

REPUBLIC OF KENYA



*Enhancing Accountability*



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**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 08 APR 2026 DAY: Wed

TABLED BY: Hon-Samuel Chepkwony

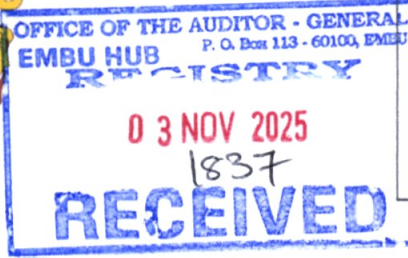
CLERK-AT-THE-TABLE: Mado

**THE AUDITOR-GENERAL**

**ON**

**KANYAKINE VOCATIONAL TRAINING  
CENTRE**

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



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**KANYAKINE VTC**

**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)

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**1. Acronyms and definition of key terms**

B.O.G – Board of Governors

ICPAK- Institute of Certified Public Accounts of Kenya

IPSAS- International Public Sector Accounting Standards

PFM – Public Finance Management

PSAB- Public Sector Accounting Standards Board

VTC – Vocational Training Center

Fiduciary management –the key personnel directly entrusted with the entity’s financial resources

Financial statement – a set of documents that show your institution status at a specific point in time

**2. Key Entity Information and Management****(a) Background information**

Kanyakine vocational training Centre was established in 1978 as a youth center and later as a youth polytechnic. the mission was to provide technical skills to the youth within the community. it is built approximately 3 acres of land donated by meru county council. Since its establishment the polytechnic has been under board of management. The current BOG was nominated on 1<sup>st</sup> June 2024 to June 2027 and mandated to serve for three years. The Centre offers the following technical education courses as follows:

- ✓ Fashion and design
- ✓ Electrical and electronics
- ✓ Carpentry and joinery
- ✓ Metal processing
- ✓ Food processing
- ✓ Hairdressing and beauty
- ✓ Building and construction
- ✓ Plumbing and pipe fittings
- ✓ Information communication technology
- ✓ Agri business
- ✓ Light motor vehicle technology

Our mission is to provide technical training and produce skilled manpower that can compete favourably in local market.

**(b) Principal Activities**

The Centre offers the following technical education courses as follows:

- ✓ Fashion and design
- ✓ Electrical and electronics
- ✓ Carpentry and joinery
- ✓ Metal processing
- ✓ Food processing
- ✓ Hairdressing and beauty
- ✓ Building and construction
- ✓ Plumbing and pipe fittings

- ✓ Information communication technology
- ✓ Agri business
- ✓ Light motor vehicle technology

Our mission is to provide technical training and produce skilled manpower that can compete favourably in local market

**(c) Key Management**

The Centre day to day management is under the following key organs

- ✓ Board of Management
- ✓ Manager
- ✓ Accounting officer

**(d) Fiduciary Management**

SNo	DESIGNATION	NAME
1	Manager	LYDIAH N MURITHI
2	Deputy manager/guidance and counselling	DENNIS KARIUKI
3	Senior teacher/ guidance and counselling	EUNICE NKATHA
4	Head of academic	WINFRED NKATHA
5	Head of finance	LUKE MUTHOMI

**(e) Fiduciary Oversight Arrangements**

SNO	NAME OF COMMITTEE	MEMBER
1	Procurement committee	DENNIS KARIUKI WINFRED NKATHA AGNES THURANIRA RYAN MUNENE LUKE MUTHOMI

**(f) Entity Headquarters**

Kanyakine VTC  
P.O Box 30-60206  
Kanyakine

**(g) Entity Contacts**

tel.0723385016

**(h) Entity Bankers****Equity bank**

Acc no 0370297247640

Nkubu branch

**Kenya commercial bank**

Capitation no. 1233489542

Exam acc no. 1335968938

**Capital sacco**

Acc no. 100108410700

Co-operative Bank

Acc No.01134205100300

**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

P.O Box 120-60200






**3. The Board of Management**

1. THE BOARD OF MANAGEMENT



SNO	Board of governors	photo	Description of members date of birth ,key qualifications and work experience
1	Charles Munene M,Atugi		Date of birth: 16/11/1960 Qualification: B.E.D SCIENCE Work experience: retired teacher position: chairperson
2	Beatrice Gaceru		Date of birth: 12/4/1966 Qualification: o level Work experience: N/A Position: third signatory
3	Elias Muriuki Mugambi		Date of birth: 1/7/1953 Qualification: accountant Work experience: retired Position: bog vice chairperson
4	Joel Gatobu		Date of birth: 18/5/1986 Qualification: Diploma in applied biology Work experience: N/A position: MEMBER

**KANYAKINE VTC**

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

5	Justus Mutembei Gitonga		Date of birth:3/6/1986 Qualification: Certificate in IT Work experience: N/A position: MEMBER
6	Paul Mwitii Mbae		Date of birth:7/09/1984 Qualification: Electrical installation Work experience: N/A position: MEMBER
7	Lucy Gitonga		Date of birth:22/03/1954 Qualification: Master's in education Work experience: retired Position: MEMBER
8	Lydia N Murithi		Date of birth:1/4/1969 Qualification: Diploma in technical education and leadership management Profession: trainer Work experience:29years Position: BOG secretary
9	Dennis Kariuki		Date of birth:21/4/1997 Qualification: Diploma in technical education profession: trainer Work experience: 4years Position: MEMBER/

**4. Key Management Team**

S N	Member/ Director	Details
1.	LYDIAH N MURITHI 	Manager
2.	DENNIS KARIUKI 	Deputy manager/guidance and counselling
3.	EUNICE NKATHA	Senior teacher/ guidance and counselling
4.	WINFRED NKATHA	Head of academic
5	Head of finance	LUKE MUTHOMI
<p><i>(Note: The Principal and the Secretary to the BoM will feature both under the 'Board' and 'Management').</i></p>		

**5. Chairman's Statement**

Let me take this opportunity to present a brief report of Kanyakine vocational training centre for the year ended 30<sup>th</sup> June 2025, having been appointed chairman of BOG with effect from June 2024 followed by inauguration on 17<sup>th</sup> September 2024, let me start by appreciating the county government for finding me fit to chair the BOG of this great vocational training centre.

In the few months that I have held this position I wish to appreciate the support and guidelines accorded to me and my team by our able manager and in a very special way, the VETO (vocational education and training officer) Mr. Kinyua Titus from the director vocational training centre office

Being new in this office, we have had only one full BOG meeting and two executive meetings. In these meetings the manager who doubles as the secretary to the BOG took us through the orientation process. Basically, the BOG members promised to work as a team and use individual influences to source for resources for vocational training centre.

**KEY ACTIVITIES WITHIN THIS SHORT PERIOD**

- ✓ Construction of kitchen store which is on-going project
- ✓ Repair of water tanks within the school
- ✓ Purchase of training material hence addition of metallic beds
- ✓ Improving motor vehicle department by purchasing of basic tools
- ✓ Installation and repair of electricity through electrical and electronic department
- ✓ Repair of cattle shed
- ✓ Purchase of training materials in various departments
- ✓ Participated in various vocational training center co-curricular activities like the county (ball games)

**CHALLENGES: The centre experienced a number of challenge's as follows:**

- ✓ In adequate infrastructures
- ✓ Delayed subsidized grants which cater for tuitions
- ✓ Poor fees payments where by majority of trainees are from humble background
- ✓ Under staffing where a trainer is forced to train both 1<sup>st</sup> years and 2<sup>nd</sup> years respectively

## KANYAKINE VTC

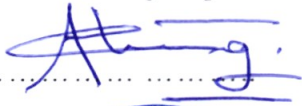
### Annual Report and Financial Statements for the year ended 30th June 2025

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- ✓ Congestion of men/boys hostels which leads to more trainees transferring to other vocational centres.
- ✓ Lack of modern equipment's and fully equipped workshops which matches the market demands

In this regard I wish to thank the members of the board who have provided useful insight to the centre management making it possible to collectively make progress. The board remains committed to building on the foundation laid down so far and work closely with all the stake holders in order to realize further development. The board is pleased with effort of the Kanyakine VTC to ensure prudent management of resources and level of compliance with the government and statutory requirement

Signature .....



Name: Charles M. M Atugi



Chairman: B.O.G.

**6) Report of the Manager**

I would like to present the annual report and financial statement of Kanyakine Vocational Training Centre for the 30<sup>th</sup> June 2025 as per requirement of the public finance management Act of 2012 and public audit act 2015

Non –financial information

a. Academic programs

During the financial year under review the center had the following programs

- ✓ Electrical and electronics (grade 1 ,2,3)
- ✓ Carpentry and joinery (grade 3,2)
- ✓ Metal processing (grade 3)
- ✓ Food processing (grade 3)
- ✓ Hairdressing and beauty (grade 3,2)
- ✓ Building and construction (grade 3,2)
- ✓ Plumbing and pipe fittings (grade 3,2)
- ✓ Information communication technology (computer packages)
- ✓ Light motor vehicle technology (grade 3)
- ✓ Fashion and design = dressing making (grade 3)

b. Student population

We receive students through personal application, sponsored by individuals and church organizations. By the end of the year 2024/2025 financial year the centre had a total of 145 trainees. We are expecting the number to raise to 200 trainees in the 25/26 financial year

This will be achieved through

- ✓ Out sourcing in collaboration with the area chief, assistance chief and church leadership, member of county assembly(MCA)
- ✓ Strengthening collaboration with local industries who will be offering internship and attachment for trainees
- ✓ Building a strong online presence through embracing video marketing
- ✓ Engaging with community on social media and participating in their events

## KANYAKINE VTC

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

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c. Key activities during the year

- ✓ Construction of kitchen store which is on-going project
- ✓ Repair of water tanks within the school
- ✓ Purchase of training material hence addition of metallic beds
- ✓ Improving motor vehicle department by purchasing of basic tools
- ✓ Installation and repair of electricity through electrical and electronic department
- ✓ Repair of cattle shed
- ✓ Purchase of training materials in various departments
- ✓ Participating in various vocational training center co-curricular activities with the county (ball games)

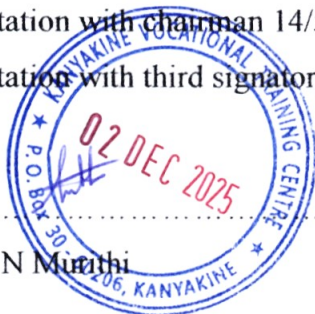
The board agreed to work as a team to better the institution in compliance with the policy guidelines for appointment and operations of BOM. At least a third of nominees are women

Board participated in the following meetings

- ✓ BOG inauguration meeting held on 17/9/24
- ✓ BOG Executive meeting held on 4/2/25
- ✓ BOG meeting held on 11/4/25
- ✓ BOG Executive held on 3/7/25
- ✓ Consultation with chairman 14/5/25
- ✓ Consultation with third signatory 8/6/25

.....  
Name: Lydiah N Muthi

Manager



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

In this period the Centre has managed to procure training materials in various departments. In electrical and building technology some of the materials procured were used to improve school development.

For example, in building we were able to construct an on-going kitchen store, repair of a cattle shed and repair of water tanks within the school. For electrical repair was done and installation of electricity in garment making class and office and staffroom. The remaining materials in both departments were used in training.

During the financial year under review the center had the following programs

- Electrical and electronics (grade 1, 2, 3)
- Carpentry and joinery (grade 3, 2)
- Metal processing (grade 3)
- Food processing (grade 3)
- Hairdressing and beauty (grade 3, 2)
- Building and construction (grade 3, 2)
- Plumbing and pipe fittings (grade 3, 2)
- Information communication technology (computer packages)
- Light motor vehicle technology (grade 3)
- Fashion and design = dressing making (grade 3)

We receive students through personal application, sponsored by individuals and church organizations. By the end of the year 2024/2025 financial year the centre had a total of 145 trainees. We are expecting the number to raise to 200 trainees in the 25/26 financial year.

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d. Key activities during the year

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- ✓ Installation and repair of electricity through electrical and electronic department
- ✓ Repair of cattle shed
- ✓ Purchase of training materials in various departments
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**8. Corporate Governance Statement**

The board consists of nine members with different capability. The full board was involved 2 times, executives 1 time in this financial year. In this period the attendance was as follows

**BOARD TRANSACTIONS/ATTENDANCE IN THE FINANCIAL YEAR**

FULL BOARD MEETING /EXECUTIVE MEETINGS					
NAME	M1	M2	M3	M4	M5
CHARLES M ATUGI	1	1	1	1	1
LUCY GITONGA	1	0	1	0	0
ELIAS MURIUKI	1	1	1	0	1
JOEL GATOBU	1	0	1	0	0
JUSTUS MUTEMBEI	1	1	1	0	1
PURITY NCUNGE	0	0	0	0	0
BEATRICE GACERU	1	1	1	1	1
PAUL MWITI	1	0	1	0	0
DAVID MURITHI	0	0	0	0	0
TITUS KINYUA	1	1	1	0	1
PAUL MUTAI	0	0	1	0	0
EVAN MUGUNA	0	0	1	0	0

The board agreed to work as a team to better the institution in compliance with the policy guidelines for appointment and operations of BOM. At least a third of nominees are women.

## **9. Management Discussion and Analysis**

### **Trainees enrollment**

The active trainees enrollment by 30<sup>th</sup> June 2024 was 145 trainees from 205, this was due to CBE transition which affected the enrollment, lack of enough finances the school was not able to do strategic marketing plan compared to previous years, also the CDACC introduced in the institutes, technical colleges and national polytechnics where they enroll trainees with lower grades to pursue different levels as low as level 3 hence trainees opt to join these institutions than the vocational centres

### **CHALLENGES**

The centre experienced a number of challenges as follows

- ✓ Inadequate infrastructures
- ✓ Delayed subsidized grants which cater for tuitions
- ✓ Poor fees payments where by majority of trainees are from humble background
- ✓ Under staffing where a trainer is entitled to train both 1<sup>st</sup> years and 2<sup>nd</sup> years respectively
- ✓ Congestion of men/boys hostels which leads to more trainees transferring to other schools
- ✓ Lack of modern equipment's and fully equipped workshops which matches the market demands

**10. Environmental And Sustainability Reporting Statement**

i. Environment performance

In order to maintain healthy environment the school had planted Sukuma wiki,cabbages and beans which were consumed in the school.

Also maintained and followed the environmental rules on pollution.

We also installed fire extinguishers within the school premises

ii. Marketplace practices

The centre has established norms or values to guide the performance of the center

The institution has engaged the community through sensitization on TVET courses offered and the support given by the county government. The center also involved the politicians by lobbying for finances through awarding of bursaries to assist the needy trainees

The centre also able to pay all her suppliers in good time which creates a good relationship and in return some offer attachment to our trainees

The school will interact with and influence market through:

- ✓ Procurement practices on how the institution will purchase goods and services
- ✓ Partnership and collaborations: the school will be partnering with other organizations on businesses
- ✓ Innovation and technology transfer: institutions developing and commercializing new technologies
- ✓ Talent development and recruitment: institution will attract and develop skilled professional to march the market trends
- ✓ The institution is in Responsible marketing and advertisement outline efforts to maintain ethical marketing practices
- ✓ Responsible chain and supplier relations: explains how the organization maintains good business practices, treats its own supplier's responsibility by honoring contract and respecting payments practices

On behalf of the management and staff of KVTC, I take this opportunity to thank the bog for the support accorded to key management to the growth of the school at large

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

The council / board members submit their report together with the audited financial statements for the year ended June 30<sup>th</sup> June 2025 which show the state of the centre's affairs.

Principle activities

The principal activities of the entity are:

- ✓ Promote the best interest of institution and ensure its development.
- ✓ Promote quality education and training for all trainees in accordance with set standards.
- ✓ Develop a strategic plan for the institution
- ✓ Provide proper and adequate physical facilities for the institution
- ✓ Manage all affairs of the institution in accordance with laid down procedures
- ✓ Advise the department on staffing needs of the institution
- ✓ Create an enabling environment for the institutional manger, trainers and other staff of the institution in the performance of their professional duties
- ✓ Upon request, approves the use of the institutional facilities for educational training and research programmers not conducted by institution either for free or hire
- ✓ Recruit employ and remunerate such number of no-teaching staff as may require by institutional in accordance with employment Act.

.....  
Secretary of the Board

Date:

2/12/25



## KANYAKINE VTC

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

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I also thank the support they have offered by supporting our trainees through subsidized tuition grants an offering equipment and machines to two departments in the last financial year 2024-2025

Finally, I would like to thank all the staff members together with our trainees for supporting all the activities and development in the center

I look forward for the same co-operation and support for the coming financial year 2024-2025

GOD BLESS YOU ALL



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

Section 164 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 Board of Management to prepare financial statements in respect of kanyakine VTC, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of kanyakine VTC for that year/period. The Board of Management are also required to ensure that the *entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The Board of Management are also responsible for safeguarding the assets of kanyakine VTC.


The Board of Management are responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *entity*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accept responsibility for the *entity'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 TVETA act 2013 section 20 (1). The Board of Management are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the *entity's* financial position as at that date. The Board of Management further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Manager has assessed the *entity's* ability to continue as a going concern. Nothing has come to the attention of the Board of Management to indicate that the *entity* will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The *entity's* financial statements were approved by the Board on 02 DEC 2025 and signed on its behalf by:



.....  
Name **CHARLES M'ATUGI**  
Chairperson of the Board



.....  
Name **CHARLES M'ATUGI**  
Principal/Manager

# REPUBLIC OF KENYA



*Enhancing Accountability*

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

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

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kanyakine Vocational Training Centre set out on pages 1 to 18, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in

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

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

### **Basis for Qualified Opinion**

#### **Unconfirmed Ownership and Value of Fixed Assets**

The statement of financial position reflects property, plant and equipment net book value of Kshs.48,958 which comprise of zero balance for land, furniture and fittings and buildings as disclosed in Note 17 to the financial statements. However, the land, buildings and furniture's and fittings and other assets have not been surveyed, valued and included in the fixed asset register and the annual report and financial statements. In addition, land ownership documents were not provided for audit.

In the circumstances, the accuracy and completeness of the of property, plant and equipment balance of Kshs.48,958 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.5,946,723 and Ksh.5,394,661 respectively, resulting to an under-funding of Kshs.552,062 or 9 % of the budget. However, the Institution spent Kshs.5,124,578 against actual receipts of Kshs.5,394,661 resulting to an under-utilization of Kshs.270,083 or 5% of actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Information**

The Board of Management is responsible for the Other Information set out on page ii to xxiii which comprise of Key Entity Information and Management, The Board of Management, Key Management Team, Chairman's Statement, Report of the manager, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and Statement of Board of Management's 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 LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Expired Registration License**

During the period under review, it was noted that Kanyakine Vocational Training Centre operated with expired license dated 22 January, 2025 contrary to Guidelines for the management of the conditional grant for rehabilitation of youth polytechnics Paragraph

7C which states that the conditional Grant shall be disbursed to all Public Vocational Training Centres that meet the following conditions (a) Be registered as a public Vocational Training Centre by the relevant Government agency.

In the circumstances, Management was in breach law.

## **2. Unregistered and Unlicensed Trainers**

Review of employee's personal files showed that among twelve (12) trainers at the Vocational Training Centres revealed that eleven (11) trainers had no license and registration documents from the Board and as a result their suitability to offer the services to the institution could not be confirmed. This contravened Section 23 (1) of Technical and Vocational Education and Training Act, 2013 states that any person who intends to become a trainer in an institution shall apply for licensing and registration by the Board in accordance with the provisions of this Act.

In the circumstances, Management was in breach law.

## **3. Delivery of Unlicensed Training Courses**

The statement of financial performance reflects fees from students amounting to Kshs.3,497,600 as disclosed in Note 7 to the financial statements. However, audit review established that the Institution was offering several training programs, namely Food Processing (Grade 3), Plumbing and Pipe Fittings (Grade 3 & 2), Hairdressing and Beauty (Grade 3 & 2), and Information Communication Technology (Computer Packages), as disclosed in the annual financial report and statements that were not included in the institution's approved TVETA license TVETA/PUBLIC/VTC/0037/2020A1. This contravenes Section 20(1) of the Technical and Vocational Education and Training Act, 2013, which requires that TVET institutions only offer courses for which they are duly registered and licensed.

In the circumstances, Management was in breach of the law, and students enrolled in these programs are exposed to the risk of invalid or unrecognized certifications

## **4. Non-Compliance with Law on Staff Ethnic Diversity**

Review of payroll records revealed that out of the total twelve (12) employees, eleven (11) were from the dominant community in the County. In addition, the recruitment during the year failed to remedy the ethnic disparity contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which stipulates that no public establishment should employ more than one-third of its staff from the same ethnic community.

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

## **5. Non-Compliance with the Public Procurement Capacity Building Levy Order**

Management did not provide evidence to confirm that the Centre Management complied with paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which

states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition, Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 which requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20<sup>th</sup> day of the subsequent month and also file monthly returns.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of Internal Audit Function and Audit Committee**

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

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

#### **2. Lack of Approved Human Resource Policy Documents**

The statement of financial performance for the year ended 30 June, 2025 reflects Kshs.881,280 on account of employee costs. However, it was observed that Management did not have approved Human Resource Policy Instruments such as staff grading and establishment policy document, career progression guidelines and human resource policy and procedures manual that were submitted for review and approval by county public service board. In addition, it was further observed that the entity does not have an

operational human resource department to manage affairs of the institution. This implies that the appropriateness of the current staffing level that would enhance achievement of the institution's strategic objectives was not possible.

In the circumstances, the institutions' human resource management and operations may not be aligned to public service and as such, may not be able to provide services effectively to the citizens.

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

### **Responsibilities of the Management and the Board of Management**

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

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

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

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

The Board of Management is responsible for overseeing the Kanyakine Vocational Training Centre 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**

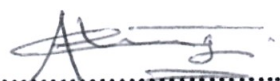
**02 December, 2025**

**KANYAKINE VTC****Annual Report and Financial Statements for the year ended 30th June 2025****14. Statement of Financial Performance For the Year Ended 30 June 2025**

	Notes	Period ended 30 <sup>th</sup> June 2025 K.shs
<b>Revenue from non-exchange transactions</b>		
Transfers from the County Government	6	2,415,000
		<b>2,415,000</b>
<b>Revenue from Exchange transactions</b>		
Fees from students	7	3,497,600
Sale of goods	8	40,823
Rental revenue from facilities and equipment	9	8,000
<b>Revenue from Exchange transactions</b>		<b>3,546,423</b>
<b>Total Revenue</b>		<b>5,961,423</b>
<b>Expenses</b>		
Use of goods and services	10	4,180,798
Employee costs	11	881,280
Board Expenses	12	62,500
Depreciation and amortization expense	13	1,042
<b>Total Expenses</b>		<b>5,125,619</b>
<b>Net surplus for the year</b>		<b>835,804</b>

(The notes set out on pages 7 to 14 form an integral part of the Annual Financial Statements).

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



**CHARLES M'ATUGI**  
Chairman of Board

Date



**PERPETUAL GATWIRI**  
Accountant  
ICPAK No: 21574

Date: 2/12/25



**Lydia Murithi**  
Manager

Date 2/12/25

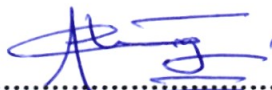
**KANYAKINE VTC**


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

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

Description	Notes	Period ended 30 <sup>th</sup> June 2025
		Kshs
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	14	1,074,396
Prepayments	15	14,163
Current portion of receivables from exchange transactions	16	573,600
<b>Total Current Assets</b>		<b>1,662,158</b>
<b>Non-Current Assets</b>		
Property, plant, and equipment	17	48,958
<b>Total Non-Current Assets</b>		<b>48,958</b>
<b>Total Assets (A)</b>		<b>1,711,116</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables from exchange transactions	18	264,120
<b>Total Current Liabilities</b>		<b>264,120</b>
<b>Total Liabilities (B)</b>		<b>264,120</b>
<b>Net Assets (A-B)</b>		<b>1,446,996</b>
<b>Represented By:</b>		
Accumulated Surplus		1,446,996
<b>Total Net Assets</b>		<b>1,446,996</b>

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

  
 CHARLES M'ATUGI  
 Chairman of Board

  
 PERPETUAL GATWIRI  
 Accountant  
 ICPAK No: 21574

  
 Lydia Murithi  
 Principal/Manager

Date 2/12/25

Date 02/12/2025

Date 2/12/25

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

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

<b>Description</b>	<b>Accumulated Surplus</b>	<b>Total</b>
<b>At July 1, 2024</b>	<b>611,192</b>	<b>611,192</b>
Surplus for the year	835,804	835,804
<b>At June 30, 2025</b>	<b>1,446,996</b>	<b>1,446,996</b>

**KANYAKINE VTC****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	Period ended 30 <sup>th</sup> June 2025	
	Note	K.shs.
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from County Government		2,415,000
Fees from students		2,924,000
Sale of goods		40,823
Rental revenue from facilities and equipment		8,000
<b>Total Receipts</b>		<b>5,387,823</b>
<b>Payments</b>		
Use of goods and services		3,929,898
Employee costs		881,280
Board Expenses		62,500
<b>Total Payments</b>		<b>4,873,678</b>
<b>Net Cash Flows from operating activities</b>	19	<b>514,145</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant, and equipment		(50,000)
<b>Net cash flows used in investing activities</b>		<b>(50,000)</b>
<b>Net Increase in Cash and Cash equivalents</b>		464,145
Cash & Cash equivalents at the beginning (1 <sup>st</sup> July)		610,250
Cash & Cash equivalents at the end. (30 <sup>th</sup> June)	14	<b>1,074,395</b>

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

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilisation on Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	B	C=A+B	D	E=C-D	F=D/C%
<b>Budget carryovers from the previous year*</b>	<b>610,251</b>		610,251	610,251	0	<b>100</b>
<b>Receipts</b>						
Transfers from County Government	2,415,000		2,415,000	2,415,000	-	100
Fees from students	3,482,900		3,482,900	2,924,000	558,900	84
Sale of goods	40,823		40,823	40,823	-	100
Rental revenue from facilities and equipment	8,000		8,000	8,000	-	100
<b>Total Receipts</b>	<b>5,946,723</b>		5,946,723	<b>5,387,823</b>	558,900	91
<b>Payments</b>						
Use of goods and services	4,672,223		4,672,223	3,929,898	742,325	84
Employee costs	1,162,000		1,162,000	881,280	280,720	76
Board Expenses	62,500		62,500	62,500	-	100
<b>Total Expenditure</b>	<b>5,896,723</b>		<b>5,896,723</b>	<b>4,873,678</b>	1,074,395	83
<b>Capital Expenditure payments</b>	<b>50,000</b>		50,000	<b>50,000</b>	<b>0</b>	100
<b>Surplus</b>	<b>0</b>		0	1,074,396	1,074,396	

**Notes to the Financial Statements**

**1. General Information**

Kanyakine Vocational Training Centre entity is established by and derives its authority and accountability from Act. The entity is wholly owned by the County Government of Meru and domiciled in Abogeta sub-county. The entity's principal activity is to provide technical skills to the youth within the community.

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

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

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

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

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

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

Standard	Effective date and impact
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:

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

	<ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

**iii. Early adoption of standards**

The Entity 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.

**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 **21<sup>st</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. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented.

**c) Taxes**

***Current income tax***

The entity is exempt from paying taxes as per schedule of the Act.

***Sales tax/ Value Added Tax***

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

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

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

**d) 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.

**e) 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.

**f) 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.

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

**Estimates and assumptions.**

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

**Useful lives and residual values**

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

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

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

**6. Transfers from the County Government**

Description	Period ended 30 <sup>th</sup> June 2025
	Kshs
<b>Unconditional Grants</b>	
Capitation Grants	2,415,000
<b>Total unconditional Grants</b>	<b>2,415,000</b>
<b>Total Government Grants and Subsidies</b>	<b>2,415,000</b>

**7. Fees from students**

Description	Insect Current FY
	Kshs
Hostel and Accomodation	1,637,000
Personal emoluments	1,162,000
Examination Fees	366,600
Medical	166,000
Administration Fees	166,000
<b>Total Fees from students</b>	<b>3,497,600</b>

Fees from students is

revenue from fees invoice.

**8. Sale of Goods**

Description	Period ended 30 <sup>th</sup> June 2025
	Kshs
Sale of Farm Produce(milk)	40,823
<b>Total Revenue from Sale of Goods</b>	<b>40,823</b>

Sale of farm produce is revenue from milk sales

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

Description	Period ended 30 <sup>th</sup> June 2025
	Kshs
Hire of Facilities and Equipment	8,000
<b>Total</b>	<b>8,000</b>

Revenue from hiring out ground.

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

**10. Use of Goods and Services**

Description	Period ended 30 <sup>th</sup> June 2025
	Kshs
Teaching and learning materials	1,785,608
Boarding/Hostel expenses	1,287,550
Electricity	80,430
Water	66,749
Students medical expenses	63,225
Livestock maintainance	74,590
Bank Charges	20,901
Skills competition and exhibition	84,200
Examination fees	253,500
Co-curricular expenses	75,550
Catering, conferences, and delegations	10,000
Travelling and accommodation	164,400
Administration expenses	41,830
Postage	9,013
Printing and stationery	36,310
Telephone expenses	123,500
Internet expenses/Dstv	2,500
<b>Total good and services</b>	<b>4,179,856</b>

**11. Employee Costs**

Description	Period ended 30 <sup>th</sup> June 2025
	Kshs
Salaries and wages	851,760
Employee related costs - contributions to NSSF	18,720
Social contributions (SHA)	10,800
<b>Employee Costs</b>	<b>881,280</b>

**12. Board Expenses**

Description	Period ended 30 <sup>th</sup> June 2025
	Kshs
Chairman's Honoraria	13,500
Directors Emoluments	49,000
<b>Total</b>	<b>62,500</b>

**13. Depreciation expense**

Description	Period ended 30 <sup>th</sup> June 2025
	Kshs
Property, plant and equipment	1,042
<b>Total depreciation Expense</b>	<b>1,042</b>

**14. Cash and Cash Equivalents**

Description	Period ended 30 <sup>th</sup> June 2025
	Kshs
Current Account	1,069,645
Cash in Hand	4,750
<b>Total Cash and Cash Equivalents</b>	<b>1,074,395</b>

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

Financial Institution	Account number	Period ended 30 <sup>th</sup> June 2025
		Kshs
<b>a) Current Account</b>		
Capital Sacco	100108410700	96,747
Equity Bank	0370297247640	51,336
KCB Bank	1233489542	906,862
KCB Bank	1335968938	14,700
Co-Operative Bank	01134205100300	1
<b>Sub- Total</b>		<b>1,069,646</b>
Cash in Hand		4,750
<b>Sub- Total</b>		<b>4,750</b>
<b>Grand Total</b>		<b>1,074,396</b>

**15. Prepayments**

Description	Period ended 30 <sup>th</sup> June 2025
	Kshs
Post office charges	14,163
<b>Total</b>	<b>14,163</b>

16. Receivables from Exchange transactions

Description	Period ended 30 <sup>th</sup> June 2025
	Kshs
<b>Current Receivables</b>	
Student Debtors	568,600
Advance payments	5,000
<b>Total Current Receivables</b>	<b>595,555</b>

17. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Impairment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Depreciation Rate</b>					<b>25%</b>				
<b>At 30<sup>th</sup> June 2024</b>									
Additions					50,000				<b>50,000</b>
Disposals									
Transfer/Adjustments									
Revaluation									
<b>At 30<sup>th</sup> June 2025</b>					<b>50,000</b>				<b>50,000</b>
<b>At 30 Jun 2024</b>									
Depreciation					1,042				<b>1,042</b>
Disposals									
Impairment									
Transfer/Adjustment									
<b>At 30<sup>th</sup> Jun 2025</b>					<b>1,042</b>				<b>1,042</b>
<b>Net Book Values</b>									
<b>At 30<sup>th</sup> Jun 2024</b>									
<b>At 30<sup>th</sup> Jun 2025</b>					<b>48,958</b>				<b>48,958</b>

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

Description	Period ended 30 <sup>th</sup> June 2025	
	Kshs	
Trade payables	191,400	
Salary deductions	72,720	
<b>Total Trade and Other Payables</b>	<b>264,120.00</b>	
<b>Ageing analysis:</b>	<b>Period ended 30<sup>th</sup> June 2025</b>	<b>% of the Total</b>
Under one year	264,120	100 %
<b>Total</b>	<b>264,120</b>	

### 19. Cash generated from operations.

	Period ended 30 <sup>th</sup> June 2025	
	Kshs	
Surplus for the year	835,804	
<b>Adjusted for:</b>		
Depreciation	1,042	
<b>Working Capital Adjustments</b>		
Increase in Receivables	(573,600)	
Increase in Payables	264,120	
Increase in Prepayments	(14,163)	
<b>Net Cash Flow from Operating Activities</b>	<b>514,145</b>	

### 20. Financial Risk Management

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

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

#### (i) Liquidity risk management

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

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

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Description	Less than 1 month	Between 1- 2 months	Over 2 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2025</b>				
Trade Payables	264,120.00	0	0	264,120
<b>Total</b>	<b>264,120.00</b>	<b>0</b>	<b>0</b>	<b>264,120</b>

**(ii) Market risk**

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

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

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

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

**a) Interest rate risk**

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

**b) Management of interest rate risk**

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

**iii) Capital Risk Management**

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

Description	Period ended 30 <sup>th</sup> June 2025 Kshs
Retained Earnings	1,446,995
<b>Total Funds</b>	<b>1,446,995</b>
Total Borrowings	0
Less: Cash and Bank Balances	1,074,395
Net Debt/(Excess Cash and Cash Equivalents)	1,074,395

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<b>Gearing</b>	0
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**21. 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 Meru**

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

- i) The County Government.
- ii) Department of Education and Technology
- iii) Board of Management;
- iv) Key management;

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

Description	Period ended 30 <sup>th</sup> June 2025 Kshs
<b>Transactions with Related Parties</b>	
<b>a) Grants /Transfers from the Government</b>	
Grants from County Government	2,415,000.00
<b>Sub-Total</b>	<b>2,415,000.00</b>
<b>b) Key Management Compensation</b>	
Board of Management emoluments	62,500.00
<b>Sub-Total</b>	<b>62,500.00</b>
	<b>2,477,500.00</b>

**22. Events After The Reporting Period**

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

**23. Currency**

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

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**20. Appendices**

**Appendix I : Implementation Status of Auditor-General Recommendations**

The entity is reporting for the first time thus no previous audit queries.

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



The stamp is circular with a blue border. The text 'KANYAKINE VOCATIONAL TRAINING CENTRE' is written around the top inner edge, and 'P. O. Box 30 - 60206, KANYAKINE' is written around the bottom inner edge. A red date stamp '07 DEC 2025' is in the center, with a blue signature scribble over it.

Date

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**Appendix II- Inter-Entity Confirmation Letter**


Name of transferring entity: County Government of Meru


Name of beneficiary entity: Kanyakine VTC

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> June 20XX					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	23/Feb/2025	990,000		990,000	
	23/Feb/2025	1,425,000		1,425,000	
Total		2,415,000		2,415,000	


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

**Head of Accounts Department - Disbursing Entity:**

Name DOUGLAS KOBIA DOMIZIHO Sign  Date 21/12/2025



**Head of Accounts Department - Beneficiary Entity:**

Name LYDIAH MURITHI Sign  Date 21/12/25

