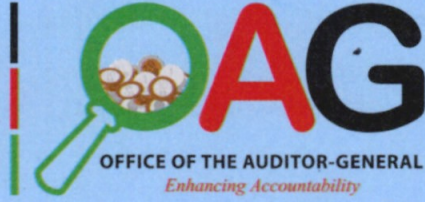


REPUBLIC OF KENYA



PARLIAMENT  
OF KENYA  
LIBRARY

**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 01 APR 2026

DAY.  
WEDNESDAY

**OF**

TABLED  
BY:

HON. DR. ROBERT PUKOGE, MP

CLERK-AT  
THE-TABLE:

CHRISTINE NDIRITU

**THE AUDITOR-GENERAL**

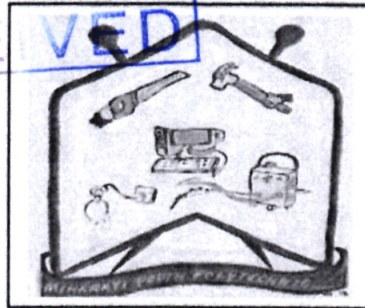
**ON**

**MIHARATI VOCATIONAL TRAINING  
CENTRE**

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



OFFICE OF THE AUDITOR GENERAL  
P.O. Box 30084 - 00100, NAIROBI  
RECORDS OFFICE  
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MIHARATI VOCATIONAL TRAINING CENTRE

ANNUAL REPORT AND FINANCIAL STATEMENT 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)

MIHARATI VOCATIONAL  
TRAINING CENTRE  
P. O. Box 120 - 20301, MIHARATI  
DATE: \_\_\_\_\_ SIGN: \_\_\_\_\_

Miharati Vocational Training Centre Annual Report and Financial statements For  
the Year Ended 30<sup>th</sup> June 2025

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JARVIS V. TO AMIR  
1971  
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Miharati Vocational Training Centre Annual Report and Financial statements For  
the Year Ended 30<sup>th</sup> June 2025

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## 1. Acronyms and Definition of Key Terms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
VTC	Vocational Training Centre
PPRA	Public Procurement Regulatory Authority

## 2. Key Miharati Vocational Training Centre Information and Management

### a) Background information

This institution was established under the TVET Act 2015. The institution is located in Nyandarua County, specifically in the Kipipiri constituency, Kipipiri sub-county, and Kipipiri ward. It is a public institution under the Ministry of Education, Technical and Vocational Training, Culture, Gender, and Social Protection.

The following are the courses offered:

- i) Motor vehicle mechanic
- ii) Fashion design and garment making
- iii) Electrical installation
  - iv) Welding and fabrication
  - v) Carpentry and joinery
  - vi) Building and construction
  - vii) Hair dressing and beauty therapy and
  - viii) Information and communication technology

The examination bodies are NITA Grade I, II & III, and CDACC level III and IV

### b) Principal Activities

The principal activities of the institution are impacting technical skill to learners through training.

**Mission:** To spur societal transformation through provision of knowledge and skills

**Vision:** A thriving and empowered society

**Motto:** Excellence in skill and competence

**Core values:** Truthfulness  
Innovations  
Patience  
Self driven

### d) Key Management

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

- Board of Management
- Board of Management chair person
- Director
- Assistant Director vocational training centres
- Treasurer
- Accountant
- Centre manager

The Centre manager of the TVC is the accounting officer

Miharati Vocational Training Centre Annual Report and Financial statements For  
the Year Ended 30<sup>th</sup> June 2025

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

SN.	Designation	Name
1	Chairperson	Judy Njambi
2	Director	Samson Njiiri
3	Deputy Director	Josephine Gathirwa
4	Treasurer	Caroline Waruguru
5	Principal Accountant	Ann Theuri
6	Centre manager	Josephat Mucheru

**e) Fiduciary Oversight Arrangement**

- Office of the auditor general
- County assembly
- Department of education

The following are the various committee and their mandates:

**i. Academic committee**

The duties of this committee includes:

- Preparing teaching timetable for all departments
- Ensuring training takes place throughout the year
- Setting internal examinations
- Moderating internal examinations
- Preparing report forms for the trainees

**ii. Discipline committee**

The duties of this committee include:

- Setting rules and regulations
- Monitoring trainees discipline
- Handling indiscipline cases
- Informing parents in case a trainee has unbecoming behaviour

**iii. Procurement committees**

The duties of this committee includes:

- Preparing departmental budgets and requisitions
- Preparing tender documents
- Requesting for quotations from prequalified suppliers
- Writing the Local Purchase Orders
- Receiving procured materials

**iv. Guidance and counselling committee**

The duties of this committee includes:

- Identifying areas of concern for individual and group counselling

- Preparing and facilitating individual and group counselling
- Inviting guests to help in sensitizations on various issues
- Assisting learners to keep away from alcohol and drug abuse
- Assisting learner with special need and disabled to cope

**v. Industrial attachment committee**

The duties of this committee includes:

- Seeking for attachment opportunities from the local industries and jua kali sector
- Monitoring trainees progress during attachment
- Assessing and appraising trainees on attachment
- Assessing trainees during attachment.

**vi. Innovation committee**

The duties of this committee includes:

- Coming up with new project ideas for innovation
- Assisting learners with innovative ideas and helping to implement them.

**f) Entity Headquarters**

Miharati Vocational Training Centre Headquarters

P.O. Box 120  
MIHAIRATI  
Olkalou - Njabini/Road/Highway KENYA

**g) Entity Contacts**

Miharati Vocational Training Centre

Telephone: (0719546322

E-mail: Miharatiyouthpolytechnic@gmail.com

**h) Entity Bankers**

Miharati Vocational Training Centre Bankers includes;

KCB Bank -Olkalou branch  
P.O Box. 138  
Olkalou

Equity Bank -Olkalou branch  
P.O Box. 395-20303  
Olkalou

**i)Independent Auditors**

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

**j) Principal Legal Adviser**

The County Attorney Nyandarua  
County Government  
P.O Box 701 -20303  
Olkalou

**3. Board of Management**



**Ms. Judy Njambi**  
**Chairperson**  
Date of birth:1976

She holds a diploma in Business management with an experience of 10 years in business



**Mr. Joseph Gacheru**  
**Vice chairperson**  
Date of birth:1957

He holds a diploma in teaching with an experience of 30 years in teaching



**Ms. Caroline Waruguru**  
**Treasurer**  
Date of birth:1977

She holds a diploma in catering with an experience of 8 years in business



**Mr. Josephat Mucheru**  
**Bom Secretary/Manger Vtc**

Date of birth: 1985

He holds a diploma in automotive Engineering with an experience of 10 years in institution management



**Ms. Pauline Wanjiru**  
**Member**

Date of birth: 1979

She holds a diploma in ECDE with an experience of 10 years teaching profession





**Mr. Wallace Maina**  
**Member**




Date of birth: 1992

He holds a bachelor management with an experience of 10 years in institution management

#### 4. Key Management Team

	Member	Roles and responsibilities
1	<p>Samson Njiiri Director Education</p> 	<ul style="list-style-type: none"> <li>-Supervision of the institution's progress</li> <li>-Authorizations of payment</li> <li>-General oversight</li> </ul>
2	<p>Josephine Gathirwa Ass. Director VTC</p> 	<ul style="list-style-type: none"> <li>-Supervision of all matters concerning the running of the institution, staff, and BOM</li> <li>-Monitoring curriculum implementation and departmental projects</li> </ul>

Miharati Vocational Training Centre Annual Report and Financial statements For  
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3.	 <p>Josephat Mucheru Manager VTC</p>	<p>Coordination, supervision and implementation of curriculum, and day to day running of the institution</p>
4.	 <p>Judy Njambi Chairperson BOM</p>	<ul style="list-style-type: none"> <li>-Coordinate the board in planning and implementation of institution strategic plan.</li> <li>-Call for board meeting</li> <li>-Engage with stake holders to improve the infrastructure of the institution</li> </ul>
		<p>Anne Theuri Principal Accountant</p>

### 5. Chairman's Statement

Miharati vocational training centre has continued to be a champion of transforming the youth by impacting skills to many youths from in and outside this county. This institution has also continued to grow in terms of enrolment and infrastructure. This year the school celebrate completion of a twin workshop courtesy of Nyandarua county government. This workshop has given the school a new look and will enable our trainees to do their practical in a conducive and spacious environment.

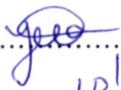
On behalf of the board of governor of this institution, I would like to thank the county government and other stake holders for their effort and endless support. I request you to continue supporting this school and our vibrant and young men as they pursue their careers.

Our near future plan is to have modern administration block, boy's hostels, staff toilet, perimeter wall among other needs as listed in our strategic plan.

Special appreciation and gratitude to all teaching staff, support staff and parents for working tirelessly towards this year's achievement

The board of governors of this institution is committed to work with all stakeholders and supporters to take this institution to even higher levels. I look forward to a successful financial year 2025/2026.

God bless you all.

  
.....  
..... 10/12/2025

JUDY NJAMBI

BOM CHAIRPERON

## 6. Manager's Report/statement

Miharati vocational training Centre started in the 1979 as a village and home craft centre where mothers came to learn basic skill such as weaving and pottery; the skills they used to improve their homes. This institution has undergone various transformations over the years taking the shape of a modern technical training institution. Today it's one among over 16 vocational training centres in Nyandarua County and a centre of excellent in Kipipiri sub-county. We have a total of 148 trainees distributed in eight departments namely:

1. Motor vehicle mechanic
2. masonry
3. Hair dressing and beauty therapy
4. Fashion design and garment making
5. Welding and fabrication
6. Electrical installation
7. Information technology (ICT)
8. Carpentry

The enrolment trend for the year is as indicated below

DEPARTMENT	MALE	FEMALE	TOTAL
Electrical installation	31	3	34
Hairdressing and beauty therapy	2	33	35
Motor vehicle Mechanic	28	0	28
Plumbing	8	0	8
ICT	5	5	10
Welding	15	0	15
Dressmaking	0	18	18
Total	89	59	148

The VTC offer both CBET and NITA curriculum

In the year 2024/2025 the institution release into the job market a total 108 qualified technician in various technical fields during the 6<sup>th</sup> graduation ceremony on 15<sup>th</sup> Nov. 2024. We also launched our 2024- 2028 strategic plan that will form a road map to elevate the standards and status of our institution.

Miharati Vocational Training Centre Annual Report and Financial statements For  
the Year Ended 30<sup>th</sup> June 2025

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To produce holistic and vibrant young men, we also engage in ball games, athletics and scouting activities and music. The scout team together with environmental club planted over 400 trees in the school Compound. This was in response to H.E The President call for increasing the overall forest cover in the country. Special appreciation and gratitude to all teaching staff, support staff and parents for working tirelessly towards this year's achievement

The infrastructure of the school has also continued to grow this year especially after the completion of a twin workshop courtesy of Nyandarua county government.

The enrolment of the school increased from 141 to 148 trainee in F/Y 2024/2025. On behalf of the school administration, I would like to thank all the supporters and stake holders for their effort and endless support. I request you to continue supporting this school and our vibrant young men as they pursue their careers.

The administration of this institution is committed to work with all stakeholders and supporters to take institutions to even higher levels. Am grateful to Almighty God for giving us a successful year 2024/2025 and pray for His guidance in the year ahead. God bless you all.

JOSEPHAT MUCHERU.

  
VTC MANAGER



## 7. Statement of Performance against Predetermined Objectives

Miharati VTC has seven (7) strategic objectives within current 2024 to 2028 Strategic Plan.. The strategic pillars focused in the financial year 2024/2025 are as follows:

1. Increasing the enrolment of trainees from 141 trainees to 168 trainees
2. Increasing number trainees graduating from 56 trainee to 65 trainees
3. Improving the level training through monitoring evaluation and assessment
4. Marketing the school by participating in various co-curricular activities such as ball games and music festivals.
5. Improving the level and standard of management of the YP by holding 3 BOM meeting and at least 4 staff meeting within the year
6. Managing asset and school inventory and ensure prudent utilization of the available tools and equipment.
7. Improving infrastructure and the face of the school.

Miharati Vocational Training Centre develops its annual work plans based on the above seven (7) pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The institution achieved its performance targets set for the FY 2024/2025 period for its seven strategic pillars, as indicated in the diagram below:



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Strategic Pillar	Objective	Key Performance Indicators	Activities	Results
Increasing the enrolment of trainees	Increasing the enrolment of trainees from 141 trainees to 168 trainees.	-class register -admission books	-Attending Barraza's -Attending church function -Media advertisement	Enrolment raised from 141 to 148 trainees
Improvement of quality training	To improve the quality of training	-schemes of work Record of work -progressive record	Frequent monitoring	Updated professional records
Increasing number of graduating trainees	Increasing number trainees graduating from 56 trainee to 65 trainees  Holding skills exhibition day and graduation ceremony	-Exam result -graduation  Skill exhibition day And graduation	- Sensitization of parent. Sourcing funds Early planning	Number of trainees sitting for external exam increased from 56 in 2023/2-24 to 68 in 2024/2-25  108 trainees participated and graduated
Nurturing talent among trainees	Marketing the school by participating in various co-curricular activities such as ball games and music festivals.	Reports and calendar of event	-Weekly training programmes. -organizing tournament -Sourcing trainers and funding	-participated in 4 football tournament
Improving the level and standard of management of the YP.	holding 3 BOM meeting and at least 4 staff meeting within the year	-BOM meeting minutes and reports -staff meeting minutes and reports	Scheduling termly meeting and organizing motivational sessions	3 BOM meeting and 2 executive meeting held -5 staff meeting held

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Management of asset and school inventory	To create good asset and inventory management	-update asset register And inventory records	Frequent review and stoke taking	- updated asset register and inventory
Improving infrastructure and the face of the school	Painting, beautification and improving structures in the school	Reports photos	Engaging learners in planting trees and flowers Painting repairing structures	Photos report

These strategic pillars are distributed and tasked to every instructor and the administration. They are the set targets in individual workers performance

## 8. Corporate Governance Statement

### Structure of Nomination Panel

Miharati Vocational Training Centre has a composition of seven (7) BOM members  
The board hold at least meetings 4 meetings in the year: three full boards meetings and one executive board meeting.  
The process of installation of the board members is as outlined:

There is a nomination panel whose responsibility is to identify persons to be appointed by CECM as members of VTC Board of Management. A nomination panel comprises of the following persons:-

- a) Assistant Director/Officer in charge of VTC(Chairperson)
- b) VTC manager (Secretary)
- c) Representative of the Office of Member of the County Assembly MCA(Ex-official)
- d) Ward Administrator
- e) VTC sponsor
- f) Area Chief/Assistant Chief

### Composition of the Board of Management

The composition of Board of Management shall be as follows:-

- (i) VTC Manager/Secretary to the Board of Management.
- (ii) Two people with good Leadership and management Qualities preferably in areas of Technical and Vocational Education.

- (iii) One person with Financial Management and Procurement skills.
- (iv) A person with technical training preferably the trade areas covered in Vocational Training Centres
- (v) A person conversant with information communication and technology, Computer science/ studies.
- (vi) One (1) person representing the local Jua kali or industry and commerce sector
  - The total composition of BOM is seven (7) persons.
  - The Assistant Director/Officer In charge of VTC & Home Craft Centres and the Ward Administrator of the area are be ex-officials members of the board
  - The chairperson is elected by the already appointed members.

#### **The Functions of the Board of Management**

The functions of the Board of Management of a Vocational Training Center shall be to:-

- a) Promote quality education and training for all trainees in accordance with the set standards.
- b) Ensure the provision of proper and adequate infrastructure for the institution.
- c) Managing the institution's affairs in accordance with the rules and regulations that may be provided by the Executive Committee members.
- d) Determine cases of trainees and trainers discipline and make report to the Director of Education.
- e) Prepare comprehensive report quarterly reports on all areas of its mandate for submission to the Directorate.
- f) Provide for the welfare and safety of the trainees, instructors and non- teaching staff in the institution.
- g) Administering and managing the resources of the institution
- h) Receiving, collecting and accounting for any funds accruing to the institution.
- i) Employing such number of teaching and non- teaching as may be required by institution in accordance with the laid down regulation and
- j) Perform any other function to facilitate the implementation of its functions under these guidelines or any other written law.

## 9. Management Discussion and Analysis

The following are the BOM activities and plans for the year

- Increasing enrolment and the number of graduands
- Painting and sign writing of entrance gate by the building department
- procuring ten (10) additional tables, ten (10) office chair new 50 arm new chairs.
- Renovation of one classroom
- Fencing of office area
- Holding exhibition day/graduation

The achievements for the year were as follows

### a) Enrolment for the year from FY

2024/2025

S/no	Institution Name	Course	Gender		PWD		Total
			Male	Female	Male	Female	
	Miharati Vocational Training Centre	Electrical installation	31	3	0	0	34
		Hairdressing and beauty therapy	2	33	0	0	35
		Motor vehicle Mechanic	28	0	0	0	28
		Plumbing	8	0	0	0	8
		ICT	5	5	0	0	10
		Welding	15	0	0	0	15
		Dressmaking	0	18	0	0	18
		Total	89	59	0	0	148

This enrolment is an increase from the 141 trainee in the previous year

### b) External Examination 2024/2025

NITA DECEMBER 2024

S/NO	DEPARTMENT	GRADEIII	GRADEII	GRADEI	TOTAL
1.	ELECTRICAL	6	5	0	11
2.	HAIR DRESSING	3	0	0	3
3.	PLUMBING	2	1	0	3
4.	MOTOR VEHICLE MECHANIC	6	1		7
5.	BULDING	3	0	0	3
6.	DRESS MAKING	4	1	0	5
7.	WELDING	1	0	0	1
8.	TOTAL	25	8	0	33

Miharati Vocational Training Centre Annual Report and Financial statements For  
the Year Ended 30<sup>th</sup> June 2025

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**NITA APRIL 2025**

S/NO	DEPARTMENT	GRADEIII	GRADEII	GRADEI	TOTAL
1.	ELECTRICAL	7	1	1	9
2.	HAIR DRESSING	7	0	0	7
3.	PLUMBING	5	0	0	5
4.	MOTOR VEHICLE MECHANIC	1	2		7
5.	BULDING	0	0	1	1
6.	DRESS MAKING	4	0	0	4
7.	WELDING	2	0	0	2
8.	TOTAL	26	3	2	35

**c) External Examination 2024/2025**

NITA DECEMBER 2024

S/NO	DEPARTMENT	GRADEIII	GRADEII	GRADEI	TOTAL
1.	ELECTRICAL	6	5	0	11
2.	HAIR DRESSING	3	0	0	3
3.	PLUMBING	2	1	0	3
4.	MOTOR VEHICLE MECHANIC	6	1		7
5.	BULDING	3	0	0	3
6.	DRESS MAKING	4	1	0	5
7.	WELDING	1	0	0	1
8.	TOTAL	25	8	0	33

NITA APRIL 2025

S/NO	DEPARTMENT	GRADEIII	GRADEII	GRADEI	TOTAL
1.	ELECTRICAL	7	1	1	9
2.	HAIR DRESSING	7	0	0	7
3.	PLUMBING	5	0	0	5
4.	MOTOR VEHICLE MECHANIC	1	2		7
5.	BULDING	0	0	1	1
6.	DRESS MAKING	4	0	0	4
7.	WELDING	2	0	0	2
8.	TOTAL	26	3	2	35

Miharati Vocational Training Centre Annual Report and Financial statements For  
the Year Ended 30<sup>th</sup> June 2025

**d) External Examination 2024/2025**

NITA DECEMBER 2024

S/NO	DEPARTMENT	GRADEIII	GRADEII	GRADEI	TOTAL
1.	ELECTRICAL	6	5	0	11
2.	HAIR DRESSING	3	0	0	3
3.	PLUMBING	2	1	0	3
4.	MOTOR VEHICLE MECHANIC	6	1		7
5.	BULDING	3	0	0	3
6.	DRESS MAKING	4	1	0	5
7.	WELDING	1	0	0	1
8.	TOTAL	25	8	0	33

NITA APRIL 2025

S/NO	DEPARTMENT	GRADEIII	GRADEII	GRADEI	TOTAL
1.	ELECTRICAL	7	1	1	9
2.	HAIR DRESSING	7	0	0	7
3.	PLUMBING	5	0	0	5
4.	MOTOR VEHICLE MECHANIC	1	2		7
5.	BULDING	0	0	1	1
6.	DRESS MAKING	4	0	0	4
7.	WELDING	2	0	0	2
8.	TOTAL	26	3	2	35

**Other activities**

S/no	Description	Remarks
1.	Construction of entrance gate	80% complete
2.	Planting of Flowers and trees	200 flowers and 400 trees
3.	Completion and launching of strategic plan	2024-2028 strategic plan
4.	Skill exhibition day	Held together with graduation

**Challenges**

1. Shortage of teaching staff
2. Irregular feeding programme payment by parent.
3. Trainees drop out due to lack of exam and feeding programme money
4. Lack of an administration block and staff toilet
5. Unlevelled ground and poor drainage

### Other activities

S/no	Description	Remarks
1.	Construction of entrance gate	80% complete
2.	Planting of Flowers and trees	200 flowers and 400 trees
3.	Completion and launching of strategic plan	2024-2028 strategic plan
4.	Skill exhibition day	Held together with graduation

### Challenges

1. Shortage of teaching staff
2. Irregular feeding programme payment by parent.
3. Trainees drop out due to lack of exam and feeding programme money
4. Lack of an administration block and staff toilet
5. Unlevelled ground and poor drainage

## 10. Environmental and Sustainability Reporting Statement

### Sustainability strategy and profile

Miharati Vocational Training Centre like many other polytechnics in all counties has faced high competition in in terms of enrolment for the last four year. This is as result of coming up of vocational training colleges in every constituency which offer the same courses and in the same level. The challenge being that this vocational training colleges have good and modern infrastructure. The national government has pumped these colleges with many trainers and funds as grants and capitation. Trainees joining this college are also given loans by HELB. This has made many form four leavers to be more attracted to these colleges.it has therefore become very competitive to have a high enrolment in vocational training centres. However, this institution is engaging with all stake holders to increase funding and also improve infrastructure as well as number of trainers. The institution also endeavours to improve hands on training by use of modern techniques and modern tools and equipment. We are also embracing the new curriculum (/CBET CDAC) that the government is championing in all TVET institutions. Though the county education department, the institution is advocating for harmonization framework that will give a guidelines to those learner that will join vocational training centres and vocational colleges according to their grade. Through the county government department of education, there are plans to engage trainers in various trainings in line with the new curriculum.

### **Environmental performance**

Miharati Vocational Training Centre is cognisant of the need for healthy and conducive working environment. We therefore hid to every call to environmental conservation by all agents in the nation and even globally. The institution has a functional and active environmental club that handle compound cleanliness, tree planting, proper waste disposal, drainage and prevention of soil erosion. The club facilitated the planting of 400 trees and flowers during the financial year 2024/2025. In addition the institution has plans to reduce the use of firewood and charcoal as the source of energy and instead embrace the use of biogas.

### **Employee welfare**

The institution has both county and BOM employee. Staff welfare is managed by the county government through the depart of education which handle issues such as;

- Skills enhancement Training
- Career Development
- Guidance and counselling
- Financial literacy
- Drug abuse

The county public service board is mandated for hiring of staff instructor while the board of management hires all support staff. The two bodies take into account guiding policies such as gender ratio PWD other procedures as stipulated in the constitution. All employees are subjected to annual performance appraisal which form the basis for promotion. The institution take into account the guiding principle of safety as given under occupational safety and health act of 2007

### **Market place practices**

Marketing of the institution is mainly done through producing out competent and discipline tradesmen in various field of study.

Other methods of marketing include;

- Community sensitization through barazas, workshops, church meeting and field trips
- Media advertising
- Exhibition of product and services
- Alumina association

This institution is free from any form of corruption.

We strictly follow the procurement procedures as guided in the Public Procurement and Disposal Act of 2015.

## 11. Report of the Board of management

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

### Principal activities

The principal activities of Miharati Vocational Training Centre are;

- Impacting technical skill to learners through training.
- Moulding the youth to become self-reliant and productive members of the society.
- Nurturing Talent and capabilities

### Results

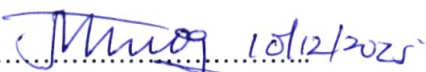
The results of Miharati Vocational Training Centre for the year ended June 30 are set out on page 20

The members of the Board /Council who served during the year are shown on page 9. During the This BOM took over from the previous board that expired on in April 2022.

### Auditors

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

By Order of the Board

 10/12/2025

Josephat Mucheru  
Secretary Of The Board

Date:



## 12. Statement of Board of management Responsibilities

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

The Council members are responsible for the preparation and presentation of Miharati Vocational Training Centre 's financial statements, which give a true and fair view of the state of affairs of Miharati Vocational Training Centre 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 Miharati Vocational Training Center, (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 Miharati Vocational Training Centre , (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

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

In preparing the financial statements, the Principal has assessed Miharati Vocational Training Centre 's ability to continue as a going concern (disclose as applicable, matters relating to the use of going concern basis of preparation of the financial statements.) OR

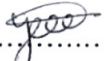
Miharati Vocational Training Centre Annual Report and Financial statements For  
the Year Ended 30<sup>th</sup> June 2025

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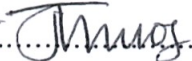
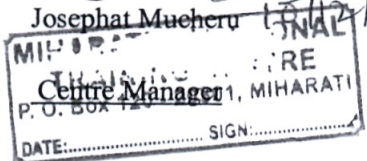
Nothing has come to the attention of the Council members to indicate that Miharati Vocational Training Centre will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

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

  
.....  
Judy Njambi 12/12/2025

B.O.M Chairperson

  
.....  
Josephat Mucheru 12/12/2025  
  
MIHARATI V. TRAINING CENTRE  
Centre Manager, MIHARATI  
P. O. BOX 120  
DATE: ..... SIGN: .....

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

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

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Miharati Vocational Training Centre set out on pages 1 to 52, which comprise of the statement of financial position as at 30 June, 2025 and the statement of Financial Performance, statement of changes in

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

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

### **Basis for Qualified Opinion**

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

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

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

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

### **Emphasis of Matter**

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

The statement of comparison of budget and actual amounts reflects budgeted receipts and actual on comparable basis amounting to Kshs.5,025,642 and Kshs.5,025,642 respectively resulting in a nil revenue variance of the budget. Similarly, the Centre expended Kshs.4,899,132 against an approved budget of Kshs.5,025,642 resulting to a variance of Kshs.126,510 or 3% of the approved budget.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Information**

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

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Unapproved budget**

The statement of financial performance for the year ended 30 June 2025 shows a total revenue of Kshs.5,025,642 and a total expenditure of Kshs.4,899,132. Management did not submit an approved budget for audit that conforms to the standard budget estimates format prescribed by the County Treasury.

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

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

Review of the records of the board of management revealed that the institution had only six (6) Board members contrary to the minimum requirement of seven (7). Further, no board expenses were captured in the financial statement.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of Valuation Report**

The statement of financial position captures Nil balance for property, plant and equipment. Verification of documents provided indicate that the vocational center has one (1) parcel of land approximately 2.02 Hectares. The land title number is Nyandarua/Kipipiri/594. No valuation report was provided for audit.

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

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

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

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

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

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

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

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

### **Responsibilities of Management and those Charged with Governance**

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**17 December, 2025**

**Miharati Vocational Training Centre Annual Report and Financial Statements**  
For the Year Ended 30<sup>th</sup> June 2025

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

	Notes	Ksh.
Revenue from non-exchange transactions		
Transfers from the County Government	6	4,363,777
Grants from Development partners	7	-
Transfers from National Government Entities	8	-
Public Contributions and Donations	9	-
Revenue from Exchange transactions		
Fees from students	10	661,865
Sale of goods	11	-
Rental revenue from facilities and equipment	12	-
Finance income	13	-
Miscellaneous income	14	-
Revenue from Exchange transactions		-
<b>Total Revenue</b>		<b>5,025,642</b>
<b>Expenses</b>		
Use of goods and services	15	1,816,759
Employee costs	16	2,511,077
Board Expenses	17	-
Depreciation and amortization expense	18	-
Repairs and maintenance	19	571,296
Contracted services	20	-
Grants and subsidies	21	-
Finance costs	22	-
<b>Total Expenses</b>		<b>4,899,132</b>

**Miharati Vocational Training Centre Annual Report and Financial Statements**  
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Other Gains/(Losses)		-
Gain on sale of assets	23	-
Gain/ Loss on fair value of investments	24	-
Impairment loss	25	-
Total Other Gains/(Losses)		-
<b>Net surplus/(deficit) for the year</b>		<b>126,510</b>

The Financial Statements set out on pages <sup>1 to 9</sup>~~29~~ to ~~34~~ were signed by:

  
 .....

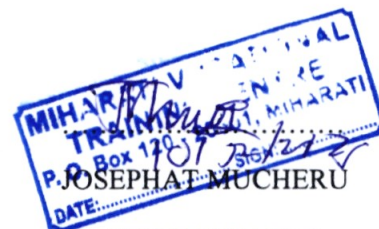
JUDY NAMBI

B.O.M CHAIRPERSON

  
 .....

ANNE THEURI

ICPAK NO. 18477



CENTRE MANAGER

**Miharati Vocational Training Centre Annual Report and Financial Statements**  
For the Year Ended 30<sup>th</sup> June 2025

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

Description		2025
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	26	2,346,468
Current portion of receivables from exchange transactions	27(a)	-
Receivables from non-exchange transactions	28	-
Inventories	29	-
Investments in financial assets	30	-
<b>Total Current Assets</b>		<b>2,346,468</b>
<b>Non-Current Assets</b>		
Long term receivables from exchange transactions	27(b)	-
Investments	30	-
Property, plant, and equipment	31	-
Intangible assets	32	-
Investment property	33	-
Biological Assets	34	-
<b>Total Non-Current Assets</b>		<b>-</b>
<b>Total Assets (A)</b>		<b>2,346,468</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables from exchange transactions	35	-
Refundable deposits from customers/Students	36	-
Current provisions	37	-
Finance lease obligation	38	-

**Miharati Vocational Training Centre Annual Report and Financial Statements**  
For the Year Ended 30<sup>th</sup> June 2025

Description	Notes	FY 2024/2025 Ksh.
Deferred income	39	-
Total Current Liabilities		-
Non-Current Liabilities		
Finance lease obligation	38	-
Deferred income	39	-
Non-Current Provisions	37	-
Service Concession Arrangements	40	-
Total non- current liabilities		-
Total Liabilities (B)		-
Net Assets (A-B)		2,346,468
Represented By:		
Revaluation Reserves		-
Accumulated Surplus		2,346,468
Capital Fund		-
<b>Total Net Assets</b>		<b>2,346,468</b>

The Financial Statements set out on pages <sup>1 to 9</sup> ~~29~~ to ~~34~~ were signed by:

  
.....

JUDY NAMBI

B.O.M CHAIRPERSON

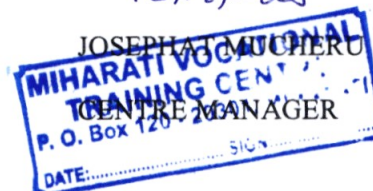
  
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ANNE THEURI

ICPAK NO. 18477

  
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10/12/2025



**Miharati Vocational Training Centre Annual Report and Financial Statements**  
For the Year Ended 30<sup>th</sup> June 2025

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

	Revaluation reserve	Accumulated Surplus	Capital Grant/Fund	Total
At July 1, 2025	-	2,219,958	-	2,219,958
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	126,510	-	126,510
Capital grants received during the year	-	-	-	-
At June 30, 2025	-	2,346,468	-	2,346,468

**Miharati Vocational Training Centre Annual Report and Financial Statements**  
For the Year Ended 30<sup>th</sup> June 2025

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

Description	Note	
Cash flows from operating activities		
Receipts		
Transfers from County Government		2,220,000
Grants from donors and development partners		-
Transfers from National Government entities		-
Public contributions and donations		-
Fees from students		661,865
Sale of goods		-
Rental revenue from facilities and equipment		-
Finance income		-
Miscellaneous income		-
Total Receipts		2,881,865
Payments		
Use of goods and services		1,816,759
Employee costs		367,300
Board Expenses		-
Repairs and maintenance		571,296
Contracted services		-
Grants and subsidies		-
Total Payments		2,755,355
Net Cash Flows from operating activities	41	-
Cash flows from investing activities		
Purchase of property, plant, and equipment		-
Purchase of intangible assets		-
Proceeds from the sale of property, plant, and equipment		-
Net cash flows used in investing activities		-

**Miharati Vocational Training Centre Annual Report and Financial Statements**  
**For the Year Ended 30<sup>th</sup> June 2025**

Cash flows from financing activities		
Proceeds From Borrowing		-
Repayment of Borrowings		-
Net cash flows used in financing activities		-
Net Increase/(Decrease) in Cash and Cash equivalents		126,510
Cash & Cash equivalents at the beginning (1st July)	26	2,219,958
Cash & Cash equivalents at the end. (30th June)	26	2,346,468

Miharati Vocational Training Centre Annual Report and Financial Statements  
For the Year Ended 30<sup>th</sup> June 2025

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

Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025						
Description	Original budget	Adjustments	Total Budget	Actual on comparable basis	Percentage difference	Percentage difference
	A	B	C = A+B	D	E = D-B	F = E/C
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from County Government	4,363,777	-	4,363,777	4,363,777	-	0%
Grants from donors and development partners	-	-	-	-	-	0%
Transfers from National Government entities	-	-	-	-	-	0%
Public contributions and donations	-	-	-	-	-	0%
Fees from students	661,865	-	661,865	661,865	-	0%
Sale of goods	-	-	-	-	-	0%
Rental revenue from facilities and equipment	-	-	-	-	-	0%
Finance income	-	-	-	-	-	0%
Miscellaneous Income	-	-	-	-	-	0%
<b>Total Income</b>	<b>5,025,642</b>	<b>-</b>	<b>5,025,642</b>	<b>5,025,642</b>	<b>-</b>	<b>0%</b>
						0%
<b>Expenses</b>						0%
Use of goods and services	1,856,759	-	1,856,759	1,816,759	40,000	2%
Employee costs	2,581,077	-	2,581,077	2,511,077	70,000	3%

**Miharati Vocational Training Centre Annual Report and Financial Statements**  
For the Year Ended 30<sup>th</sup> June 2025

Board Expenses	-	-	-	-	-	0%
Repairs and maintenance	587,806	-	587,806	571,296	16,510	3%
Contracted services	-	-	-	-	-	0%
Grants and subsidies	-	-	-	-	-	0%
Total Expenditure	5,025,642	-	5,025,642	4,899,132	126,510	3%
Surplus For the Period		-	-	126,510		
Capital Expenditure		-				

## **19. Significant Accounting Policies**

### **1. General Information**

Miharati Vocational Training Centre is established by and derives its authority and accountability from the TVET Act. Miharati Vocational Training Centre is wholly owned by the Government of Kenya and is domiciled in Kenya. Miharati Vocational Training Centre's principal activity is Vocational Training.

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

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

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

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2025.

**Miharati Vocational Training Centre Annual Report and Financial Statements**  
**For the Year Ended 30<sup>th</sup> June 2025**

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2025:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of Miharati Vocational Training Centre’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between Miharati Vocational Training Centre’s risk</li> </ul>

Standard	Effective date and impact:
	management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2025</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Miharati Vocational Training Centre provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> <li>(a) The nature of such social benefits provided by Miharati Vocational Training Centre .</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on Miharati Vocational Training Centre ’s financial performance, financial position and cash flows.</li> </ol>

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Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2025:</p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</li> <li>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>
Other improvements to IPSAS	<p>Applicable 1st January 2025</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <i>IPSAS 29: Financial instruments: Recognition and Measurement.</i> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul>

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

Standard	Effective date and impact:
IPSAS 43	Applicable 1st January 2025

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Standard	Effective date and impact	
	<p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of Miharati Vocational Training Centre .</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets ss lease liabilities.</p>	
IPSAS 44:	<i>Applicable 1st January 2025</i>	
Non- Current Assets Held for Sale and Discontinued Operations	<p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>	

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

**ii) Revenue from exchange transactions Rendering of services**

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

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**Sale of goods**

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

**Interest income**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2024/2025 was approved by the Board on 27th June 2024. Subsequent revisions or additional appropriations were made to the approved budget by specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Miharati Vocational Training Centre upon receiving the respective approvals to conclude the final budget. Miharati Vocational Training Centre 's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

**c) Taxes**

***Current income tax***

Miharati Vocational Training Centre is exempt from paying taxes as per schedule 1<sup>st</sup> schedule of the tax act Cap 470.

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

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

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

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

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. After initial recognition, investment properties are measured using the cost model and are depreciated over a five (5)-year period or investment property is measured at fair value with gains and losses recognized through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a use change.

**e) Property, plant, and equipment**

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

**f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to Miharati Vocational Training Centre. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. Miharati Vocational Training Centre also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present

value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However,

#### **Summary of Significant Accounting Policies (Continued)**

If there is no reasonable certainty that Miharati Vocational Training Centre will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to Miharati Vocational Training Centre. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

#### **g) Intangible assets**

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

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

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

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

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

**Summary of Significant Accounting Policies (Continued)**

**i) Financial instruments**

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

***Financial assets***

***Classification***

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

assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Summary of Significant Accounting Policies (Continued) 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

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amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where Miharati Vocational Training Centre manages financial assets to realize cash flows through solely the sale of the assets would result in a fair value through a 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 continuingly. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

**Impairment**

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

**Summary of Significant Accounting Policies (Continued)**

***Financial liabilities Classification***

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

**j) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or 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 labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

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

**Inventories (Continued)**

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

**Summary of Significant Accounting Policies (Continued)**

**k) Provisions**

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

***Contingent liabilities***

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

### ***Contingent assets***

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

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

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

#### **Summary of Significant Accounting Policies (Continued)**

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

Miharati Vocational Training Centre creates and maintains reserves in terms of specific requirements. *(Miharati Vocational Training Centre to state the reserves maintained and appropriate policies adopted).*

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

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

##### **o) Employee benefits Retirement benefit plans**

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

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contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**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.

**Summary of Significant Accounting Policies (Continued)**

**p) 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.

**q) Related parties**

Miharati Vocational Training Centre *regards* a related party as a person or a Miharati Vocational Training Centre with the ability to exert control individually or jointly, or to exercise significant influence over Miharati Vocational Training Centre, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**r) Service concession arrangements**

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

**s) 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

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

**t) Comparative figures**

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

**u) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

**20. Notes to the Financial Statements**

**6. Transfers from the County Government**

Description	FY 2024/25
	KSh
Unconditional Grants	
Capitation Grants	2,220,000
Operational Grant	-
Unconditional Development grants	-
Other Grants	2,143,777
Total unconditional Grants	-
Conditional Grants amortised/ recognised in revenue	-
Library Grant	-
Hostels Grant	-
Administration Block Grant	-
Laboratory Grant	-
Learning Facilities Grant	-

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Other Organizational Grants	-
Total Government Grants and Subsidies	4,363,777

**(b) Transfers from County Government (Categorized)**

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund	Amount recognised during the year
	Kshs	Kshs	Kshs	Kshs
County Department for XX	-	0	0	0
Total	-	0	0	0

**7. Grants from Development Partners**

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

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

Description	FY 2024/2025
	Kshs
Balance unspent at beginning of year	-

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Current year receipts	-
Conditions Met - Transferred to Revenue	-
Conditions Yet To Be Met	-
(Provide brief explanation for this revenue)	

**8. Transfers from National Government entities**

Description	FY 2024/2025
	Kshs
	Kshs
Transfer from Ministry/State dept XX	-
Other transfers	-
Total Transfers	-

**9. Public Contributions and Donations**

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

**10. Fees from students**

Description	FY 2024/2025
	Kshs
Tuition Fees	637,865
Activity Fees	

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Industrial Attachment Fees	-
Examination Fees	17,000
Library Fees	-
Facilities And Materials	-
Registration Fees	7,000
Others (Specify) Feeding Program	
<b>Total Fees from students</b>	<b>661,865</b>

**11. Sale of Goods**

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

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

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

**13. Finance Income**

Description	FY 2024/2025
	Kshs
Cash investments and fixed deposits	-

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Interest income from treasury bills	-
Interest income from treasury bonds	-
Interest from outstanding debtors	-
Total finance income	-

**14. Miscellaneous Income**

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

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified.)

**15. Use of Goods and Services**

Description	FY 2024/2025
	Kshs
Teaching and learning materials	628,820
Industrial attachment costs	-
Electricity and Water	158,570

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Security	-
Professional and consultancy services	-
Subscriptions and Registration	-
Advertising	-
Examination fees	17,000
Audit fees	-
Catering, conferences, and delegations	262,055
Travelling and accomodation	87,500
Fuel and oil	-
Insurance	-
Legal expenses	-
Licenses and permits	-
Postage	-
Printing and stationery	425,440
Hire charges	-
Rent expenses	-
Skills development levies	-
Telephone expenses	-
Internet expenses	-
Training expenses	-
Bank Charges	9,824
Co-curricular Activities	31,550
Sanitary And Cleaning Materials	-
Farm Inputs	-
Skills Competition	196,000
Other (specify)	-
<b>Total good and services</b>	<b>1,816,759</b>

**16. Employee Costs**

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Description	
Salaries and wages-BOM Staff	367,300
Salaries and wages-County Staff	1,888,909
Employee related costs - contributions to pensions and medical aids	254,868
Travel, motor car, accommodation, subsistence and other allowances	-
Housing benefits and allowances	-
Overtime payments	-
Social contributions	-
Employee Costs	2,511,077

**17. Board Expenses**

Description	
Chairman's Honoraria	-
Directors Emoluments	-
Other Allowances	-
Other Board Expenses	-
Total	-

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**18. Depreciation and Amortization expense**

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

**19. Repairs and Maintenance**

Description	FY 2024/2025
	Kshs
Property	-
Investment property – earning rentals	-
Tools, Equipment, machinery and Buildings	571,296
Vehicles	-
Furniture and fittings	-
Computers and accessories	-
Total Repairs and Maintenance	571,296

**20. Contracted Services**

Description	FY 2024/2025
	Kshs
Actuarial valuations	-
Investment valuations	-
Property valuations	-
Other	-

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Total contracted services	-
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**21. Grants and Subsidies**

Description	Kshs
Community Development	-
Education Initiatives and Programs	-
Social Development	-
Social benefits expenses	-
Community Trust	-
Sporting Bodies	-
Total Grants and Subsidies	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

**22. Finance Costs**

Description	Kshs
Borrowings (Amortized Cost)*	-
Finance Leases (Amortized Cost)	-
Unwinding of Discount from lease liabilities	-
Interest on Bank Overdrafts	-
Interest on Loans from Commercial Banks	-
Total Finance Costs	-

(\*Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

**23. Gain On Sale of Assets**

Description	FY 2024/2025
	Kshs
Property, Plant and Equipment	-

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Intangible Assets	-
Other Assets not capitalised	-
Total Gain On Sale of Assets	-

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

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

**25. Impairment Loss**

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

**26. Cash and Cash Equivalents**

Description	FY 2024/2025
	Kshs
Current Account	2,346,468
On - Call Deposits	-
Fixed Deposits Account	-
Others	-

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Total Cash and Cash Equivalents	2,346,468
---------------------------------	-----------

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

Financial Institution	Account number	FY 2024/2025
		Kshs
a) Current Account		
capitation -KCB bank	,1252839049	2,323,274
Operation Equity Bank	,0160101247885	23,194
Sub- Total		2,346,468
b) On-Call Deposits		
- Bank		-
- Bank – etc.		-
Sub- Total		-
c) Fixed Deposits Account		
- Bank		-
- Bank		-
Sub- Total		-
d) Others (Specify)		
Cash in Transit		-
Cash in Hand		-
Mobile Money account		-
Sub- Total		-
Grand Total		2,346,468

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

Description	FY 2024/2025
	Kshs
Current Receivables	
Student Debtors	-
Rent Debtors	-
Advance payments	-

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Consultancy Debtors	-
Other Exchange Debtors	-
Less: Impairment Allowance	-
Total Current Receivables	-

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

Description	FY 2024/2025
	Kshs
Non-Current Receivables	
Refundable Deposits	-
Advance Payments	-
Public Organizations	-
Less: Impairment Allowance	-
Total	-
Current Portion Transferred To Current Receivables	-
Total Non-Current Receivables	-
Total Receivables	-

**27 (c) Ageing Analysis of Receivables from Exchange transactions**

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

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Between 2-3 years	-	0
Over 3 years	-	
Total (a+b)	-	100%

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

Description	FY 2024/25
	Kshs
At the beginning of the year	-
Provisions during the year	-
Recovered during the year	-
Write offs during the year	-
At the end of the year	-

**28. Receivables from Non-Exchange transactions**

Description	FY 2024/25
	Kshs
	Kshs
Current Receivables	
Capitation Grants*	-
Transfers from Other Govt. entities	-
Undisbursed Donor Funds	-
Other Debtors (Non-Exchange Transactions)	-
Less: Impairment Allowance	-
Total Current Receivables	-

(\*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review).

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

Description	FY 2023/2024
	Kshs

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Current FY	-	% of the total
Less than 1 year	-	-
Between 1- 2 years	-	-
Between 2-3 years	-	-
Over 3 years	-	-
Total	-	%

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

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

**29. Inventories**

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

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

**30. Investments in financial assets**

Description	Rs
a) Investment in Treasury Bills and Bonds	
Financial Institution	
CBK	-
CBK	-
Sub- Total	-
b) Investment with Financial Institutions/ Banks	
Bank X	-
Bank Y	-
Sub- Total	-
c) Equity Investments	
Equity/ Shares in Company	-
Sub- Total	-
Grand Total	-

Analyzed as:

Current portion of Investment	-
Non-Current portion of Investment	-

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

**d) Shareholding in other entities**

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

Name of Entity where Investment is Held	No of Shares		Effective Shareholding	Nominal Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding			
	%	%	%	Kshs	Kshs
Entity A	-	0	0	0	0
Entity B	-	0	0	0	0
	-	0	0	0	0

**31. Property, Plant and Equipment**

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2024	-	0	0	0	0	0	0	0	0

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Additions	-	0	0	0	0	0	0	0	0
Disposals	-	0	0	0	0	0	0	0	0
Transfers/Adjustments	-	0	0	0	0	0	0	0	0
	-	0	0	0	0	0	0	0	0
Depreciation And Impairment									
At 1 Jun 2024	-	0	0	0	0	0	0	0	0
Depreciation	-	0	0	0	0	0	0	0	0
Disposals	-	0	0	0	0	0	0	0	0
Impairment	-	0	0	0	0	0	0	0	0
At 30 Jun 2025(previous year)	-	0	0	0	0	0	0	0	0
Net Book Values									
At 30th Jun 2025	-	0	0	0	0	0	0	0	0

**Valuation**

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

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

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	0	0

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Buildings	-	0	0
Plant And Machinery	-	0	0
Motor Vehicles including Motorcycles	-	0	0
Computers and Related Equipment	-	0	0
Office Equipment, Furniture, And Fittings	-	0	0
Total	-	0	0

**32. Intangible Assets**

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

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**33. Investment Property**

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

**34. Biological Assets**

Description	FY 2024/2025
	Kshs
Cattle	-
Trees	-
Others	-
Total	-

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

Description	Period Ended
	Kshs
	Kshs
Trade payables	-

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Salary deductions	-	
Third-Party Payments	-	
Other Payables	-	
Total Trade and Other Payables	-	
Ageing analysis:	Current FY	% of the Total
Under one year	-	%
1-2 years	-	%
2-3 years	-	%
Over 3 years	-	%
Total (to tie to totals above)	-	%

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

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

Ageing analysis:	Current FY	% of the Total
Under one year	-	%
1-2 years	-	%
2-3 years	-	%

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Over 3 years	-	%
Total (to tie to totals deposits above)	-	%

**37. Provisions**

Description	Leave provision	Gratuity Provision	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	0	0	0
Additional provisions	-	0	0	0
Provision utilised	-	0	0	0
Change due to discount and time value for money	-	0	0	0
Total provisions at the end year	-	0	0	0
Current Provisions	-	0	0	0
Non-Current Provisions	-	0	0	0

**38. Finance Lease Obligation**

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

**Maturity Analysis**

Period	Amount
	Kshs

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Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	-
Less: Unearned Interest	-
Total	-

**Analysed as:**

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

**39. Deferred Income**

Description	31 Y 2024 2025
	Kshs
County Government	-
National Funding Bodies	-
Public Contributions and Donations	-
Total Deferred Income	-

The deferred income movement is as follows:

Description	County government	National funding/ donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs

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Balance brought forward	-	0	0	0
Additions during the year	-	0	0	0
Transfers to capital fund	-	0	0	0
Transfers to income statement	-	0	0	0
Other transfers	-	0	0	0
Balance carried forward	-	0	0	0

**Analysed as:**

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

**40. Service Concession Arrangements**

Description	Amount
	Kshs
Fair value of service concession assets recognized under PPE	-
Accumulated depreciation to date	-
Net carrying amount	-
Service concession liability at beginning of the year	-

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Service concession revenue recognized	-
Service concession liability at end of the year	-

**41. Cash generated from operations.**

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

**Financial Risk Management**

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

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

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(i) Credit risk

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

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

the company's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 20XX (previous year)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 20XX (current year)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that

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the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from -x

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

**(ii) Liquidity risk management**

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

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

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

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Deferred Income	-	-	-	-
Total	-	-	-	-

**(iii) Market risk**

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

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

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

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

**a) Interest rate risk**

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

***Management of interest rate risk***

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

**iv) Capital Risk Management**

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

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Description	FY 2024/25
	Kshs.
Revaluation Reserve	-
Retained Earnings	-
Capital Reserve	-
Total Funds	-
Total Borrowings	-
Less: Cash and Bank Balances	-
Net Debt/(Excess Cash and Cash Equivalentents)	-
Gearing	-

**1. Related Party Balances**

Nature of related party relationships

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

**County Government of Nyandarua**

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

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

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

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

**2. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

Description	FY 2025
-------------	---------

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Contingent Assets	
Contingent Assets	
Insurance Reimbursements	-
Assets arising from determination of Court Cases	-
Reimbursable Indemnities and Guarantees	-
Others	-
<b>Total</b>	<b>-</b>

**Contingent Liabilities**

Description	FY 2024/25
	2025
Contingent Liabilities	-
Court Case - against ( <i>The Entity</i> )	-
Bank guarantees in favour of subsidiary	-
Contingent liabilities arising from Contracts including PPPs	-
Others	-
<b>Total</b>	<b>-</b>

**3. Capital Commitments**

Capital Commitments	FY 2024/25
	2025
Authorised for	-
Authorised and Contracted for	-
<b>Total</b>	<b>-</b>

**4. Events After The Reporting Period**

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

**5. Currency**

**Miharati Vocational Training Centre Annual Report and Financial Statements**  
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The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

Mihari Vocational Training Centre  
 P.O. Box 42428  
 Nairobi, Kenya  
 Tel: 011 254 20 274 2000  
 Email: info@mihari.ac.ke

**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. in the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

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Name JOSEPHAT MUCHERU THUO

Manager



Date

10/12/2025



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**Appendix II: Projects Implemented by Miharati VTC**

**Projects**

Projects implemented by the Miharati VTC Funded by development partners.

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

**Status of Project Completion**

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

*[Faint blue stamp or watermark, illegible text]*

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

Name of transferring entity: Maharashtra County Government  
 Name of beneficiary entity: Miharati Vocational Training Centre

Confirmation of amounts received by [insert name of beneficiary Entity] as at 30<sup>th</sup> June 2025

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	26/06/25	2,220,000		2,220,000	
Total				2,220,000	

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

Head of Accounts Department - Disbursing Entity:

Name Anne Thewi Sign [Signature] Date 10/12/2025

Head of Accounts Department - Beneficiary Entity:

Name JOSEPHAT MULHERU Sign [Signature] Date 10/12/2025

**MIHARATI VOCATIONAL TRAINING CENTRE**  
 P. O. Box 120 - 20301, MIHARATI  
 DATE:..... SIGN:.....

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

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

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

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Program me	Sub-program me	Disast er Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/prepa redness)	Expendit ure item	Amou nt (Kshs. )	Comme nts