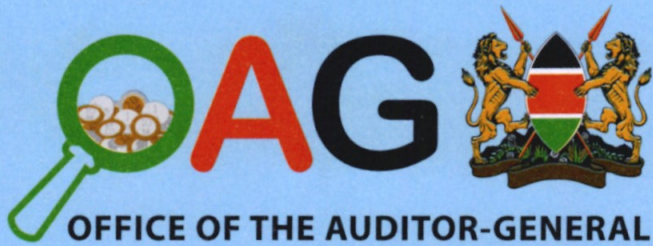


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

DATE: 08 APR 2026

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wed

TABLED
BY:

Hon Samuel Chepkongor

OF

CLERK-AT
THE-TABLE:

Mudo

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**KIAMAKORO VOCATIONAL TRAINING
CENTRE**

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





KIAMAKORO VOCATIONAL TRAINING CENTRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2025

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

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

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1. Acronyms, Abbreviations, and Definition of Key Terms

ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
MoE	Ministry of Education
CBC	Competency Based Curriculum
CBET	Competency Based Education and Training
TVETCDACC	Technical Vocation Education and Training Curriculum Development Accreditation and Certification Council
VTC	Vocational Training Centre
VET	Vocation, Education and Training
DVET	Director Vocation Education and Training
CGM	County Government of Meru
VETO	Vocational Education and Training Officer
BoG	Board of Governors
CEC (M)	County Executive Committee Member
NGAO	National Government Administration Officer

KIAMAKORO VTC

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

2. Key Entity Information and Management

(a) Background information

Kiamakoro Vocational Training Centre (formerly Kiamakoro Youth Polytechnic) located in upper Kaongo Sub-location, Nduruma location, Mwanganthia Ward, Abothuguci East, Imenti Central Sub-county, Central Imenti Constituency Meru county. It was started by the local community as a village polytechnic under the Methodist Church in Kenya as a self help group to help the local youth get technical skills in 1994. Then in 2009 it was handed over to the government by the community and became a church sponsored public polytechnic under the Ministry of Youth, Sports and Gender after being moved from the Ministry of Culture and Social Department. After devolution, in 2012, it was taken over by the County Government of Meru-department of Education and technology-Vocation Education and Training. Its under the County government till date. The sponsors still remain the Methodist Church in Kenya. Currently is accredited with TVETA as per the TVET Act 2013 for all its program under license no **TVETA/PUBLIC/VTC/0044/2020**. Also we have been accredited by TVET CDACC centre to offer CBET course in Masonry.

(b) Principal Activities

The principal activity/mission/ mandate of the entity is to ...

The core mandate of the institution under the Ministry of Education, State department of Vocational Training through the department of Education and Technology- County Government of Meru is to provide technical, vocational education and training with a strong component of entrepreneurship for national development under the TVET Act 2013.

Mission: to empower the youth with the right skills:-technical, entrepreneurial and life skills towards self sustenance.

Vision: to be a centre of excellence in providing the right skills in promoting the economy of the nation

Core values: Teamwork, innovativeness among the youth
Utilization of little resources to turn the economy positively.

(c) Key Management

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

- Board of Governors
- Accounting Officer/ Principal/Manager
- Teaching and support staff

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Manager/trainer	Sammy Mwirigi
2.	Deputy Principal/Assistant Manager	George Miano Murage

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

The BoG provides the oversight role in the running and management of the VTC
It is in the process of forming the necessary committees.

Also quality assurance is –curriculum implementation is done by the department of VET, and TVETA. Finance is done by the directorate of internal audit –CGM.

All the generated reports are then passed on the BoG Executive committee for deliberations and the resolutions arrived at, are ratified by the full board.

(f) Entity Headquarters

P.O. Box 264 Nkubu 60202
Kariene –Kaguma /Road
Imenti Central, Meru County - KENYA

(g) Entity Contacts

Telephone: (254) 793924519
E-mail: kiamakoroyouthpolytechnic@gmail.com

(h) Entity Bankers

Kenya Commercial Bank-Nkubu branch
Equity Bank –Nkubu branch
Equity Bank -Meru

(i) Independent Auditors

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

Key Entity Information and Management (Continued)

(j) Principal Legal Adviser

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

County Attorney
Legal Affairs, Public Service Management and Administration
Meru County headquarters
P.O Box 120-60200
Meru, Kenya



3. The Board of Governors

<i>Member/ Director</i>	<i>Details</i>
<p><i>(Insert each Board of Management Members' passport-size photo and name, and key profession/academic qualifications)</i></p>	<p><i>Provide a concise description of each member's date of birth, key qualifications, and work experience. Indicate whether the member is independent or an executive member and which committee the member sits or chairs where applicable.</i></p>
 <p>1. Gideon Mwongera Profession: mechanic Academic: diploma-motor vehicle technology</p>	<p>Date of birth: 12/01/1973 Key qualification: diploma-motor vehicle technology Work experience Position in the BoG: chairman</p>
 <p>2. Beatrice Kagwiria Profession: business woman Academic: certificate in ICT</p>	<p>Date of birth: 11/11/1979 Key qualification: certificate in ICT Work experience: 3 years Position in the BoG: vice chair</p>
 <p>3. Sammy Mwirigi Kang'oria Profession: trainer Academic: Diploma in technical teaching – electrical engineering</p>	<p>Date of birth: 30/05/1977 Key qualification: Diploma in technical teaching – electrical engineering Position in the BoG: Secretary Not a member of ICS</p>


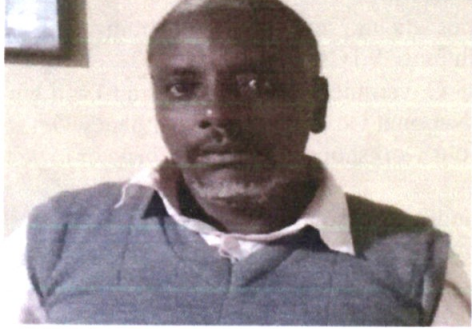
 <p>4. Daniel Murithi kaburu Profession: Businessman/farmer Academic qualification: O level Certificate E,</p>	<p>Date of birth: 7th /4/1974 Key qualification: Secretary CBO Work experience: 27 years Position in the BoG: Third signatory/treasurer</p>
 <p>5. Kelvin Murori Profession: Journalist Academic : Diploma- Mass Media(journalism</p>	<p>Date of birth: 16/06/1996 Key qualification: Diploma-Mass Media(journalism Work experience: 7 years Position in the BoG: Youth</p>
<p>6. Peter kimathi Profession: Academic: Diploma-</p>	<p>Date of birth: Key qualification: Diploma- Work experience: Position in the BoG: Industry/Commerce</p>
 <p>7. Sarah kaari Profession: farmer Academic: cert.</p>	<p>Date of birth: 3rd/2/1970 Key qualification: Chair PWD Kaongo area Work experience: 7 years Position in the BoG: Special Needs</p>
 <p>8. Timothy Mugiira Profession: driver Academic: o level</p>	<p>Date of birth: 25/06/1982 Key qualification: driver Work experience: 12 years Position in the BoG: Member</p>
 <p>9. Timothy Kinyua</p>	<p>Date of birth: 10/5/1970 Key qualification: Pastor/Community mobilizer Work experience: 29 years Position in the BoG: Member</p>

KIAMAKORO VTC

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

<p><i>Profession: pastor</i> <i>Academic: diploma in Theology</i></p>	
<p> <i>10. Cirila karai</i> <i>Profession: nutritionist/community trainer</i> <i>Academic: certificate in Nutrition</i></p>	<p><i>Date of birth: 01/01/1973</i> <i>Key qualification: community trainer</i> <i>Work experience:</i> <i>Position in the BoG: Community /Member</i></p>
<p> <i>11. George Miano Murage</i> <i>Profession: trainer</i> <i>Academic: Diploma Building Technology</i></p>	<p><i>Date of birth: 15/4/1975</i> <i>Key qualification: diploma</i> <i>Work experience: 15 years</i> <i>Position: parent/trainer rep</i></p>

4. Key Management Team

S N	Member/ Director	Details
1.	 <p data-bbox="368 707 895 801"><i>Sammy Mwirigi kang'oria Diploma-pedagogy-kttc & instrumentation and control-the Mombasa poly</i></p>	<p data-bbox="935 584 1299 647"><i>DAILY OPERATIONS/hod electrical/secretary to the board</i></p>
2.	 <p data-bbox="368 1182 879 1281"><i>George Miano Murage Professional/academic qualification: Diploma pedagogy-KTTC & building Technology</i></p>	<p data-bbox="935 1048 1177 1077"><i>Curriculum/discipline</i></p>
<p data-bbox="368 1285 1382 1344"><i>(Note: The Principal and the Secretary to the BoM will feature both under the 'Board' and 'Management').</i></p>		

5. Chairman's Statement

Kiamakoro Vocational Training Centre under the County Government of Meru department of Education and technology -Directorate of VET and licensed by TVETA carries out its mandate as per the TVET Act 2013 and in line with other legal provisions that support vocational training. I am pleased to present the annual report and financial statement of Kiamakoro VTC for the year ended June 30th 2025.

During the ended financial year the institution has made the following **achievements**:

1. All trainers have been trained on CBET classroom delivery methodology under the KSTVET through collaboration of Colleges and Institute Canada (CICAN) under the Young Africa program sponsored by Master Card Foundation. The training took place at Mukiria Technical Training Institute Meru county
2. Certification of the VTC as a CBET centre by TVETCDACC to offer Building Technology course popularly called Masonry.
3. Opened the door to enrol the young mothers into our training program
4. Took part in the Meru ASK show with other VTCs in Meru county
5. Received Capitation from the National Government(conditional Grant) and bursaries from the County government of Meru and the National Government Constituency Development
6. Fabrication of workshop benches for our workshops Harvested 4 bags of maize from the school farm
7. Water connectivity to the institution and installation of gutters for water harvesting
8. Started work on the strategic plan formulation

We have also faced a number of challenges

1. trainee enrolment as the education landscape is changing from the old system to the new CBC education system and other factors.
2. Trainees dropout due to lack of school fees still poses a major challenge on enrolment and finances
3. Inadequate training and support staff
4. Inadequate infrastructure for existing courses and for mounting new ones
5. Lack of industrial experience for many TVET trainers. This hampers market driven demand for training aspect and relevancy of the courses offered to the trainees.
6. Low uptake of ICT integration in training by trainees leading to challenges in adopting new technologies.

Way forward

1. As institution we are looking forward to having the school turn from a day VTC to a boarding VTC. This process was initiated way back and the already built dorm is now under the MCA's office for completion through the CGM, only the plumbing, painting and electrical installation works remain. This will be a major milestone in the school's positive growth.
2. Starting of income generating activities to supplement our main source of income which is the fees account.

KIAMAKORO VTC

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

The Board is pleased with the efforts of the institution's compliance with the government regulation and statutory requirements. We thank the two levels of government for their continued support in the implementation of the training programs.

Finally i wish to thank all the stakeholders for their unwavering support.



MR. GIDEON MWONGERA
CHAIRMAN BOARD OF GOVERNORS

5. Report of the Manager

Presented herein is the annual report and financial statement of Kiamakoro VTC for the year ended 30th June 2025 as per the requirements of Public Finance Management Act of 2012 and Public Audit Act of 2015.

Non financials**Academic program**

During the financial year under review, the VTC had six (6) academic programs as follows:

1. Building Technology
2. Hairdressing technology
3. Garment Making technology(fashion and design)
4. Appropriate Carpentry and Joinery
5. Electrical installation
6. Information Communication Technology

Trainees' population

Our admission run throughout the year and advertisement is done via churches and public barazas. We were able to enrol a total of 34 trainees. Our licensed capacity is 55 trainees being a day vocational training centre.

Due to some trainees failing to apply for bursaries, and the withdrawal for exam fees paid by the CGM our trainee population declined and those who did the final exam in 2024 December were 7 out of 19. During the ended financial year the institution has made the following **achievements**:

7. All trainers have been trained on CBET classroom delivery methodology under the KSTVET through collaboration of Colleges and Institute Canada (CICAN) under the Young Africa program sponsored by Master Card Foundation. The training took place at Mukiria Technical Training Institute Meru county
8. Certification of the VTC as a CBET centre by TVETCDACC to offer Building Technology course popularly called Masonry.
9. Opened the door to enrol the young mothers into our training program
10. Took part in the Meru ASK show with other VTCs in Meru county
11. Received Capitation from the National Government(conditional Grant) and bursaries from the County government of Meru and the National Government Constituency Development. This has helped us retain trainees.
12. Fabrication of workshop benches for our workshops Harvested 4 bags of maize from the school farm
13. Water connectivity to the institution and installation of gutters for water harvesting. water is a challenge within the locality of the institution.
14. Started work on the strategic plan formulation

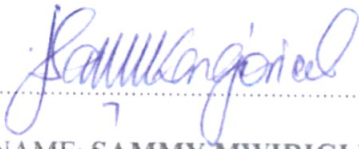
Challenges

1. Trainee enrolment as the education landscape is changing from the old system to the new CBC education system and other factors.
2. Trainees dropout due to lack of school fees still poses a major challenge on enrolment and financial obligations of the VTC. Many prefer to do quarrying and boda boda related activities. We are located along the major quarrying site within Meru County.
3. Inadequate training and support staff to help carry out non-academic and administrative duties. This has made the existing trainers to be overloaded with other tasks.
4. Inadequate infrastructure for existing courses and for mounting new ones. This has hindered mounting of new courses that are demand driven
5. Lack of regular industrial experience for trainers. This hampers market driven demand for training aspect and relevancy of the courses offered to the trainees.
6. Low uptake of ICT integration in training by trainees leading to challenges in adopting new technologies.

KIAMAKORO VTC

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

We thank all our stake holders including all government bodies both at National level and the County level in the technical and vocational education and training for their unwavering support. We look forward to more collaboration on implementing the CBET program within our institution.



NAME: SAMMY MWIRIGI KANG'ORIA
SECRETARY BOG - MANAGER



6. Statement of Performance against Predetermined Objectives

The institution is developing a strategic plan and work plans for implementation. In the year under review there were no predetermined objectives that had been set.

7. Corporate Governance Statement

The institution has a Board of Governors who are in charge of governance and management.

Appointment

A nomination panel is composed of the following members:

1. Vocational education and training officer{VETO}-chairperson
2. Vocational training centre manager(secretary)
3. Area member of county assembly(MCA)
4. Vocational training centre religious entity/subcounty education board for non religious entity
5. Local administration

The VETO Should convene a nomination panel consultative meeting within 14 days after constituting the panel. During this meeting the panel members should be briefed on the nomination process and the categories for nomination.

The VETO then convenes a VTC BoG nomination panel meeting after the elapse 30 day notice given to the panel members.

The meeting discusses the different proposed names and nominates the list of people for appointment as BoG

The VETO then submits within 14 days after nomination panel meeting the list of people to CEC(M) for appointment accompanied by written minutes of panel and the Curriculum Vitae of the nominated members.

All BoG members shall be appointed via written appointment letter from the CEC(M) in charge of Education and Technology. Each member then writes an acceptance letter to the CEC(M) within 14 days.

1. .

Requirements for Board of Governors' appointment

1. Minium education KCSE/KCE
2. Must be a person of integrity and committed to serve the community on voluntary basis
3. At least a third be women

Disqualification

1. Failure to meet the minimum academic qualification of KCSE/KCE level of secondary education
2. Criminal record and no pardon is granted
3. Declaration of bankruptcy and not discharged
4. Being of unsound mind/detained as a criminally insane person
5. Disqualification from holding public office by law in force then
6. Conflict of interest unless exempted by CEC(M) in writing
7. Failure to write an acceptance letter to CEC(M)

Failure to attend 3 consecutive BoG meeting with no written apology

Composition of the board of governors

1. 2 persons nominated by the religious entity/Sub county education board affiliated with the VTC
2. 2 persons representing the community where the VTC is located-community support mobilization
3. 2 youths: male and female-interests of the youth
4. 1 person representing people with special needs-people with disability/abled differently
5. 1 person representing the jua kali or industry and commerce sector- linkage with industry
6. 1 person representing special interest-have certain skills beneficial to the operation and well being of the VTC

7. 3 people co-opted to the board during the first BoG meeting drawn from the Parents' Instructors Association
8. Vocational Education and Training Officer as an ex-officio Board member
9. The VTC manager who is the secretary to the Board

The total number is 13

All board appointees must show keen interest in promoting the youth skills and talent development.

Inaugural meeting

1. Confirmation of chairperson of the BoG
2. Elect a vice chairperson
3. Co-opt three persons to the board who should be two parents with trainees in the VTC and an instructor
4. Nominate the signatories to the bank accounts (3) members namely the chairperson, the manager/secretary and a third signatory.

Rules of engagement

1. Term of office is 3 years eligible for reappointment for one more term
2. Board meeting not less than 3 in each year and a quorum of 2/3. Questions before the board shall be decided by the votes of the majority members present by voting
3. The chair person may convene a special meeting of the full board at any time and may so at the request of the Vocational Training officer.
4. The board may invite government officers/ other persons when need arises such persons will attend as ex-officio
5. In absence of the chair person, the vice chair shall be the chair person for that particular meeting only
6. Any member absent without apologies for 3 consecutive meetings of the board shall be required to resign /shall be deemed to have ceased from being a board member.
7. Any vacancy arising by resignation/death of a board member shall be filled by the entity responsible for his/her nomination and will hold office for the remaining term.

The Executive committee of the board

1. Chairperson
2. Vice chairperson
3. Secretary/manager
4. Third signatory
5. One BoG member
6. County Vocational Education and Training officer

The Quorum shall be 2/3 the decision of the board must be brought before the full board in its subsequent meeting for ratification.

Functions of the board

1. Promotion of the best interests of the institution and ensure its growth and development.
2. Promotion of quality education and training for all trainees as per set standards
3. Development of the strategic plan and its implementation
4. Provision of adequate physical facilities and associated infrastructures
5. Creation of an enabling environment for institution proper running
6. Management of all institution affairs including advice to the department of staffing needs, appointment, recruitment, remuneration etc as per the necessary legal provisions and mandate and code of conduct
7. Effective curriculum implementation and delivery as per the quality assurance practice.
8. Budget preparation, approval and implementation

9. Financial management and all resources of the institution
10. External linkages for the institution
11. Resource mobilization
12. Preparation of annual reports to relevant government agencies as requested
13. Promotion of the welfare and safety of all with the institution
14. Use of the institution facilities for free/hire for educational, training and research programs not run by the institution.

Dissolution of the Board (Education Act Cap211 Section 12) by CEC (M)

Where in the opinion of the CEC (M) a BoG has behaved irresponsibly /failed to exercise its mandate the CEC (M) may in writing:

1. Suspend the Board from exercising and performing its mandate and appoint an administrator to carry the mandate of the Board for a period not exceeding one year as may be specified by the CEC(M)
2. Resignation of all /any of the members of the Board and /appoint /require the appointment of new members of the board.
3. Make regulations on how the appointed administrator shall exercise all powers and perform the duties of the BoG.

Numbers of BoG meetings attended were four within the period of review.

8. Management Discussion and Analysis

The BoG of the VTC has been very supportive to the management as it performs its oversight role. The principal (manager) is the team leader assisted by the deputy principal (deputy manager) in charge of curriculum implementation and discipline, and the heads of departments. The VTC has not been able to employ an accounts clerk and other professionals due to funding challenges. On issues to with finance accounting we are forced to hire accountants from outside. During the financial year under review, our operations went on well except for low fee payment which affected our financial obligations to the support staff and some of our suppliers who are paid from the operation account. Fee arrears from continuing trainees and those dropping out along their training duration pose a financial challenge to the institution. We have had no projects in the year under review. Wages are in arrears and NSSF deductions Marketing of the institution still remains a challenge due to incomplete dormitory facility within the institution.

KIAMAKORO SWORT ANALYSIS

STRENGTH	WEAKNESS
<ol style="list-style-type: none"> 1. Market driven courses 2. Availability of conditional grant and bursaries 3. Government employed instructors 4. Accredited TVET courses 5. CBET competent trainers 6. The only TVETCDACC approved VTC in the ward 7. Offering nationally registered courses- NITA(national industrial training authority) 	<ol style="list-style-type: none"> 1. Inadequate infrastructure 2. Lack of industrial attachment for trainers and trainees 3. Training Staff shortage in certain courses hence failure to admit 4. Lack of enough modern tools and equipment 5. Incomplete dormitory 6. Inadequate support staff
OPPORTUNITIES	THREAT
<ol style="list-style-type: none"> 1. Availability of specialized skills 2. Trainees coming from the locality 3. The only TVETCDACC approved VTC in the ward 4. Positive change by government on VTCs 5. Introduction of CBET curriculum 	<ol style="list-style-type: none"> 1. Negative impact of COVID 19 pandemic, drug and substance abuse 2. High dropout rate due to quarrying works in the locality and boda boda 3. Child labour 4. Inadequate government support on infrastructure grant 5. Low fee payment 6. Negative perception of parents/guardians on trainees level of competence 7. Inadequate capacity building for trainers and support staff

9. Environmental And Sustainability Reporting Statement**i. Sustainability strategy and profile**

Kiamakoro Vocational Training Centre as a learning institution under the DVET is committed to producing skilled manpower as demanded by the industry. The institution continues to comply with the MoE guidelines and policies both from National and County governments. The community is a key component and continuous engagement is needed.

Sensitization on the TVET courses offered is an ongoing process and support from the National government via Conditional Grant(capitation), bursaries from the County government and NG-CDF central Imenti is acknowledged. These and other support has enabled the benefitting trainees to continue with their courses.

We are in the process of forming a stake holders forum and we have been reaching out to the political and other community leadership for support.

Industry engagement is being developed to be in line with the changing technological field. We are in the process of looking for facilitators' to enable the institution to acquire modern tools and equipment for training purposes.

The need for bench marking and capacity building of the trainers has been identified and the matter is with the CGM for action.

The BoG has made sure that the special groups and PWDs are represented within it by having 2 youth members and 1 person from the PWD.

We are in the process of coming up with service charter and other policies necessary for the smooth and efficient running of the institution.

Achievements

1. All trainers have been trained on CBET classroom delivery methodology under the KSTVET through collaboration of Colleges and Institute Canada (CICAN) under the Young Africa program sponsored by Master Card Foundation. The training took place at Mukiria Technical Training Institute Meru county
2. Certification of the VTC as a CBET centre by TVETCDACC to offer Building Technology course popularly called Masonry.
3. Opened the door to enrol the young mothers into our training program
4. Took part in the Meru ASK show with other VTCs in Meru county
5. Received Capitation from the National Government(conditional Grant) and bursaries from the County government of Meru and the National Government Constituency Development
6. Fabrication of workshop benches for our workshops
7. Harvested 4 bags of maize from the school farm
8. Water connectivity to the institution and installation of gutters for water harvesting

Failures

1. Unable to sustain trainees within the training period due to fee payment challenges
2. Poor methods of post harvest grain handling which made us loose the four bags to aflatoxins
3. Failure to employ an accounts clerk
4. not able to move to the new kitchen

Mitigation measures

1. to actively involve all the stake holders within the community and use of social media channels to market the institution

2. to use modern methods of post harvest handling of grains to reduce aflatoxin levels hence zero produce loss
3. actively source for funds and encouraging the establishment of more income generating activities to supplement fee revenue and finish the kitchen and infrastructural improvement and staff employment
4. actively engage the stakeholder forums to seek project funding for equipping and finishing the dormitory for boarding purposes
5. encourage all trainees to apply for bursaries to enable them complete their courses

ii. Environmental performance

Kiamakoro VTC is committed to sustainable environmental practices as follows:

1. Greening our compound by planting fruit trees and ornamentals
2. Use of shelled maize cobs as firewood in the institution kitchen
3. Using carpentry workshop wastes in the kitchen as firewood
4. Using compost from our dump pit as manure

We are actively looking for ways to prevent environmental pollution where possible.

iii. Employee welfare

Kiamakoro VTC follows the laid down procedures of hiring and dismissal of its employees. The Board identifies the vacancy(ies) based on duties and responsibilities to be executed. An advertisement is then put out to public regarding the vacant position(s) and invites qualified candidates to apply.

Upon application, shortlisting of qualified as per the advertisement specification is done and contact made via telephone call and SMS or other agreed communication channels.

All interviewees sit through an interview panel where their responses are scored and averaged. The highest scorer is then contacted and offer of appointment made via writing. Work orientation is then done upon acceptance of the offer of appointment. All labour laws and other legal requirements relating to the process and the position on offer are followed.

iv. Marketplace practices-

The organization should outline its efforts to:

a) Responsible competition practice.

Here the institution is in the process of developing appropriate policies that will govern this area. Currently a procurement and disposal committee is in place that carries out the institution procurement works.

b) Responsible Supply chain and supplier relations

In this area, the institution ensures that all suppliers are paid on time upon furnishing all the necessary documents to process their payments.

Where issues arise with the supplies the supplier is notified by way of writing discussing the issue at hand.

We shall be developing policies that will govern this area.

c) Responsible marketing and advertisement or Responsible engagement with the citizens

Kiamakoro VTC does public advertisement for its supplies and all the interested parties are usually invited to visit the institution to obtain all the necessary information.

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

Currently the institution is in the process of developing its CSR policy.

Within the year we were able to open our doors to the young mothers to come for skills training within our institution.

Also we have taken part in community barazas organised by the area NGAO officers and other community leaders. These engagements are geared towards increasing the enrolment and create awareness of the need to embrace skills training within and outside the community.

10. Report of the board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the *KIAMAKORO VTC* affairs.

Principal activities

The principal activities of the entity are as outlined in the TVET Act of 2013 and other relevant legal Provisions:

- i. To conduct training at tertiary level in vocational education and training fields
- ii. To determine curricula appropriate for training of various manpower category and required specialization by the labour market as per the MoE guidelines
- iii. To foster linkage with the industry and other institutions in promotion of quality and relevant training.
- iv. To promote and inculcate entrepreneurial skills and culture within the institution's staff and trainees
- v. To undertake income generating activities through production, consultancy and tailor-made courses offered by institution and other activities to complement the government grant and fees revenue
- vi. To foster spiritual growth among community members both staff and trainees.

Results

The results of the entity for the year ended June 30 are set out on page 1.

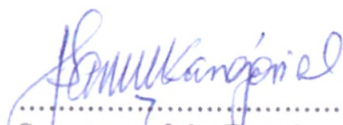
Board of Governors

The members of the Board who served during the year are shown on page VIII to X. During the year ending 30th June 2025, three members resigned and three more was appointed awaiting their letter of offer of appointment from the DVET Meru County government.

Auditors

The Auditor General is responsible for the statutory audit of Kiamakoro VTC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board


.....
Secretary of the Board

Date:

11. Statement of Board of Management Responsibilities

Section 164 of the Public Finance Management Act, 2012 and *TVET Act 2013* require the Board of Governors to prepare financial statements in respect of Kiamakoro VTC, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of the *entity* for that year/period. The Board of Management are also required to ensure that the *entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of Kiamakoro VTC. The Board of Governors are also responsible for safeguarding the assets of Kiamakoro VTC.

The Board of Governors are responsible for the preparation and presentation of the *kiamakoro VTC* financial statements, which give a true and fair view of the state of affairs of *kiamakoro VTC* for and as at the end of the financial year (2024/2025) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period. (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity. (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud. (iv) safeguarding the assets of the *entity*. (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Governors accept responsibility for *kiamakoro VTC* 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 TVET Act, 2013. The Board of Management are of the opinion that *kiamakoro VTC* financial statements give a true and fair view of the state of *kiamakoro VTC* transactions during the financial year ended June 30, 2025, and of the *kiamakoro VTC* financial position as at that date. The Board of Governors further confirm the completeness of the accounting records maintained for *kiamakoro VTC* which have been relied upon in the preparation of *kiamakoro VTC* financial statements as well as the adequacy of the systems of internal financial control.


In preparing the financial statements, the Principal/Manager has assessed *kiamakoro VTC* 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.*). Nothing has come to the attention of the Board of Governors to indicate that the *entity* will not remain a going concern for at least the next twelve months from the date of this statement

Approval of the financial statements

kiamakoro VTC financial statements were approved by the Board on 01/12/2025 2025 and signed on its behalf by:



Name: Gideon Mwangera
Chairperson of the Board

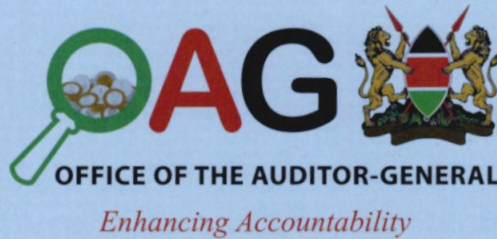


Name: Sammy Mwirigi Kang'oria
Manager

02 DEC 2025

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 KIAMAKORO VOCATIONAL TRAINING CENTRE FOR THE YEAR ENDED 30 JUNE, 2025

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 Kiamakoro Vocational Training Centre set out on pages 1 to 33, 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 Kiamakoro Vocational Training Centre as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Accounts Receivables

The statement of financial position and as disclosed in Note 8 to the financial statements reflects a balance of Kshs.232,340 in respect to accounts receivables balance from exchange transactions (student debtors) as at 30 June 2025. However, issued invoices and a debtor's ageing analysis were not provided for audit review. Further, there was no provision for bad and doubtful debts.

In the circumstances, the existence and recoverability of the accounts receivable balance of Kshs.232,340 could not be confirmed.

2. Unsupported Cash and Cash Equivalentents

The statement of financial position reflects a cash and cash equivalentents balance of Kshs.496,830 referenced as Note 7 to the financial statements. Review of the balance revealed that the Centre has three (3) active commercial bank accounts in the name Kiamakoro Youth Polytechnic which contradicts the registered name of the Centre (Kiamakoro Vocational Training Centre). Further, bank reconciliation statements of the Equity operations and examination bank accounts were not provided for audit. The Management failed to disclose a dormant account at the Kenya Commercial Bank held at the Makutano branch.

In the circumstances, the accuracy and completeness of the cash and cash equivalentents balance of Kshs.496,830 could not be confirmed.

3. Property, Plant and Equipment

The statement of financial position reflects a nil property, plant and equipment and inventory book value. However, review of documents revealed that despite the training centre having land of unknown value and size, no efforts have been put in place to acquire

land ownership documents and valuation reports. Further, the Institution failed to disclose and insure its library books, buildings, machinery and training equipment. In addition, the entity does not maintain an updated asset register.

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

4. Undisclosed and Uncertainty in Funding Students

The statement of financial performance and as disclosed in Note 1 to the financial statements reflects an amount of Kshs.606,000 in respect to revenue from non-exchange transactions being capitation received during the financial year under review. While the Training Centre had fifty-four (54) enrolled trainees and expected to receive Kshs.15,000 each totalling Kshs.810,000 from the County Government of Meru. The Training Centre only received an amount of Kshs.606,000 resulting to an outstanding balance of Kshs.204,000. The students were therefore, not fully funded and the Centre is not certain on the possibility of receiving the outstanding balance. Further, this outstanding balance was not disclosed as a receivable from non-exchange transactions in the statement of financial position.

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 Kiamakoro 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 a final revenue budget and actual on comparable basis of Kshs.1,132,705 and Kshs.900,365 respectively resulting in an underfunding of Kshs.232,340 or 21% of the budget. Similarly, the Centre spent Kshs.889,729 against actual receipts amount of Kshs.900,365 resulting in an under absorption of Kshs.10,636 of the actual receipts.

In the circumstances, the under-funding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Board of Management is responsible for the Other Information set out on page ii to xxvi which comprise of Key Entity Information and Management, the Board of Management, Management Team, Chairman's Statement, Report of the Manager, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management, Statement of the Board of Management 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 Centre's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and 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. Failure to Budget for Climate Change and Financing

Review of the Centre annual budget and financial plans revealed that no provisions for climate change mitigation, adaptation programs, or climate financing initiatives were made. In addition, there was no evidence of planned allocation of funds for projects or activities that address climate risks, such as water source protection, energy-efficient operations, or climate resilience measures, despite the Company's operations being

highly dependent on environmental sustainability. This contrary to The National Climate Change Act, 2016, which obligates public entities to mainstream climate change measures into their operational and development plans and to allocate adequate resources to address climate resilience and adaptation.

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

In the circumstances, the under-funding of the Centre may have affected service delivery to the other Institutions which did not receive capitation for students and value for money could not be confirmed.

2. Non-Compliance with the Public Procurement Capacity Building Levy Order, 2023

Review of records revealed that the Centre did not comply with the provisions of paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition, Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 which requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20th day of the subsequent month and also file monthly returns.

In the circumstances, Management was in breach of 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 an Internal Audit Function and Audit Committee

During the year under review, the Institution had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a

National Government entity to assess effectiveness of the Centre through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

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

2. Lack of a Substantive Training Centre Manager

Review of documents availed for audit revealed that the current acting manager of the training Centre was appointed in an acting capacity on 16 January, 2019, the Centre has been operating without a substantive manager for a period of more than seven (7) years. During the audit, no documents were provided for audit review in regards to advertisements or any recruitment process for a substantive manager.

In the circumstances, the validity of the appointment could not be confirmed.

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

Responsibilities of the Management and the Board of Management

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

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

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

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

The Board of Management is responsible for overseeing the Centre's financial reporting process, reviewing the effectiveness of how Management monitors compliance with

relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 December, 2025

KIAMAKORO VTC

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

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

	Notes	2025 Kshs	2024 Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	1	606,000.00	
Revenue from Exchange transactions			
Fees from students	2	526,705.00	
Revenue from Exchange transactions		526,705.00	
Total Revenue		1,132,705.00	
Expenses			
Use of goods and services	3	601,749.00	
Employee costs	4	221,960.00	
Board Expenses	5	42,200.00	
Repairs and maintenance	6	113,820.00	
Total Expenses		979,729.00	
Net surplus/(deficit) for the year		152,976.00	

The Financial Statements set out on pages 1 to 7 were signed by:

[Signature]
 Name *Lusebu*
 Chairman of Board

Date *02/12/2025*

[Signature]
 Name *Hellen Mwiru*
 Accountant
 ICPAK No *31,780*

Date *02/12/2025*

[Signature]
 Name *SAMUEL MWIRU*
 Manager

Date *02/12/2025*

KIAMAKORO VTC**Annual Report and Financial Statements for the year ended 30th June 2025****14. Statement of Financial Position As At 30th June 2025**

Description	Notes	2025	2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	7.a	496,831.00	
Current portion of receivables from exchange transactions	8a	232,340.00	
Inventory	9	-	
Total Current Assets		729,171.00	
Non-Current Assets			
Property, plant, and equipment	10	-	
Total Non-Current Assets		-	
Total Assets (A)		729,171.00	
Liabilities			
Current Liabilities			
Creditors	11	90,000.00	
Total Current Liabilities		90,000.00	
Non-Current Liabilities			
Non-Current Provisions			
Finance lease obligation			
Total non-current liabilities			
Total Liabilities (B)		90,000.00	
Net Assets (A-B)		639,171.00	
Represented By:			

KIAMAKORO VTC

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

Revaluation Reserves		-	
Accumulated Surplus		639,170.85	
Capital Fund		-	
Total Net Assets		639,170.85	

The Financial Statements set out on pages 1 to 7 were signed by:

Signature - For Chairman
.....
Name **ABEDIN**
Chairman of Board

Signature
.....
Name **Hellen Mwikia**
Accountant
ICPAK No **31780**

Signature
.....
Name **Sammy Mwirubi**
Manager

Date **02/12/2025**

Date **02/12/2025**

Date **02/12/2025**

KIAMAKORO VTC

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

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

Description	Revaluation reserve	Accumulated Surplus	Capital Grants/Fund	Total
At July 1, 2023 (previous year)				
Revaluation gain				
Surplus/(deficit) for the year				
Capital grants received during the year	-	-		
At June 30, 2024				
At July 1, 2024 (current year)		486,194.85		486,194.85
Revaluation gain				
Surplus/(deficit) for the year		152,976.00		152,976
Capital grants received during the year				
At June 30, 2025		639,170.85	0	639,170.85

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

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

Description	Note	2025	2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from County Government			
	1	606,000.00	
Grants from donors and development partners			
Transfers from National Government entities			
Public contributions and donations			
Fees from students	2	294,365.00	
Finance income			
Total Receipts		900,365.00	
Payments			
Use of goods and services	6	571,749.00	
Employee costs	7	161,960.00	
Board Expenses	8	42,200.00	
Repairs and maintenance	10	11,382.00	
Contracted services		0	
Grants and subsidies		0	
Total Payments		889,729.00	
Net Cash Flows from operating activities		10,636.00	
Cash flows from investing activities			
Purchase of property, plant, and equipment		0	
Purchase of intangible assets		0	

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

Proceeds from the sale of property, plant, and equipment		0	
Net cash flows used in investing activities		0	
Cash flows from financing activities			
Proceeds From Borrowing		0	
Repayment of Borrowings		0	
Net cash flows used in financing activities		0	
Net Increase/(Decrease) in Cash and Cash equivalents		10,636.00	
Cash & Cash equivalents at the beginning (1 st July 2024)		486,195.00	
Cash & Cash equivalents at the end. (30 th June 2025)	7.a	496,831.00	

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

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

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	A	B	C=A+B	D	E=C-D	F=D/C%
Budget carryovers from the previous year*	-					
Receipts						
Transfers from County Government	606,000.00	-	606,000.00	606,000.00	-	100
Fees from students	526,705.00	-	526,705.00	294,365.00	232,340.00	56
Miscellaneous Income			-		-	
Total Receipts	1,132,705.00	-	1,132,705.00	900,365.00	232,340.00	
Payments						
Use of goods and services	601,749.00		601,749.00	571,749.00	30,000.00	95
Employee costs	221,960.00		221,960.00	161,960.00	60,000.00	73
Board Expenses	42,200.00		42,200.00	42,200.00	-	100
Repairs and maintenance	113,820.00		113,820.00	113,820.00	-	100
Miscellaneous Expenses	152,976.00		152,976.00			
Total Expenditure	1,132,705.00	-	1,132,705.00	889,729.00	90,000.00	
Capital Expenditure payments						
Surplus		-	-	10,636.00	142,340.00	-

17. Notes to the Financial Statements**1. General Information**

Kiamakoro VTC entity is established by and derives its authority and accountability from TVET Act of 2013. The entity is wholly owned by the County Government of Meru and domiciled in Imenti Central sub-county. The entity's principal activity is empowering the youth through 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 the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the TVET Act, (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

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

	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any

	<p>impairment in accordance with IPSAS 26.</p> <p>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p>
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iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or

4. Summary of Significant Accounting Policies

- a) **Revenue recognition**
- i) **Revenue from non-exchange transactions**

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

- ii) **Revenue from exchange transactions**

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on xxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of xxx on the FY 20XX/20XX budget following the Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented.

c) Taxes

Current income tax

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

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e).Property, plant and equipment

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

e) Leases

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

f) 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.

g) Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

h) Research and development costs

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

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

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

i) Financial instruments

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

Financial assets***Classification***

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

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities***Classification***

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

j) Inventories

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

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

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

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

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

m) Nature and purpose of reserves

The *Entity* creates and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted*).

n) Changes in accounting policies and estimates

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

o) Employee benefits**Retirement benefit plans**

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

p) Foreign currency transactions

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

q) Borrowing costs

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

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

r) Related parties

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

s) Service concession arrangements

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

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

1. Transfers from the County Government

Description	2024- 2025
	Kshs
Unconditional Grants	
Capitation Grants	606,000.00
Operational Grant	
Unconditional Development grants	-
Other Grants	-
Total unconditional Grants	606,000.00
Conditional Grants amortised/ recognised in revenue	
Library Grant	-
Hostels Grant	-
Administration Block Grant	-
Laboratory Grant	-
Learning Facilities Grant	-
Other Organizational Grants	-
Total Government Grants and Subsidies	606,000.00

2. Fees from students

Description	2024- 2025
	Kshs
Tuition Fees	379,155.00
Activity Fees	
Industrial Attachment Fees	
Examination Fees	35,200.00
Library Fees	
Facilities and Materials	
Registration Fees	-
Others (<i>Specify</i>)	-
Repairs and Maintenance	20,205.00
Personal Emoluments	57,825.00
Uniform	34,320.00
Total Fees from students	526,705.00

3. Use of Goods and Services

Description	2024-2025
	Kshs
Teaching and learning materials	272,435.00
Industrial attachment costs	
Electricity	16,500.00
Water	
Security	
Professional and consultancy services	
Subscriptions	
Advertising	300.00
Examination fees	56,400.00
Audit fees	
Catering,	86,765.00
Travelling and accommodation	
Fuel and oil	
Insurance	
Legal expenses	
Licenses and permits	
Postage	
Printing and stationery	36,820.00
Hire charges	
Skills development levies	101,284.00
Telephone expenses	2,290.00
Internet expenses	
Training expenses	
Other (<i>specify</i>)	
Agriculture Expenses	23,740.00
Bank Charges	5,215.00
Total good and services	601,749.00

4. Employee Costs

Description	2024-2025
	Kshs
Salaries and wages	160,060.00
Employee related costs - contributions to pensions and medical aids	
Daily Travel and Subsistence Allownces	61,900.00
Housing benefits and allowances	
Overtime payments	
Social contributions	
Employee Costs	221,960.00

5. Board Expenses

Description	2024-2025
	Kshs
Chairman's Honoraria	
Directors Emoluments	
Other Allowances	
Other Board Expenses	42,200.00
Total	42,200.00

6. Repairs and Maintenance

Description	2024-2025
	Kshs
Property	
Investment property – earning rentals	-
Equipment and machinery	113,820.00
Vehicles	-
Furniture and fittings	-
Total Repairs and Maintenance	113,820.00

7 (a). Detailed Analysis of Cash and Cash Equivalents

Financial Institution	Account number	2024-2025
		Kshs
a) Current Account		
Equity (operations account)	0370264405206	2,648
Equity 0140294099064(Exam)	140294099064	13,189
Kcb 1233487884(conditional Grant)	1233487884	480,994
Sub- Total		496,831

8. Receivables from Exchange transactions

8(a) Current Receivables from Exchange transactions

Description	2024-2025
	Kshs
Current Receivables	
Student Debtors	232,340.00
Rent Debtors	0
Advance payments	0
Consultancy Debtors	0
Other Exchange Debtors	0
Less: Impairment Allowance	0
Total Current Receivables	232,340.00

11. Trade and Other Payables from Exchange Transactions

Description	2024- 2025	
	Kshs	
Trade payables	90,000.00	
Salary deductions	-	
Third-Party Payments	-	
Other Payables	-	
Total Trade and Other Payables	90,000.00	
Ageing analysis:	2025- 2025	% of the Total
Under one year	90,000.00	100%
1-2 years		0%
2-3 years	-	00%
Over 3 years	-	0%
Total (to tie to totals above)	90,000.00	100%

12. Cash generated from operations.

	Kshs	Kshs
Surplus/(Deficit) for the year	152,976.00	-
Adjusted for:		
Non-Cash grants received	-	-
Working Capital Adjustments	-	-
Increase in Receivables	(232,340.00)	-
Increase in Payables	90,000.00	-
Net Cash Flow from Operating Activities	10,636.00	-

Financial Risk Management

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

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

(i) 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:

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

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.

(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:

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

Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
This is the first year of reporting. There exists no prior Auditor Generals Recommendations				

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

.....
Sammy Mwiriki
 Name **Sammy Mwiriki**
 Principal/Manager
 (KIAMAKORO VTC)
 Date

Appendix II: Projects Implemented by (The Entity)

Projects

Projects implemented by the KIAMAKORO 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

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

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

Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity: MERU COUNTY GOVERNMENT

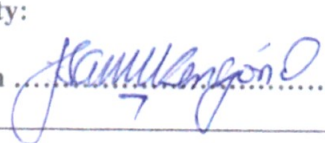
Name of beneficiary entity: KIAMAKORO VTC

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30th June (Current FY)

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Inward SWIFT PA MGRU COUNTY/KEI NAROKI/KEI NAKR	26/02/2025	=300,000=		=300,000=	
	03/03/2025	=306,000=		=306,000=	
Total		=606,000=		=606,000=	

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

Head of Accounts Department - Disbursing Entity:
 Name Douglas Kobie Damizano Sign  Date 02/12/2025

Head of Accounts Department - Beneficiary Entity:
 Name Samuel Mwiruti Sign  Date 2/12/2025



Appendix III - Inter-Entity Confirmation Letter

Name of transferring entity: NEEDY COUNTY GOVERNMENT

Name of beneficiary entity: KIAMARCO VTC

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30th June (Current FY)

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
<u>INVESTMENT RA MONEY</u>	<u>26/02/2025</u>	<u>= 300,000 =</u>		<u>= 300,000 =</u>	
<u>COUNTY VTEI MANDALAY</u>		<u>-</u>		<u>-</u>	
<u>VE/NAHR</u>	<u>03/03/2025</u>	<u>= 306,000 =</u>		<u>= 306,000 =</u>	
Total		= 606,000 =		= 606,000 =	

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

Head of Accounts Department - Disbursing Entity:

Name: Douglas Kopia Domirano Sign: [Signature] Date: 27/2/2025

Head of Accounts Department - Beneficiary Entity:

Name: Sammy Muvatahi Sign: [Signature] Date: 27/2/2025

