

REPUBLIC OF KENYA



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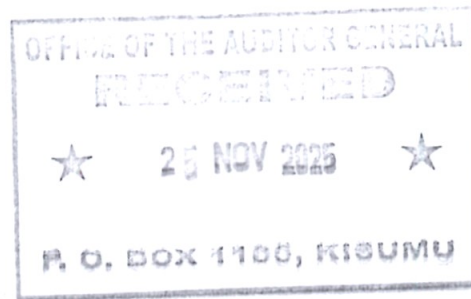
TABLED BY: *Hon. Owen Baya, mp*  
*Deputy Leader of Majority Party*  
OF *Ar. Ushuko*  
MERK-AT THE-TABLE:

**THE AUDITOR-GENERAL**

**ON**

**UGENYA TECHNICAL AND VOCATIONAL  
COLLEGE**

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



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**UGENYA TECHNICAL AND VOCATIONAL COLLEGE**

**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)



**Ugenya Technical and Vocational College**  
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**1) Acronyms & Glossary of Terms**

PFI – Planning, Finance and Infrastructure

ARISAH – Administration, Research, Innovation, Students Affairs and Human Resource.

BOG - Board of Governors

CBET – Competency Based Education and Training

F. M - Fiduciary Management

HELB – Higher Education Loans Board

ICPAK - Institute of Certified Public Accountants of Kenya

IPSAS - International Public Sector Accounting Standards

M.O.E. – Ministry of Education

PFM - Public Finance Management

PSASB - Public Sector Accounting Standards Board

P.S.C. – Public Service Commission

P.U. – Production Unit

P.M.C. – Principal’s Management Committee

T.V.E.T – Technical, Vocational, Education and Training

UTVC - Ugenya Technical and Vocational College

## 2) KEY UGENYA TECHNICAL & VOCATIONAL COLLEGE INFORMATION AND MANAGEMENT

### (a) Background information

Ugenya Technical and Vocational College is established under the TVET Act 2013. The college is domiciled in Kenya under the Ministry of Education State Department of Vocational and Technical Training.

In executing its core mandate, the college offers the following courses at Artisan, Certificate and Diploma levels:

- i) Electrical Engineering
- ii) Building and Civil Engineering
- iii) Plumbing Technology
- iv) Business Management
- v) Supply Chain Management
- vi) Human Resource Management
- vii) Social Work and Community Development
- viii) Refrigeration and Air Conditioning
- ix) Mechanical Engineering
- x) General Agriculture
- xi) Agricultural Engineering
- xii) Welding and Fabrication
- xiii) Automotive Engineering
- xiv) Motor Vehicle Mechanics
- xv) Information Communication Technology
- xvi) Beauty therapy and Hair Dressing.

### (b) Principal Activities

**Core mandate:** To offer Technical, Vocational, Education and Training services.

**Vision:** To be an excellent global provider of Competency Based Education and Training by promoting research and innovation.

**Mission:** To provide quality Technical, Vocational, Education, Training, Research and Innovation for sustainable development.

**Core Values:** Professionalism  
: Competence  
: Transparency and accountability

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- : Innovativeness
- : Inclusivity
- : Teamwork
- : Environmental stewardship

**(c) Management**

The management of the College is under the following key organs:

- Board of Governors.
- Accounting officer/ Principal
- Principal Management Committee (PMC)

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Principal	Ms Linda Ayuku W.
2.	Deputy Principal - Administration	Mr Benard Agie Malowa
3	Registrar - Administration	Mrs. Evelyne Wanza Nzioki
4	Registrar Academics	Mr. Antone Oloo Churchill
5	Dean of Students	Mr. Hezron S. Malimu
6	Head of Finance	Mr. Simon J. Njoga
7	Head of Procurement	Ms. Bethsheba A. Oyuga

**(e) Fiduciary Oversight Arrangements**

The following committees served during the 2024/2025FY in different capacities as indicated below;

1. **Audit and risk committee activities-** This committee is charged with the responsibility of ensuring the proper functioning and statutory compliance in the execution of the functions of the college. This duty is performed by the internal auditor in conjunction with the Board of Governors Audit Committee.
2. **Finance and operations committee activities** – This committee is responsible for the supervision of College Budget preparation, preparation and review of finance policy, compilation of financial reports and financial advice to the management of the college.
3. **Academic committee activities-** This committee is chaired by the deputy principal. The function of this committee is to ensure compliance and achievement of the core mandate of the college, that is, training. This committee also coordinates the preparation of the academic policies and internal quality assurance policy.
4. **Procurement committee** – In this department we have the following Adhoc committees;

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*Tender opening committee* – the function of this committee is to officially receive the bids and verify on a specific date quoted in the tender floated.

*Tender Evaluation committee* – This committee is responsible for the technical evaluation of the bids once received by the tender opening committee.

*Inspection acceptance and rejection committee* - Is responsible for the inspection and receipt of the goods and services on behalf of the college.

**f) College main Campus**

The physical location of U.T.V.C is;  
P.O. Box 74 -40614 Segal  
Off Kisumu- Busia Highway  
Segal, Kenya

**g) College Contacts**

Tel.No. : +254115107907/ +254115159121/ +254734899999  
E-mail: [ugenyatechcollege@gmail.com/info@utvc.ac.ke](mailto:ugenyatechcollege@gmail.com/info@utvc.ac.ke)  
Website: <https://www.utvc.ac.ke/webmail>

**h) College's Bankers**

Kenya Commercial Bank  
P.O. Box 32  
Siaya, Kenya

**i) Independent Auditors**



Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya

**j) Principal Legal Adviser**




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

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**3) THE BOARD OF GOVERNORS**

BOG's passport-size photo and Name.	Description of each Board of Governors Date of Birth, key qualifications and work experience.
 <p><b>1. Mr. Joseph Otieno Omolo</b> BOG Chairman</p>	<p><b>DOB</b> 6<sup>th</sup> November, 1959</p> <p><b>Qualifications:</b>            Bachelor's Degree in Project Management            Diploma in Water Engineering.            Practical training attachment at Kwa Mutonga Dam Construction site for 4 Months.            6 months Pre-Selection course.</p> <p><b>Work Experience:</b>            Asset Development and Management manager under Technical Department with Lake Victoria South Water Services Board from 2005 to Date            Head of operation and maintenance of water Supplies and sewerage in Siaya District. 2002-2005            Head of the Bura Domestic Water Supply &amp; Sewerage section. 1996            Deputy Manager Bura Irrigation and Settlement project 1996-1997            Superintendent Water Engineering Officer 1997            Supervisor construction works Kenya-Finland Rural Water Development Project as construction Supervisor from <b>1986-1995</b>            Engineering Assistant Kakamega Provincial Water Office from <b>1982-1986</b></p>
 <p><b>2. Ms Linda Ayuku Wekhoba</b> Principal/BOG Secretary</p>	<p><b>DOB :</b> 09<sup>th</sup> April, 1972</p> <p><b>Qualifications:</b>            BTED in Electrical and Electronics            HND in Electrical Engineering (Electronics Option)            Diploma in Technical Education            Technician 1-3 in Radio TV and Electronics.</p> <p><b>Work Experience:</b>            Principal - Ugenya Technical and Vocational College – May 2025 to Date.            Member of Board of Directors – Kenya Engineering Technology Registration Board (KETRB) – 2021 to Date            Principal – Rarieda Technical and Vocational College – 2022 – 2025            Deputy Principal Academics – The Kisumu National Polytechnic – 2020 -2022.            Head of Department – Electrical Engineering- The Kisumu National Polytechnic – 2011- 2020            Head of Section- Electronics - The Kisumu National Polytechnic –</p>

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 <p>3. Dr. Everleen Nekesa PhD. Board Member</p>	<p>2003 - 2011</p> <p><b>DOB :</b></p> <p><b>Qualifications:</b>  PhD in Information Technology Security and Audit  Master's Degree in Information Technology Security and Audit  Bachelor's Degree in Information Technology, First Class  Diploma in Computer Studies, Credit  ITE Essentials; Computer repair and maintenance</p> <p><b>Work Experience:</b>  Technical lead-Health IT USAID Project - 2018 to Date  Senior Technologist- Maseno University - 2015 to date  Part time lecturer- Maseno university and JOOUST - 2014 to date  Computer technician-Maseno university - 2008-2015  Internet support technician-Compulynx Nyanza - 2007-2008  Computer Operator, Lake Basin Development Authority - 2006-2007</p>
 <p>4. Dr. Stanslous Obota PhD. Board Member</p>	<p><b>DOB :</b></p> <p><b>Qualifications:</b>  PhD. (physics)  Master of Philosophy in Physics  Bachelor of Education Science  Diploma in Education Science</p> <p><b>Work Experience:</b>  Lecturer University of Kabianga - August 2011 to Date  High School Teacher - 1989 –August 2011</p>
 <p>5. Dr. Ndichu Peter Kamau PhD. Board Member</p>	<p><b>DOB :</b></p> <p><b>Qualifications:</b>  Doctor of Philosophy in Business Administration (Finance)  Master of Business Administration (Strategic Management)  Bachelor of Commerce (Finance)</p> <p><b>Work Experience:</b>  Lecturer in Finance, Maseno University - Jan 2024- To Date  Chairman Department of Accounting and Finance, Maseno University - Jan 2023- To-Date  Learner Support Assistant; Maseno university - July 2018- Dec 2022  Exam Coordinator- Department of Accounting and Finance - Jan 2011- Dec 2022  Assistant Lecturer, Maseno University - Jan 2010- Dec 2023  Part-time Lecture, Jomo Kenyatta University of Agriculture and Technology</p>

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	<p>(Kisumu Campus) - Jan 2014- Dec 2015  Part-time Lecture, Jomo Kenyatta University of Agriculture and Technology  (Kisii Campus) - Jan 2011-Dec 2011</p>
 <p>6. Ms.Regina Chepkasi  Board Member</p>	<p><b>DOB :</b></p> <p><b><u>Qualifications:</u></b>  BSc Agriculture</p> <p><b><u>Work Experience:</u></b>  Principal Consultant &amp; Trainer with the Isles Group - May 2018– To date  Child Welfare Director with the Open Arms International - Sept 2013 to April 2018  Regional HR Manager Sustainable Management Services Ltd - Nov 2011 – May 2013  Administration Officer, Unilever Tea Kenya - 2007 – 2011  Corporate Relations Officer, Unilever Tea Kenya 2005– 2007  Assistant Personnel Manager, Training &amp; Development 2001-2004  Assistant Health &amp; Safety Manager - 1998–2000  Field Assistant –Cheymen Estate - 1995 – 1997  Teacher Kaptagat Girls Secondary School - 1993-1995</p>
 <p>7. Mr. Cleophas Dalmas  Ochieng  Board Member</p>	<p><b>DOB :</b> 18<sup>th</sup> August,1954</p> <p><b><u>Qualifications:</u></b>  Master of Science Degree Course in Analytical Chemistry.  Post Graduate Diploma Degree Course in Advanced Chemistry  Degree course in Bachelor of Science.</p> <p><b><u>Work Experience:</u></b>  Chief Chemist &amp; Logistics Manager Pyrethrum Board of Kenya - Sept.2003–To Date  Chief Chemist, Pyrethrum Board of Kenya – Nov. 1994 Aug. 2003  Senior Chemist, Pyrethrum Board of Kenya - Jan.1987 - Nov.1994  Senior Laboratory Analyst, Government Chemists' department - Dec.1978 - March 1984</p>
	<p><b>DOB :</b> 1<sup>st</sup> July, 1962</p> <p><b><u>Qualifications:</u></b>  Bachelor of Education Arts BED ART – Kenyatta University  Kenya Advanced Certificate of Education KACE A- Level</p>

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8. Mr. Othieno Wafula Laurian  
Board Member

East African Certificate of Education (EACE)

**Work Experience:**

Senior Principal, Odiinya Secondary School – 2018 to 2022  
 Principal Urban Secondary School –2011 – 2018  
 Principal St. Thomas Aquinas Madende Secondary School – 1996 – 2010  
 Deputy Principal Lugulu A.C Secondary School – 1993 – 1996  
 CRE and Kiswahili Teacher at Lugulu A.C. Secondary School –1986 – 1992



9. Mr. John Wamae  
BOG Member/C.S. Rep.

DOB: 27<sup>th</sup> September, 1969

**Qualifications:**

Msc Applied statistics  
 Bsc Maths and Computer Science  
 Post Graduate Diploma in Education




**Work Experience:**

Worked with Teachers Service Commission as a Teacher  
 Quality Assurance and Standards Officer for TVET  
 County Director for TVET Kisumu – To Date





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**4) KEY MANAGEMENT TEAM**

PMC passport-size photo, name, and key Professional/Academic qualifications	Responsibility
 <p>1. Ms Linda Ayuku Wekhoba Principal/BOG Secretary</p>	<p>Chief Executive Officer/Principal General management of the college</p>
 <p>2. Agie B Malowa Deputy Principal-Administration M.Com (Finance) ,B,Com (Accounting ) , PGDE.</p>	<p>Administrative functions ( Procurement ,HR,) Supporting Training function Discipline management (Trainer and trainees) Staff performance appraisals</p>
 <p>3. Mr. Antone Oloo Churchill Rigistrar Academics BA. International Relations and Diplomacy</p>	<p>In-charge of student admission and examination administration. Advise the management on matters of students' enrolment.</p>

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	<p>Assist the Deputy Principal – Administration in the General Administration and planning. Coordinate registration and accreditation of new programs</p>
<p>4. Mrs. Evelyne Wanza Oyoo Registrar Administration B. Computer Science</p>	
	<p>Oversee Students welfare. Coordination of students HELB Loan applications.</p>
<p>5. Mr. Hezron S. Malimu Dean of Students Diploma in Mechanical Engineering</p>	
	<p>In charge of preparation of financial statements and Book Keeping. Annual Budget preparation and implementation. Financial Adviser to the Chief Executive Officer/Principal and the Board of Governors</p>
<p>6. Mr. Simon J. Njoga Finance Officer BBA Finance Option CPA III</p>	
	<p>In charge of procurement and coordination of stores. In-charge of preparation of Annual Procurement Plan in consultation with the Heads of Departments and Heads of Sections. Offer professional advice to the principal and the Board of Governors on procurement matters.</p>
<p>1. Ms. Bethsheba Oyuga Procurement Officer</p>	

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BL Supply Chain Management	
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**5. CHAIRMAN'S STATEMENT**

I wish to report that the current Board was appointed on 28<sup>th</sup> February, 2025. The Board is composed of seven members. This is the third Board of Governors since the college was started in the year 2018.

This Board has since been inaugurated and inducted by the Ministry of Education, State Department for Technical, Vocational Education and Training.

To execute its mandate, the Board has formed various committees to enhance its operations as follows;

- i) **Audit and Risk Management Committee** – This committee is charged with the responsibility of ensuring that the college comply with all the statutory and internal control policies of Ugenya Technical and Vocational College.
- ii) **Planning, Finance and Infrastructure Committee** – This committee is charged with the responsibility of ensuring that the college operate within the set financial standards and that the Governing financial laws are observed.
- iii) **Academic, Research, Innovation, Students Affairs and Human Resource Committee** – This committee is responsible and ensures that the core mandate of the institution, that is training, is achieved. It also govern the students behaviour by formulating the students organization rules and regulations.

It should be noted that the current Board took over from the previous Board in third quarter of the 2024/2025FY. To ensure continuity, one Board member from the previous Board was nominated as the chairperson for the current Board.

For the year ended 30<sup>th</sup> June, 2025, the college under took the following projects; Fencing of the land acquired in 2023/2024FY, Construction of Building and Civil Engineering practical shade and college Bus shade, Amalgamation of the college title deeds into one title deed by the Ministry of Lands, Repair and improvement of the College gate and College parking shade.

A part from the afore mentioned projects, the college has also saved funds and committed to execute the following projects in first quarter of 2025/2026FY; Construction of classrooms and offices at kshs.7,368,679.00, Acquisition of mechanical practical and driving school vehicle at kshs.2,500,000.00, Acquisition of Enterprise Resource Planning (Management Information System) at kshs.900,000.00, ERP Server at kshs.190,000.00 and Acquisition of lap top computers at kshs.256,000.00. These projects have been financed by the recurrent income, that is, fees from students.

During the year 2024/2025FY, the college faced serious financial challenges as the capitation and scholarship earned during the year of kshs.68,896,204.00 was received to a tune of kshs. 23,941,484.00 with the difference of kshs.44,954,720.00 written off as bad debts. A part from the scholarship and capitation grants challenges, the college was also not privileged receive the funding from Higher Education Loans Board according to the number of students who applied for the funding. The underfunding was occasioned by the limited budget as reported by HELB officers. Should the college have received the earned amounts during the year, we would have had various projects undertaken to the benefit of the college.

On the Human Resource matters, Mrs. Elizabeth A. O. Okullu was replaced by Ms Linda Ayuku W. as the principal on 13/05/2025. On the other end, one Public Service Commission trainer, Mr.

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John Binfrid Mwanda, retired on 15/04/2025. To curb the trainer to trainee shortage, the Board engaged the services of 9 trainers on Board of Governors terms of service.

As a Board, we have put in place the necessary marketing strategies to ensure that we admit the highest number of trainees to help raise adequate revenue for the college to remain a going concern.

Sign 

Date 24/11/25

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**6. REPORT OF THE PRINCIPAL**

I wish to state that this report covers the period 1<sup>st</sup> July 2024 to 30<sup>th</sup> June, 2025 accounting period. The financial statements and reports give fair view of the college operations. The running of the college was under the leadership of Mrs. Elizabeth A. O. Okullu until 13<sup>th</sup> May 2025 when I, took over. The following were handed over; Seven Board of Governor Members, 32 Public Service Commission Trainers, 22 Board of Governor trainers, 15 Technical staff, 1133 students, 42 courses notwithstanding the commitments and assorted assets as per the handing over documents. By 30<sup>th</sup> June 2025, other activities had taken place in terms of operations and these have been reflected in this report.

To oversee the college operations, the current Board was appointed on 28/02/2025 by the Cabinet Secretary, Ministry of Education. The Board is composed of seven members excluding the principal, who is the secretary to the Board, and the County Director who represents the Principal Secretary State Department for Technical Vocational Education and Training during the meetings. This is the third Board of Governors since the college was started in the year 2018. The Board has since been inaugurated and inducted from 11<sup>th</sup> to 13<sup>th</sup> June 2025 by the Ministry of Education, State Department for Technical, Vocational Education and Training.

To execute its mandate, the Board has formed various committees to enhance its operations as follows;

- i) **Audit and Risk Management Committee** – This committee is charged with the responsibility of ensuring that the college comply with all the statutory and internal control policies of Ugenya Technical and Vocational College.
- ii) **Planning, Finance and Infrastructure Committee** – This committee is charged with the responsibility of ensuring that the college operate within the set financial standards and that the Governing financial laws are observed.
- iii) **Academic, Research, Innovation, Students Affairs and Human Resource Committee** – This committee is responsible and ensures that the core mandate of the institution, that is training, is achieved. It also governs the student's behaviour by formulating the student's organization rules and regulations.

It should be noted that the current Board took over from the previous Board in third quarter of the 2024/2025FY. To ensure continuity, one Board member from the previous Board was nominated as the chairperson for the current Board.

For the year ended 30<sup>th</sup> June, 2025, the college undertook the following projects; Fencing of the land acquired in 2023/2024FY, Construction of Building and Civil Engineering practical shade and college Bus shade, Amalgamation of the college title deeds into one title deed by the Ministry of Lands, Repair and improvement of the College gate and College parking shade.

A part from the afore mentioned projects, the college has also saved funds and committed to execute the following projects in first quarter of 2025/2026FY; Construction of classrooms and offices at kshs.7,368,679.00, Acquisition of mechanical practical and driving school vehicle at kshs.2,500,000.00, Acquisition of Enterprise Resource Planning (Management Information System) at kshs.900,000.00, ERP Server at kshs.190,000.00 and Acquisition of lap top computers at kshs.256,000.00. These projects have been financed by the recurrent income, that is, fees from students.

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During the year 2024/2025FY, the college faced serious financial challenges as the capitation and scholarship earned during the year of kshs.68,896,204.00 was received to a tune of kshs. 23,941,484.00 with the difference of kshs.44,954,720.00 written off as bad debts. A part from the scholarship and capitation grants challenges, the college was also not privileged to receive the funding from Higher Education Loans Board according to the number of students who applied for the funding. The underfunding was occasioned by the limited budget as reported by HELB officers. Should the college have received the earned amounts during the year, we would have had various projects undertaken to the benefit of the college.

Being that our college majorly depend on the recurrent income from the student's fee, we have put in place the necessary marketing strategies to ensure that we admit the highest number of trainees to help raise adequate revenue for the college to remain a going concern. A part from the tuition fee, the college has also put in place an elaborate plan to start income Generating Activities in the 2025/2026FY.

It is also important to report that the 2022/2023FY and 2023/2024FY books that were in arrears for audit have since been audited and reports received accordingly. The audits have seen the college receive qualified opinion majorly due to Property, Plant and Equipment that were donated by the Ministry of Education, State Department for Technical, Vocational Education and Training that are yet to be registered by the necessary Government bodies. Our effort to register these assets through the Ministry of Education has not borne any fruits. This has made it impossible for the college to use the tractors for income generating activities.

On the core mandate of the institution, we are currently implementing five curricula; Kenya Knowledge Based Education and Training, Dual Training, Recognition of Prior Learning, Cycle i and ii of the CBET and Modularised CBET. The implementation of the said curricula has faced several challenges due to their practicality and lack of resources. Even though we are struggling to implement the vast curricula, it is our hope that the Government will find it necessary to support the Technical Education with adequate resources for its sufficient management.

The staff establishment as at 30/06/2025 indicated that the college is still understaffed to the tune of 36 trainers and 20 technical staff. The inadequacy is attributed to the lack of resources to engage more staff.

On greening TVET, we managed to plant Two Thousand Eight Hundred additional trees in the college compound in accordance with presidential directive and Bottom up Economic Transformation Agenda (BETA). Being a centre of excellence in Agriculture and Agricultural Engineering, the college has laid down strategies to ensure that the community around the college also benefit from the agricultural activities and initiatives offered by our college training. I may not forget to mention that, irrespective of the many challenges that our college is facing, we have endeavoured to maintain higher performance towards our mission and vision. This is evidenced by our continued performance contract score card that has moved from 3.3250, 3.0675, 2.9642 and finally 2.7987 in 2023/2024FY.

Sign 

Date 24/11/2025





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		Integration	training of students according to the curricula. Integration of Information Communication Technology in training	technology integrated in training
Governance and accountability	Promote governance and accountability	<ul style="list-style-type: none"> <li>i) Financial Resource Management</li> <li>ii) Collaboration and Linkages.</li> <li>iv) Corporate Image.</li> <li>v) Policy Frame Work.</li> <li>vi) Human Resource Management.</li> <li>vii) Environmental Conservation</li> </ul>	<ul style="list-style-type: none"> <li>i) Compliance with set budgetary Estimates</li> <li>ii) Compliance with the statutory requirements.</li> <li>iii) Strengthen production unit collection</li> <li>v) Strengthen fee payment</li> <li>vi) Signing of memorandum of understanding</li> <li>vii) Engagement of staff to fill the vacancies</li> <li>viii) Planting of trees in the nearby primary school.</li> </ul>	<ul style="list-style-type: none"> <li>i) 100% compliance with statutory requirements.</li> <li>ii) Collections from PU</li> <li>iv) Amount of fee collected</li> <li>v) The memorandum of understandings signed</li> <li>vi) Staff engaged accordingly</li> <li>vii) Trees planted in college and the nearby primary school.</li> </ul>

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**8) CORPORATE GOVERNANCE STATEMENT**

The Board of Governors consist of seven members. The Board members were appointed by the Cabinet Secretary Ministry of Education and have been in the office from 1<sup>st</sup> April, 2025. This Board replaced the previous Board that was appointed on 9<sup>th</sup> February, 2022 and served upto 8<sup>th</sup> February, 2025 before handing over to the current Board.

The induction of the new Board was carried out at Kisumu Hotel from 11/06/2025 to 13/06/2025, with the following present;

- |                            |                               |
|----------------------------|-------------------------------|
| 1) Mr. Joseph Otieno Omolo | Chairperson                   |
| 2) Ms. Linda Ayuku W.      | Secretary                     |
| 3) Mr. John Wamae          | Regional County Director TVET |
| 4) Dr. Stanslous Obota     | Member                        |
| 5) Dr. Peter Kamau         | Member                        |
| 6) Dr. Everlyne Nekesa     | Member                        |
| 7) Ms. Regina Chepkasi     | Member                        |
| 8) Mr. Laurian Wafula      | Member                        |
| 9) Mr. Cleophas Dalmas     | Member                        |

The following are the previous Board members that two members served for two terms while the rest served for one term;

- |                                |             |
|--------------------------------|-------------|
| 1) Dr. Satwinder Rupra         | Chairperson |
| 2) Mr. Oscar Mujumba           | Member      |
| 3) Mr. Boniface Njoroge        | Member      |
| 4) Ms. Philis Kaptuiya Boronjo | Member      |
| 5) Ms. Esther Natembea Simiyu  | Member      |
| 6) Mr. Joseph Otieno Omollo    | Member      |
| 7) Ms. Nivian Anyango Ogogo    | Member      |
| 8) Mr. Innocent Muganda        | Member      |

To achieve its core mandate, the college Board of Governors has developed the Board Charters guided by *Mwongozo*, and the TVET Act 2013. The key driver of governance at Ugenya Technical and Vocational College is the Board which is vested with the single most responsibility of giving strategic direction to the Institution towards the achievement of its vision and mission.

The Board is wholly responsible for ensuring that the business of the Institution remains a growing concern. It will maintain full and effective control over the Institution plans, programs and activities, including but not limited to formulating appropriate policies to direct and guide management action and to ensure its active involvement in all material decisions affecting the Institution.

Corporate governance best practices require that Board of Governors conduct self-evaluation of its performance on annual basis. Further, *Mwongozo*, the Code of Governance for State Corporations, requires that Board of Governors carry out annual performance evaluation and file

**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the Year ended 30th June 2025**

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a report thereof with the parent Ministry and the State Corporations Advisory Committee (SCAC).

During the 2024/2025FY, Ugenya Technical & Vocational College conducted Board performance evaluation for the following members before their exit;

- |                                |             |
|--------------------------------|-------------|
| 1. Dr. Satwinder Rupra         | Chairperson |
| 2. Mr. Oscar Mujumba           | Member      |
| 3. Mr. Boniface Njoroge        | Member      |
| 4. Ms. Philis Kaptuiya Boronjo | Member      |
| 5. Ms. Esther Natembea Simiyu  | Member      |
| 6. Mr. Joseph Otieno Omollo    | Member      |
| 7. Ms. Nivian Anyango Ogogo    | Member      |
| 8. Mr. Innocent Muganda        | Member      |

For the effective execution of their mandate as a Governing body, the Board has put in place the necessary committees for compliance and monitoring. The Board has also formulated a number of policies for control purposes. During the year ending 30<sup>th</sup> June 2025, the Board held nine committee meetings with four full board meetings.

**9) MANAGEMENT DISCUSSION AND ANALYSIS**

This committee is composed of the Principal, Deputy Principals, Registrar, Dean of Students, Finance Officer, Human Resource Officer and the Supply Chain Officer. The committee is charged with the responsibility of ensuring that the operations of the college are effectively implemented in line with the statutory requirements and guide lines.

During the Financial Year 2024/2025, the college managed to undertake the following successfully;

- a) Planting of 3,200 trees in College Compound and Ligose Primary School
- b) Modification of college gate.
- c) Fencing of additional piece of land for College expansion and development.
- d) Construction of Building and Civil Engineering workshop
- e) Marketing of college courses and admission of new students according to the set target.
- f) Administration of Competency Based Education and Training Courses (Dual training and modularised)
- g) Submission of quarterly financial statements and reports.
- h) Audit of 2022/2023FY and 2023/2024FY books of accounts by the office of the Auditor General.

It is also important to report that, irrespective of the tremendous challenges, faced by our college, we have continuously improved our average mean score in the Kenya National Examinations.

By the close of the 2024/2025F/Y, our college had not received capitation for the third and fourth quarter capitation. The scholarship fund reported in this report represent the arrears for 2023/2024FY and that the college did not receive any funding for 2024/2025 according to the disbursement letters by the Ministry of Education State Department for Technical, Vocational Education and Training. This seriously affected the college Budget commitments as the college could not fulfil all the Budget contents occasioning the review of the Budget to limit the expenditure areas.

It is therefore the opinion of the committee that nothing has come to our attention to warrant Ugenya Technical and Vocational College not to be a going concern in the unforeseen future.

**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the Year ended 30th June 2025**

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**10) ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

During the financial year 2024/2025, the college carried out a number of outreach programmes to the community as follows:

**Ploughing Services** – the college offered ploughing services to the community at a subsidised rate enabling them to increase their farming scale at low cost leading to availability of food stuff within the area. This exercise was however affected by the lengthy Government procurement procedures.

**Water** – Due to water shortage in the area, the college gave access to the surrounding households to draw water from its well as at when they required.

**Waste Management** - The College collected all the waste in a pit where the waste was composted to farm yard manure which was later used in the farm for Agricultural purposes. Our college also trained the community on the modern agricultural practices to help them realize good harvest.

**Employee Welfare** –The College also facilitated various staff to attend various trainings to help improve their skills to aid efficiency in the service delivery.

**Compliance with the Statutory Requirements**– the college applied and conducted transparent, accountable and very professional interviews for the staff engaged during the financial year 2024/2025 where all the applicants were given equal opportunities to defend their papers and compete fairly for the advertised vacancies.

**Supplier Relationship** – This was well maintained by keeping good communication channels between the institution and the suppliers. All the contracts were honoured accordingly by both the institution and the suppliers based on the approved contracts and the specifications given to the suppliers. Consequently, the college paid its suppliers promptly after the delivery of the goods/ services. It's also important to note that the evaluation of the tender documents is done with transparency, integrity, professionalism and accountability and hence giving room for effective competition among the suppliers and better service provision.

**Environmental Conservation** – The College planted a total of 2800 trees of different species in college compound and 600 trees in the neighbouring Ligose primary school.

## 11) REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Ugenya Technical and Vocational College affairs.

### **Principal activities**

The principal activity of Ugenya Technical and Vocational College is to offer Technical, Vocational, Education and Training services.

### **Results**

The results of the Ugenya Technical and Vocational College for the year ended June 30, 2025 are set out on page 1 to 5.

### **Board of Governors**

The members of the Board who served during the year are shown on page xxi . During the year 2024/2025FY the term of the second Board ended and a new Board was appointed with effect from 28/02/2025.

### **Auditors**

The Auditor General is responsible for the statutory audit of the Ugenya Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Ugenya Technical and Vocational College for the year ended June 30, 2024, 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



.....  
**Secretary of the Board**

**Nairobi**

**Date:**



**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the Year ended 30th June 2025**

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**12) Statement of Board of Governors Responsibilities**

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

The Board members are responsible for the preparation and presentation of Ugenya Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of the college 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 College, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

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

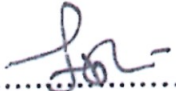
In preparing the financial statements, the Principal has assessed the Ugenya Technical and Vocational College ability to continue as a going concern. Nothing has come to the attention of the Council members to indicate that the Ugenya Technical and Vocational College will not remain a going concern for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

**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the Year ended 30th June 2025**

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**Approval of the financial statements**

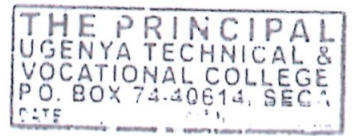
The Ugenya Technical and Vocational College financial statements were approved by the Board on 21/08/2025 and signed on its behalf by:



.....  
Name **Joseph O. Amolo**  
Chairperson of the Board



.....  
Name  
Accounting Officer/Principal



# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON UGENYA TECHNICAL AND VOCATIONAL COLLEGE 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

The accompanying financial statements of Ugenya Technical and Vocational College set out on pages 1 to 23, which comprise of the statement of financial position as at 30 June, 2025, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts and notes to the financial statements 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 Ugenya Technical and Vocational College as at 30 June, 2025 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, Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Lack of Ownership Documents for Tractors**

Note 18 to the financial statements reflects a balance of Kshs.14,907,715 in respect of plant and equipment which includes an amount of Kshs.5,470,218 in respect of five (5) tractors donated to the College from the Ministry of Education. However, no evidence in form of logbooks were provided for audit to confirm ownership of the tractors.

In the circumstances, the ownership of the tractors could not be confirmed.

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

### **Emphasis of Matter**

#### **Budget Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amounts on a comparable basis of Kshs.64,870,221 and Kshs.53,454,688 respectively resulting to an under-funding of Kshs.11,415,533 or 17.6% of the revenue budget.

Similarly, the college expended Kshs.50,756,228 against an approved budget of Kshs.64,870,221 resulting to an under-expenditure of Kshs.14,113,993 or 21.7% of the approved revenue budget.

The under absorption and underfunding may have negatively impacted 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 other key audit matters to communicate in my report.

## Other Matters

### Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the College in 2024/2025 revealed that the following four (4) issues remained unresolved:

S/NO	Financial Year	Audit Issue
1	2023-2024	Property, Plant and Equipment
2	2023-2024	Budget Control and Performance
3	2023-2024	Non - compliance with law on ethnic Composition
4	2023-2024	Lack of Internal Review and Risk Assessment

## Other Information

The Management is responsible for the Other Information set out on page iii to xxv which comprise of Key Entity Information and Management, Board of Governors, Chairperson's Statements, Report of the Senior Principal, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Board of Governors and Statement of Board of Governors Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the College'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 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 the Lawfulness and Effectiveness in Use of Public Resources section of my report,

I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Under-Utilization of Assets**

The statement of financial position reflects an amount of Kshs.143,933,019, which as disclosed in Note18 to the financial statements reflects a balance of Kshs.14,907,715 in respect of plant and equipment which includes an amount of Kshs.4,376,174.40 in respect of four (4) tractors, Kshs.440,000 for Maize Harvester and Kshs.96,250 for Potato Excavator/Harvester.

However, audit inspection conducted in November,2025 revealed that the assets are not currently in use and have remained idle for a prolonged period of time. Consequently, no economic or service benefits are being derived from them, meaning the assets are underutilized and the intended purpose of their acquisition has not been achieved.

In the circumstances, the purpose for the asset is not achieved.

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

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects Kshs.10,100,806 in respect of employee costs. However, review of the payroll for the Month of June, 2025 revealed that the college had a total of thirty –six (36) employees out of which thirty (30) or approximately 83% were from the dominant ethnic community in the County. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community.

In the circumstances, Management is 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 effects of the matter 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**

### **Lack of Internal Audit Reports**

During the year under review, it was noted that there was no internal audit review of the institute's activities contrary to section 160(1) of the Public Finance Management (National Government) Regulations which require that the internal Auditor shall review the effectiveness of the financial and non-financial performance management system of the entities.

In the absence of constant reviews by the internal audit unit, the effectiveness of internal control and risk management in relation to the entity could not be confirmed.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 College'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 terminate the College or 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 Governors is responsible for overseeing the College'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**

**03 December, 2025**


**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**


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

Details	Note	30 <sup>TH</sup> JUNE 2025	30 <sup>TH</sup> JUNE 2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Capitation and Scholarship Grants	6	23,941,484.00	22,571,233.00
Public contributions and donations		0	9,252,065.00
<b>Total Revenue from non-exchange transactions</b>		<b>23,941,484.00</b>	<b>31,823,298.00</b>
<b>Revenue from exchange transactions</b>			
Rendering of services – Fees from Students	7	42,202,497.00	31,089,904.00
Other income - Production unit	8	22,000.00	240,950.00
<b>Total Revenue from exchange transactions</b>		<b>42,224,497.00</b>	<b>31,330,854.00</b>
<b>Total Revenue</b>		<b>66,165,981.00</b>	<b>63,154,152.00</b>
<b>Expenses</b>			
Use of goods and services	9	31,867,600.00	25,824,609.00
Employee costs	10	10,100,806.00	9,487,743.00
Board of Governors Costs	11	2,841,752.00	2,408,000.00
Repair Maintenance and Improvement	12	4,047,308.00	1,875,685.00
Contracted services	13	1,891,962.00	2,045,442.00
Production unit	14	6,800.00	202,750.00
Depreciation on PPE	18	8,024,552.00	1,799,600.00
Loss on Revaluation		0	4,467,994.00
<b>Total expenses</b>		<b>58,780,780.00</b>	<b>48,111,823.00</b>
<b>Surplus for the period</b>		<b>7,385,201.00</b>	<b>15,042,329.00</b>

The notes set out on pages 6 to 20 form an integral part of the Annual Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed by:

  
 .....  
 Chairman of Council/Board

  
 .....  
 Principal

  
 .....  
 Finance Officer  
 ICPAK No 25279782  
 P.O. BOX 74 - 40614 SEGA  
 Date

Date

Date 24/11/2025

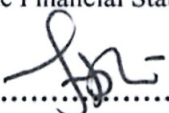
THE PRINCIPAL  
 UGENYA TECHNICAL &  
 VOCATIONAL COLLEGE  
 P.O. BOX 74-40614, SEC 4  
 DATE

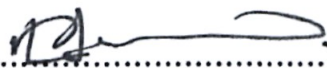
**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the Year ended 30th June 2025**


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

Details	Note	30 <sup>TH</sup> JUNE 2025 Kshs	30 <sup>TH</sup> JUNE 2024 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	15	15,733,073.00	15,732,612.00
Fees Arrears - Receivables	16	13,557,597.00	2,603,428.00
Inventory	17	805,718.00	432,277.00
<b>Total Current Assets</b>		<b>30,096,388.00</b>	<b>18,768,317.00</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	18	143,933,019.00	149,259,572.00
<b>Total Assets</b>		<b>174,029,407.00</b>	<b>168,027,889.00</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	19	0	0
Refundable deposits (prepaid fees)	20	616,317.00	2,000,000.00
<b>Total Current Liabilities</b>		<b>616,317.00</b>	<b>2,000,000.00</b>
<b>Total Net Assets</b>		<b>173,413,090.00</b>	<b>166,027,889.00</b>
<b>Capital Fund</b>			
Capital Fund		55,159,669.00	55,159,669.00
Accumulated Surplus		50,741,893.00	43,356,692.00
Revaluation Reserve		67,511,528.00	67,511,528.00
<b>Total Net Liabilities</b>		<b>173,413,090.00</b>	<b>166,027,889.00</b>

The Financial Statements set out on pages 1 to 5 were signed by:

  
 .....  
**Chairman of Council/Board**

  
 .....  
**Principal**

  
 .....  
**Finance Officer**

ICPAK No 2523782  
 BOX 74 - 40614, SEC 1

**Date**

**Date** 24/11/2025

**Date**

**THE PRINCIPAL**  
 UGENYA TECHNICAL &  
 VOCATIONAL COLLEGE  
 P.O. BOX 74-40614, SEC 1  
 NATE

**Ugenya Technical and Vocational College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

**16) Statement of Changes in Net Asset For The Year Ended 30 June 2025**

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
<b>At July 1, 2023</b>	-	<b>28,314,363.00</b>	<b>55,159,669.00</b>	<b>83,474,032.00</b>
Revaluation gain	67,511,528.00	-	-	67,511,528.00
Surplus/(deficit) for the year	-	15,042,329.00	-	15,042,329.00
<b>At June 30, 2024</b>	<b>67,511,528.00</b>	<b>43,356,692.00</b>	<b>55,159,669.00</b>	<b>166,027,889.00</b>
<b>At July 1, 2024</b>	<b>67,511,528.00</b>	<b>43,356,692.00</b>	<b>55,159,669.00</b>	<b>166,027,889.00</b>
Surplus/(deficit) for the year	-	7,385,201.00	-	7,385,201.00
<b>At June 30, 2025</b>	<b>67,511,528.00</b>	<b>50,741,893.00</b>	<b>55,159,669.00</b>	<b>173,413,090</b>

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

Details	Note	30 <sup>TH</sup> JUNE 2025 Kshs	30 <sup>TH</sup> JUNE 2024 Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Capitation and Scholarship Grants		23,941,484.00	22,571,233.00
Rendering of services- Fees from students		29,491,204.00	34,814,562.00
Other income – Production Unit		22,000.00	240,950.00
<b>Total Receipts</b>		<b>53,454,688.00</b>	<b>57,626,745.00</b>
<b>Payments</b>			
Use of goods and services		31,867,600.00	25,824,609.00
Compensation of employees		10,100,806.00	9,487,743.00
Board of Governors Costs		2,841,752.00	2,408,000.00
Repair Maintenance and Improvement		4,047,308.00	1,875,685.00
Contracted Services		1,891,962.00	2,045,442.00
Production Unit		6,800.00	202,750.00
<b>Total Payments</b>		<b>50,756,228.00</b>	<b>41,844,229.00</b>
<b>Net cash flows from operating activities</b>		<b>2,698,460.00</b>	<b>15,782,516.00</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment Assets		2,697,999.00	7,111,860.00
<b>Net cash flows used in investing activities</b>		<b>2,697,999.00</b>	<b>7,111,860.00</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>461.00</b>	<b>8,670,656.00</b>
Cash and cash equivalents at 1 <sup>st</sup> July 2024		15,732,612.00	7,061,956.00
<b>Cash and cash equivalents at 30<sup>th</sup> June 2025</b>		<b>15,733,073.00</b>	<b>15,732,612.00</b>

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
<b>Receipts</b>						
Capitation and Scholarship Grants	34,745,364.00	(10,912,935.00)	23,832,429.00	23,941,484.00	109,055.00	0.46%
Rendering of services- fees from students	43,372,232.00	(2,356,440.00)	41,015,792.00	29,491,204.00	(11,524,588.00)	(28.10%)
Other income - Production unit	-	22,000.00	22,000.00	22,000.00	0.00	0%
<b>Total Receipts</b>	<b>78,117,596.00</b>	<b>13,247,375.00</b>	<b>64,870,221.00</b>	<b>53,454,688.00</b>	<b>(11,415,533.00)</b>	<b>17.60%</b>
<b>Payments</b>						
Use of goods and services	36,921,914.00	(4,989,400.00)	31,932,514.00	31,867,600.00	64,914.00	0.2%
Employee costs	10,750,608.00	(684,584.00)	10,066,024.00	10,100,806.00	34,782.00	0.35%
Board Expenses	3,747,462.00	0	3,747,462.00	2,841,752.00	905,710.00	24.17%
Repairs and maintenance	2,986,420.00	995,000.00	3,981,420.00	4,047,308.00	65,888.00	1.65%
Contracted services	2,315,200.00	(402,591.00)	1,912,609.00	1,891,962.00	20,647.00	1.1%
Production unit	0	6,800.00	6,800.00	6,800.00	0.00	0%
<b>Total Expenditure Payments</b>	<b>56,721,604.00</b>	<b>5,074,775.00</b>	<b>51,646,829.00</b>	<b>50,756,228.00</b>	<b>890,601.00</b>	<b>1.72%</b>
Development Budget	7,600,992.00	7,092,400.00	14,693,392.00	2,697,999.00	11,995,393.00	81.64%
<b>Surplus</b>				<b>461.00</b>		

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
1	Actual Surplus Amounts as per the statement of Budget	461.00
2	Opening Balance As At 01/07/2024	15,732,612.00
	<b>Closing Cash and Cash Equivalent as per the statement of Cash flows</b>	<b>15,733,073.00</b>

1. That the report is based on the final budget estimates and not the original budget as a supplementary budget was prepared before the end of the said financial year to adjust the budget according to the available resources as shown in the statement of comparison of budget and actual amounts.
2. That the major deviation leading to budget review was caused by the failure to receive the capitation grant as projected during the original budget preparation.
3. That the under performance in the Board of Governors vote head is attributed to the cost of Board of Governors induction that was budgeted to cost the college kshs.1,200,000.00 and was later undertaken at a cost of kshs.660,000.00. The cost also went down due to expiry of the last Board's terms of service eliminating some Board committee meetings.
4. The rendering services, fee from students reflected in the statement of comparison of budgeted and actuals amounts was underscored due to fee arrears occasioned by failure to receive the HELB Loan applied for by the students.
5. The development vote head also under performed due to late commencement of the construction of the classrooms and offices that had not attracted any certificate payment by 30/06/2025. This project has since been completed.

## **19) NOTES TO THE FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

Ugenya Technical and Vocational College is established by and derives its authority and accountability from TVET Act 2013. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College's principal activity is Training.

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the College's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the College.

The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act 2015, the TVET Act 2013, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

##### **b) Budget information**

The original budget for FY 2024/2025 was approved by the Board on 27/05/2024 while the final Budget was approved by the Board on 16/05/2025. There were other additional appropriations added to the original budget by the College in order to conclude the final budget.

The College's budget is prepared on the same 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

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performance as well as the budget is prepared on accrual basis. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, was then presented in the statement of comparison of budget and actual amounts.

**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.

**Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of years.

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

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

**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 of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the College 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.

**Depreciation of Fixed Assets**

It is the policy of Ugenya Technical and Vocational College to depreciate its Property, Plant and Equipment over its useful life by considering the following;

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- i) If an item of property, plant and equipment is revalued, the entire class of PPE to which that asset belong shall be revalued.
- ii) The depreciation charge for each period shall be recognized in surplus or deficit unless it is included in the carrying amount of another asset.
- iii) The depreciation method chosen shall reflect the pattern in which the asset's future economic benefits of service potential are expected to be consumed by the college.
- iv) An impairment loss of a cash generating asset-is the amount by which the carrying amount of an asset exceeds its recoverable amount.
- v) The depreciation method applied to an asset shall be reviewed every year when the financial statements are being prepared subject to changes in the status of the asset.
- vi) The assets of UTVC shall be depreciated annually on a straight-line basis and where this method is not applicable, the revaluation method shall be adopted.
- vii) Depreciation rates as per I.T Act for most commonly used assets of the college shall be as follows;

No.	Asset Class	Asset Type	Rate of Depreciation
1	Building	Offices/Classes/Lecture Rooms/workshops/toilets/power house	2.5%
2	Building	Purely temporary erections such as wooden structures	25%
3	Furniture	Furniture – Any furniture / fittings including electrical fittings and air conditioners	12.5%
4	Plant & Machinery	Plant and Equipment	12,5%
5	Plant & Machinery	Computers, Laptops, computer software, Printer, Scanner, UPS and other peripheral devices	12.5%
6	Plant & Machinery	Books	25%
7	Plant & Machinery	Motor Vehicles	25%
8	Catering Equipment	Cutleries	10%

**Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the College. 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 College 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.

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

**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

**Research and development costs**

The college expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the college 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.

**4. FINANCIAL INSTRUMENTS**

**Financial assets**

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 college does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the college'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

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costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**Classification**

The college 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 college's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows 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 college 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.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial

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assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

**Held-to-maturity**

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

**Impairment of financial assets**

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

The debtors or a entity of debtors are experiencing significant financial difficulty

Default or delinquency in interest or principal payments

The probability that debtors will enter bankruptcy or other financial reorganization

Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

**Financial liabilities**

**Loans and borrowing**

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

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

**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

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a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the college.

**Provisions**

Provisions are recognized when the college 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 college 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 college 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 college 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 college 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.

**Nature and purpose of reserves**

The college has created and maintained reserves in terms of specific requirements.

**Changes in accounting policies and estimates**

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

**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.

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**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.

**Related parties**

The college regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the college, or vice versa. Members of key management are regarded as related parties and comprise the Board of Governors, the principal and senior managers.

**Service concession arrangements**

The college 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 college 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 college also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**Comparative figures**

During the preparation of the financial statements for the Year ended 30<sup>th</sup> June, 2025 there was no change in comparison of figures in-respect of the past financial statements.

**Subsequent events**

There have been no events subsequent to the end of the year with a significant impact on the financial statements for the year ended June 30<sup>th</sup> 2025.

**5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION  
UNCERTAINTY**

The preparation of the college'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

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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 college 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 college. 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 college.

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 16.

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.

**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 college 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 college 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 college 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 number 19*.

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**c) 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 college 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.

**Events after the Reporting Period**

There were no material adjusting and non- adjusting events after the reporting period. This was caused by the valuation of the college plant and equipment that was carried out by the ministry of transport, the mechanical department, siaya county office.

**Ultimate and Holding Entity**

The college is under the State department for Technical, Vocational, Education and Training under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**Currency**

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

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**6) CAPITATION AND SCHOLARSHIP GRANT**

Details	30 <sup>TH</sup> JUNE 2025	30 <sup>TH</sup> JUNE 2024
	Kshs	Kshs
<b>Unconditional grants</b>		
Capitation Grant – Quarter 1	4,538,700.00	2,072,000.00
Capitation Grant – Quarter 2	12,389,000.00	2,072,000.00
Capitation Grant – Quarter 3	0	2,368,000.00
Capitation Grant – Quarter 4	0	2,823,000.00
GoK Scholarship	7,013,784.00	13,236,233.00
<b>Total Government Grants</b>	<b>23,941,484.00</b>	<b>22,571,233.00</b>

**7) FEES FROM STUDENTS**

Details	30 <sup>TH</sup> JUNE 2025	30 <sup>TH</sup> JUNE 2024
	Kshs	Kshs
Tuition/S.E.S. and other related charges Actual Receipts	29,741,650.00	28,918,306.00
Tuition/S.E.S. and other related charges Receivables	12,460,847.00	2,171,598.00
<b>Total</b>	<b>42,202,497.00</b>	<b>31,089,904.00</b>

The table above shows the receipts during the year based on the accrued basis of Accounting for AIA.

**8) OTHER INCOME – PRODUCTION UNIT**

Details	30 <sup>TH</sup> JUNE 2025	30 <sup>TH</sup> JUNE 2024
	Kshs	Kshs
Lawn mowing services	22,000.00	213,550.00
Farm Produce	0	27,400.00
<b>Total</b>	<b>22,000.0</b>	<b>240,950.00</b>

**9) USE OF GOODS AND SERVICES**

Details	30 <sup>TH</sup> JUNE 2025	30 <sup>TH</sup> JUNE 2024
	Kshs	Kshs
Training Materials and other related costs	10,423,030.00	7,452,440.00
Local Transport & Travel	2,980,990.00	2,771,517.00
Utilities (Electricity, Water and Conservancy)	633,290.00	445,884.00
Administrative Expenses	9,469,080.00	7,606,220.00
Activity (sports and recreational activities)	2,233,540.00	2,024,112.00
Students Organization	241,110.00	258,000.00
KNEC Examination	5,886,560.00	5,266,436.00
<b>Total</b>	<b>31,867,600.00</b>	<b>25,824,609.00</b>

**10) EMPLOYEE COSTS**

Details	30 <sup>TH</sup> JUNE 2025	30 <sup>TH</sup> JUNE 2024
	Kshs	Kshs
Salaries and wages	8,130,073.00	7,830,940.00
Employee related costs and contributions	1,970,733.00	1,656,803.00
<b>Total</b>	<b>10,100,806.00</b>	<b>9,487,743.00</b>

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**11) BOARD OF GOVERNORS COSTS**

Details	30 <sup>TH</sup> JUNE 2025	30 <sup>TH</sup> JUNE 2024
	Kshs	Kshs
Sitting Allowance	1,970,187.00	1,180,000.00
Transport Allowance	182,000.00	638,000.00
Tax Charged	689,565.00	590,000.00
<b>Total</b>	<b>2,841,752.00</b>	<b>2,408,000.00</b>

**12) REPAIRS, MAINTENANCE & IMPROVEMENTS**

Details	30 <sup>TH</sup> JUNE 2025	30 <sup>TH</sup> JUNE 2024
	Kshs	Kshs
Cleaning Materials	312,110.00	98,760.00
Building Materials	3,654,698.00	1,465,061.00
Electrical Materials	80,500.00	191,050.00
Servicing of College Bus	0	120,814.00
<b>Total Repairs and Maintenance</b>	<b>4,047,308.00</b>	<b>1,875,685.00</b>

**13) CONTRACTED SERVICES**

Details	30 <sup>TH</sup> JUNE 2025	30 <sup>TH</sup> JUNE 2024
	Kshs	Kshs
Security Guards	576,000.00	624,000.00
Internet services	668,160.00	561,419.00
Sanitary bins	40,867.00	41,794.00
Consultancy services	0	526,080.00
Insurance cover for the Bus	257,409.00	292,149.00
Servicing of the college Bus	349,526.00	0
<b>Total contracted services</b>	<b>1,891,962.00</b>	<b>2,045,442.00</b>

**14) PRODUCTION UNIT - EXPENSES**

Details	30 <sup>TH</sup> JUNE 2025	30 <sup>TH</sup> JUNE 2024
	Kshs	Kshs
Lawn mowing services	6,800.00	124,200.00
Farm produce	0	78,550.00
<b>Total</b>	<b>6,800.00</b>	<b>202,750.00</b>

**15) CASH AND CASH EQUIVALENTS**

Details	30 <sup>TH</sup> JUNE 2025	30 <sup>TH</sup> JUNE 2024
	Kshs	Kshs
Current account	12,400.00	2,040.00
Cash at Hand	15,720,673.00	15,730,572.00
<b>Total Cash and Cash Equivalents</b>	<b>15,733,073.00</b>	<b>15,732,612.00</b>

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**15) A. DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS**

Details	Account number	30 <sup>TH</sup> JUNE 2025	30 <sup>TH</sup> JUNE 2024
		Kshs	Kshs
<b>a) Current account</b>			
Kenya Commercial bank	1238447694	15,720,673.00	15,730,572.00
<b>Sub- total</b>		<b>15,720,673.00</b>	<b>15,730,572.00</b>
<b>b) Others</b>			
cash in hand		12,400.00	2,040.00
<b>Sub- total</b>		<b>12,400.00</b>	<b>2,040.00</b>
<b>Grand Total</b>		<b>15,733,073.00</b>	<b>15,732,612.00</b>

**16) A. RECEIVABLES FROM EXCHANGE TRANSACTIONS**

Details	30 <sup>TH</sup> JUNE 2025	30 <sup>TH</sup> JUNE 2024
	Kshs	Kshs
Student Debtors (Fees Arrear)	12,460,847.00	2,171,598.00
Aging Debts (Fees arrears)	1,096,750.00	431,830.00
<b>Total current receivables</b>	<b>13,557,597.00</b>	<b>2,603,428.00</b>

**. B. AGEING ANALYSIS OF RECEIVABLES FROM EXCHANGE TRANSACTIONS**

Description	30 <sup>TH</sup> JUNE 2025		30 <sup>TH</sup> JUNE 2024	
	Kshs		Kshs	
Less than 1 year	12,460,847.00	91.91%	2,171,598.00	83.41%
Between 1- 2 years	926,110.00	6.83%	324,960.00	12.48%
Between 2-3 years	98,540.00	0.73%	61,070.00	2.35%
Over 3 years	72,100.00	0.53%	45,800.00	1.76%
<b>Total</b>	<b>13,557,597.00</b>	<b>100.00%</b>	<b>2,603,428.00</b>	<b>100.00%</b>

**17) INVENTORY**

Details	30 <sup>TH</sup> JUNE 2025	30 <sup>TH</sup> JUNE 2024
	Kshs	Kshs
Stationeries	375,139.00	295,388.00
Practical materials (Training)	141,385.00	104,660.00
Repair Maintenance and Improvements	289,194.00	32,229.00
<b>Total inventories</b>	<b>805,718.00</b>	<b>432,277.00</b>

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**18) PROPERTY, PLANT AND EQUIPMENT**

**A) SCHEDULE OF FIXED ASSET**

Description	Land	Motor Vehicle	Buildings	Plant & Equipment	Catering Eqt & Cutlery	Computers	Furniture & Fittings	Total
<b>Depreciation Rates</b>		25%	2.5%	12.5%	10%	12.5%	12.5%	
<b>Cost</b>								
At 1 <sup>st</sup> July 2023	1,920,000	7,198,400	54,425,944	17,322,229	144,397	1,170,200	3,389,399	85,570,569
Additions	2,900,000	0	0	1,713,990	0	1,405,100	1,092,770	7,111,860
Transfers	11,880,000	0	55,688,483	221,808	(56,955)	7,032,863	1,997,394	76,763,593
At 30 June 2024	16,700,000	7,198,400	110,114,427	19,258,027	87,442	9,608,163	6,479,563	169,446,022
Additions	0	0	0	1,520,549	0	516,300	661,150.00	2,697,999
At 30 June 2025	16,700,000	7,198,400	110,114,427	20,778,576	87,442	10,124,463	7,140,713	172,144,021
<b>Accumulated Depreciation</b>								
At 1 <sup>st</sup> July 2023	0	0	10,054,427	1,815,384	79,885	608,110	1,361,050	13,918,856
Depreciation	0	1,799,600	0	0	0	0	0	1,799,600
Transfers/Adjustments	0	0	0	1,925,803	(48,248)	562,090	2,028,349	4,467,994
At 30 June 2024	0	1,799,600	10,054,427	3,741,187	31,637	1,170,200	3,389,399	20,186,450
Depreciation	0	1,799,600	2,501,500	2,129,674	5,581	1,119,283	468,914	8,024,552
At 30 June 2025	0	3,599,200	12,555,927	5,870,861	37,218	2,289,483	3,858,313	28,211,002
<b>Net Book Values</b>								
Net Book Value At 30 June 2024	16,700,000	5,398,800	100,060,000	15,516,840	55,805	8,437,963	3,090,164	149,259,572
Net Book Value At 30 June 2025	16,700,000	3,599,200	97,558,500	14,907,715	50,224	7,834,980	3,282,400	143,933,019

**(B) Property, Plant and Equipment at Cost**

The Property, Plant and Equipment were stated on historical cost basis as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	16,700,000.00	0	16,700,000.00
Buildings	110,114,427.00	12,555,927.00	97,558,500.00
Plant and Machinery	20,778,576.00	5,870,861.00	14,907,715.00
Motor Vehicles	7,198,400.00	3,599,200.00	3,599,200.00
Computers and Related Equipment	10,124,463.00	2,289,483.00	7,834,980.00
Office Equipment, Furniture, and Fittings	7,140,713.00	3,858,313.00	3,282,400.00
Cutlery	87,442.00	37,218.00	50,224.00
<b>Total</b>	<b>172,144,021.00</b>	<b>28,211,002.00</b>	<b>143,933,019.00</b>

**19) TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Details	30 <sup>TH</sup> JUNE 2025	30 <sup>TH</sup> JUNE 2024
	Kshs	Kshs
Trade Creditors	0	0
P. Emoluments	0	0
Contracted Services	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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**20) REFUNDABLE DEPOSITS FROM STUDENTS**

Details	30 <sup>TH</sup> JUNE 2025	30 <sup>TH</sup> JUNE 2024
	Kshs	Kshs
Prepaid Fees	616,317.00	2,000,000.00
<b>Total</b>	<b>616,317.00</b>	<b>2,000,000.00</b>

**Events after the Reporting Period**

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

**21) Ultimate and Holding College**

The college is a Semi-Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**22) Currency**

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

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**20) Appendices**

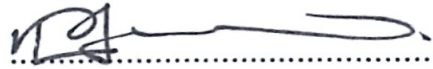
**Appendix 1: Implementation Status of Auditor-General Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
01	Tractors and Trailers ownership documents	These plant and equipment were donated by the Ministry of Education, State Department for Technical, Vocational Education and Training in the year 2018. Our effort to acquire the registration documents has not borne any fruit even after several follow up with the Ministry of Education.	Not Resolved	30/06/2026
02	Under performance of college Budget	This was occasioned by the failure to receive capitation and scholarship as projected during the original Budget preparation.	Resolved	
03	Non-compliance with law on Ethnic composition	The management has endeavoured to comply with all the Government regulations and that our college has always given all the Kenyans an equal opportunity to fairly compete in the event of any vacancy. This can be traced to the past college advertisements.	Not Resolved	30/06/2027

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
04	Lack of Internal Audit Review and Risk Assessment	The internal auditor engaged during that period left for another institution and the college has since engaged another auditor.	Resolved	

  
 .....

Name  
 Ms, Linda Ayuku W.

Date 24/11/2025

THE PRINCIPAL  
 UGENYA TECHNICAL &  
 VOCATIONAL COLLEGE  
 P.O. BOX 74-20614, SEC 5  
 DATE

**Ugenya Technical and Vocational College**  
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