshau VTC was established by and derives its authority and accountability from TVET Act 2013. Leshau Vocational Training Centre is wholly owned by the County Government of Nyandarua and domiciled in Leshau sub-county. Leshau Vocational Training Centre's principal activity is to equip trainees with skills for self-reliance.

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 Leshau 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 Leshau 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 2024.

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1<sup>st</sup> January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.

Standard	Effective date and impact:
	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>Applicable 1<sup>st</sup> January 2025</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>Applicable 1<sup>st</sup> January 2025</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>Applicable 1<sup>st</sup> January 2025</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. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<b>Applicable 1<sup>st</sup> January 2026</b> 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.
IPSAS 48: Transfer Expenses	<b>Applicable 1<sup>st</sup> January 2026</b> 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

Standard	Effective date and impact:
	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.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1<sup>st</sup> January 2026</i> 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.

**iii. Early adoption of standards**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

### **Interest income**

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

### **Rental income**

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

### **b) Budget information**

The original budget for FY 2024/2025 was approved by the Board on 27<sup>th</sup> June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity did not record additional appropriation. The LESHOU VTC 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 financial performance has been presented.

### **c) Taxes**

#### ***Current income tax***

The Leshau VTC is exempt from paying taxes.

#### ***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. 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, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**f) Leases**

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

**g) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following

initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

#### **h) Research and development costs**

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

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

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

#### **i) Financial instruments**

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

## *Financial assets*

### *Classification*

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the LESHOU VTC 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, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

### **Amortized cost**

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

### **Fair value through net assets/ equity**

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

### **Fair value through surplus or deficit**

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

### **Trade and other receivables**

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

### **Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

### ***Financial liabilities***

#### ***Classification***

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

#### **j) Inventories**

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

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

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

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

### **Inventories (Continued)**

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

#### **k) Provisions**

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

#### ***Contingent liabilities***

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

#### ***Contingent assets***

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

#### **l) Social Benefits**

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

**m) Nature and purpose of reserves**

The Leshau VTC does not create and maintain reserves in terms of specific requirements.

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

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

**o) Employee benefits**

**Retirement benefit plans**

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

**p) Foreign currency transactions**

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

**q) Borrowing costs**

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

**r) Related parties**

The Leshau VTC regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.

**s) Service concession arrangements**

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

**t) Cash and cash equivalents**

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

**u) Comparative figures**

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

**v) Subsequent events**

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

## 5. Significant Judgments and Sources of Estimation Uncertainty

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

### **Estimates and assumptions.**

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

### **Useful lives and residual values**

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

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

### **Provisions**

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

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.

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6. Transfers from the County Government

Description	FY 2024/2025
	Kshs
<b>Unconditional Grants</b>	
Capitation Grants	2,280,000
Operational Grant	-
Unconditional Development grants	-
Other Grants - Inkind	2,055,977
<b>Total unconditional Grants</b>	-
<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>4,335,977</b>

(b) Transfers from County Government (Categorized)

Name of Kangui Vocational Training Centre Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year
	Kshs	Kshs	Kshs	Kshs
County Department for Education	2,280,000	-	-	2,280,000
County Department for Public Service	2,055,977			2,055,977
<b>Total</b>	<b>4,335,977</b>	-	-	<b>4,335,977</b>

7. Grants from Development Partners

Description	FY 2024/2025
	Kshs
In-Kind Donations	-
Donor 1	-
Donor 2	-
Other Donors	-
<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	-
Other transfers	-
Total Transfers	-

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	-
<b>Total Donations and Contributions</b>	-

10. Fees from students

Description	FY 2024/2025
	Kshs
Tuition Fees	841,470
Activity Fees	-
Industrial Attachment Fees	-
Examination Fees	-
Library Fees	-
Facilities And Materials	-
Registration Fees	477,850
Others (Specify)	-
<b>Total Fees from students</b>	<b>1,319,320</b>

**11. Sale of Goods**

Description	FY 2024/2025
	Kshs
Sale of Books	-
Sale of Publications	-
Sale of Farm Produce	-
Cafeteria sales	-
Other sales - Production Unit	100,000
<b>Total Revenue from Sale of Goods</b>	<b>100,000</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>	<b>-</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	98,900
Bad debts recovered	-
Income written back	-
Miscellaneous income	-
<b>Total other income</b>	<b>98,900</b>

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**15. Use of Goods and Services**

Description	FY 2024/2025
	Kshs
Teaching and learning materials	1,286,430
Industrial attachment costs	-
Utility	218,003
Security	-
Professional and consultancy services	-
Subscriptions and registration	-
Advertising	24,000
Examination fees	477,850
Audit fees	-
Catering, conferences, and delegations	359,083
Travelling and accommodation	69,800
Fuel and oil	-
Insurance	-
Legal expenses	-
Licenses and permits	-
Postage	-
Printing and stationery	334,295
Hire charges	-
Rent expenses	-
Skills development levies	60,550
Telephone expenses	-
Internet expenses	-
Training expenses	-
Bank charges	6,050
co-curricular activities	144,790
sanitary and cleaning materials	-
farm input	-
Others (GRADUATION)	236,250
<b>Total good and services</b>	<b>3,217,101</b>

**16. Employee Costs**

Description	FY 2024/2025
	Kshs
Salaries and wages- BOM	547,251
Salaries and wages- County	1,812,566
Employee related costs - contributions to pensions and medical aids	243,411
Travel, motor car, accommodation, subsistence and other allowances	-
Housing benefits and allowances	-
Overtime payments	-
Social contributions	62,700

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Employee Costs	2,665,928
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17. Board Expenses

Description	FY 2024/2025
	Kshs
Chairman's Honoraria	-
Directors Emoluments	-
Other Allowances	-
Other Board Expenses	38,000
<b>Total</b>	<b>38,000</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	167,760
Investment property – earning rentals	-
Equipment and machinery	273,686
Vehicles	-
Furniture and fittings	-
Computers and accessories	-
<b>Total Repairs and Maintenance</b>	<b>441,446</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
-------------	--------------

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	Kshs
Community Development	-
Education Initiatives and Programs	-
Social Development	-
Social benefits expenses	-
Community Trust	-
Sporting Bodies	-
<b>Total Grants and Subsidies</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 Equivalent**

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Description	FY 2024/2025	
	Kshs	€
Current Account	2,602,304	
On - Call Deposits	-	
Fixed Deposits Account	-	
Others (Specify)	-	
<b>Total Cash and Cash Equivalents</b>	<b>2,602,304</b>	

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

Financial Institution	Account number	FY 2024/2025
		Kshs
<b>a) Current Account</b>		
KCB Bank	1252814461	2,329,871
Co-operrative Bank	1139036113000	272,432
<b>Sub- Total</b>		<b>2,602,304</b>
<b>b) On - Call Deposits</b>		
Bank		-
Bank – etc.		-
<b>Sub- Total</b>		-
<b>c) Fixed Deposits Account</b>		
KCB Bank		-
COOPERATIVE Bank		-
<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>2,602,304</b>

**27. Prepayments**

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others	-	-
<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
<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	
	Kshs	
	Current FY	% of the total
Less than 1 year	-	%
Between 1- 2 years	-	%
Between 2-3 years	-	%
Over 3 years	-	%
Total (a+b)	-	1

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	-

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At the end of the year	-
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**29. Receivables from non-exchange transactions**

Description	FY 2024/2025
	Kshs
	Kshs
Current Receivables	
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 2023/2024	
	Kshs	
Current FY	-	% of the total
Less than 1 year	-	0
Between 1- 2 years	-	0
Between 2-3 years	-	0
Over 3 years	-	0
Total	-	%

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

Description	FY 2024/2025
	Kshs
	Kshs
<b>At the beginning of the year</b>	-
Additional provisions during the year	-
Recovered during the year	-
Written off during the year	-
<b>At the end of the year</b>	-

**30. Inventories**

Description	FY 2024/2025
	Kshs
Consumable stores	-
Maintenance stores	-
Health Unit stores	-
Electrical stores	-

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Cleaning Materials stores	-
Catering stores	-
Less: Impairment allowance	-
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	-

**Detailed Disclosure on Inventories**

	Insert Current FY
Opening balance	-
Additional Inventory in the year	-
Inventory expensed in the year	-
Write-downs in the year	-
Others specify	-
Closing balance	-

**31. Investments in financial assets**

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

**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		Effective Shareholding	Nominal Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding			
	%	%	%	Kshs	FY 2024/2025 Kshs
Entity A	-	-	0	0	0
Entity B	-	-	0	0	0
	-	-	0	0	0

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**32. Property, Plant and Equipment**

<b>Cost</b>	<b>Land</b>	<b>Buildings</b>	<b>Motor vehicles</b>	<b>Furniture and fittings</b>	<b>Computers</b>	<b>Plant and equipment</b>	<b>Other Assets (specify)</b>	<b>Capital Work in progress</b>	<b>Total</b>
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At 1 July 2024</b>	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-	-
<b>At 30th June 2025</b>	-	-	-	-	-	-	-	-	-
<b>Depreciation And Impairment</b>									
<b>At 1 Jun 2024</b>	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
At 30 Jun 20XX (previous year)	-	-	-	-	-	-	-	-	-
<b>Net Book Values</b>			-	-	-	-	-	-	-
<b>At 30th Jun 2025</b>	-	-	-	-	-	-	-	-	-

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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).

**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>Kshs</b>
At beginning of the year	
Additions	-
<b>At end of the year</b>	-
Additions—internal development	-
<b>At end of the year</b>	-
<b>Amortization and impairment</b>	
At beginning of the year	
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
	Kshs
At beginning of the year	-
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>	<b>-</b>

**35. Biological Assets**

Description	FY 2024/2025
	Kshs
Cattle	-
Trees	-
Others	-
<b>Total</b>	<b>-</b>

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

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

**37. Refundable Deposits from Customers/Students**

Description	FY 2024/2025
	Kshs
	Kshs
Fees prepayments	-
Caution money	-
Other refundable deposits	-

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<b>Total Deposits</b>	-
-----------------------	---

Ageing analysis:	Current FY	% of the Total
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
Balance b/f	-	-	-	-
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
At the start of the year	Kshs
Discount interest on Lease Liability	-
Paid during the year	-
<b>At end of the year</b>	-

**Maturity Analysis**

Period	Amount
	Kshs
Year 1	-
Year 2	-
Year 3	-
Year 4	-

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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>	-

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41. Service Concession Arrangements

Description	FY 2024/2025
	Kshs
Fair value of service concession assets recognized under PPE	Kshs
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.

Description	FY 2024/2025
	Kshs
Surplus/(Deficit) for the year	(508,278)
Adjusted for:	
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	-
Working Capital Adjustments	-
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>	<b>(508,278)</b>

**43. Financial Risk Management**

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

The LESHOU VTC financial risk management objectives and policies are detailed below:

**(i) Credit risk**

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2024</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2025</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.

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

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

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade Payables	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2025</b>				
Trade Payables	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
<b>Total</b>				

**(iii) Market risk**

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

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

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

There has been no change to the LESHOU VTC 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 the LESHOU VTC 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 the LESHOU VTC capital risk management is to safeguard the LESHOU VTC ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	Insert Current FY	Insert Comparative FY
	Kshs	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>	%	%

**44. Related Party Balances**

**Nature of related party relationships**

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

**County Government of LESHOU VTC**

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The County Government of LESHOU VTC is the principal owner of LESHOU VTC VTC. The County Government of LESHOU VTC has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government.
- ii) The Parent Department.
- iii) Board of Management;

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	-
<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	-
<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	-
<b>Total</b>	

**Contingent Liabilities**

Description	FY 2024/2025
	Kshs
<b>Contingent Liabilities</b>	-
Court Case LESHOU VTC against	-
Bank guarantees in favour of subsidiary	-
Contingent liabilities arising from Contracts including PPPs	-
Others	-
<b>Total</b>	

**46. Capital Commitments**

	Kshs	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.

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)

  
 .....

Name  
 Principal/Manager  
 (Enter title of Head of entity)  
 Date 26/8/25

Appendix II: Projects Implemented by Leshau VTC

Projects Not Applicable

Projects implemented by the LESHOU VTC 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: Nyandarua County Government

Name of beneficiary entity: Leshau VTC

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
	June 2025	2,280,000		2,280,000	Received
Total		2,280,000		2,280,000	

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

**Head of Accounts Department - Disbursing Entity:**  
 Name Anne Thairi Sign [Signature] Date 26/08/2025

**Head of Accounts Department - Beneficiary Entity:**  
 Name MATHEW KARANI M Sign [Signature] Date 26/8/2025

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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		

**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 (Ksh s.)	Comments