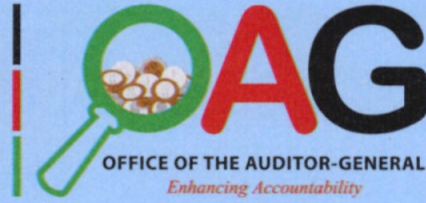


REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

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TABLED BY:	HON. DR. ROBERT PUKOSE, MP
CLERK-AT-THE-TABLE:	CHRISTINE NDIRITU

THE AUDITOR-GENERAL

ON

MELANGINE VOCATIONAL TRAINING CENTRE

FOR THE YEAR ENDED
30 JUNE, 2025



OFFICE OF THE AUDITOR GENERAL
P.O. Box 30084 - 00100, NAIROBI
RECORDS OFFICE

15 DEC 2025

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MELANGINE 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)

Melangine vocational training centre
Annual Report and Financial Statements for the year ended 30th June 2025

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1. Acronyms and Definition of Key Terms

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

Melangine vocational training centre
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Vision- To be a leading centre of excellence in technical and vocational training

Mission- To provide and promote quality vocational training relevant to the job market producing world class workforce equipped with knowledge skills and expertise

Motto- Training for self-reliance

Key Management

Melangine Vocational Training Centre's Day to day management is under the following key organs:

Board of Management (B.O.M)

- Chairman (B.O.M)
- Director
- Deputy director
- Treasurer
- Accountant
- Centre manager

Accounting officer

The accounting officer is the Center Manager responsible for financial management of the institution

Management

- Chairman (B.O.M)
- Director
- Deputy director
- Treasurer
- Accountant
- Centre manager

(b) Fiduciary Management

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

1.	Bom chairperson	Naomi Kihara
2.	Director	Samson Njiiri
3	Deputy Director	Margaret Gatimu
4.	Bom treasurer	Tabitha Njoki
5.	Principal accountant	Ann Theuri
5.	Centre manager	Gitau Waweru

Key Entity Information and Management (Continued)

(c) Fiduciary Oversight Arrangements

The fiduciary oversight bodies of the institution include

- a) Office of the auditor general
- b) The county assembly
- c) The department of education, children, culture, gender and social protection.
- d) Oversight committees

The key fiduciary activities held in the year under review include;

i) Academic committee

The duties of this committee include:

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

ii) Discipline committee

The duties of this committee include:

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

iii) Procurement committees

The duties of this committee include:

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

iv) Guidance and counselling committee

The duties of this committee include:

- Identifying areas of concern for individual and group counselling
- Preparing and facilitating individual and group counselling

- Inviting guests to help in sensitizations on various issues
- Assisting learners to keep away from alcohol and drug abuse
- Assisting girls with teenage pregnancies not to drop out of their training

v) Industrial attachment committee

The duties of this committee include:

- Seeking for attachment opportunities from the local industries and jua kali sector
- Monitoring trainee's behaviour during attachment
- Assessing trainees during attachment

vi) Innovation committee

The duties of this committee include:

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

Key Entity information and management

- b) Headquarters**
Melangine Vocational Training Centre
P.O. Box 89-20124
Mirangine
- c) Contacts**
Telephone: +254742644933
E-mail: melanginevtc@gmail.com
Website: www.melanginevtc.ac.ke
- d) Bankers**
Equity Bank
P.O. BOX 75104-00200
NAIROBI KENYA
- e) Independent Auditors**
Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- f) Principal Legal Adviser**
The County Attorney
County Government of Nyandarua
P.O Box 701 – 20303
Olkalou

3. The Board of Management



Ms. Naomi Kihara
Chairperson

She was born on 31/12/1984. she is a Technical Trainer in Civil Engineering and holds Bachelor's Degree in Civil Engineering. She has a work experience of 13years as trainer in Kiambu national polytechnic.



Mr. Simon Maina
Vice Chairperson

He was born on 11/06/1969. He is an assistant county commissioner with a degree in community development and working experience of 16 years as an administrator. with a Diploma in community Development. He has working experience of 21 years.



Mr. Gitau Waweru
Secretary

He was born on 08/11/1981. He is a Technical Trainer in ICT and Higher Diploma Education Management, Technical education diploma in computer studies and Diploma in IT. He has a working experience of 15 years as a trainer.
He has a work experience of 13years as a VTC trainer.



Ms. Tabitha Njoki
Treasurer

Tabitha Njoki was born on 13/07/1982. she is a secretary and IT expert and holds Diploma in IT. She has a working experience of 10 years as a secretary to Mirangine ward MCA



Mr. Kigotho Mwangi
Member

He was born on 25/03/1981. He is a telecommunication and IT engineer and holds Diploma in telecommunication engineering. He has a working experience of 10 year.



Ms. Miriam Wamaitha
Member

She was born on 02/02/1970. She is a religious leader and holds Diploma in theology. She has a working experience of 12 years.






Mr. Peter Githinji
Member



He was born on 13/11/1970. He is a community development officer with a Diploma in community Development. He has working experience of 21 years.

**Melangine vocational training centre
Annual Report and Financial Statements for the year ended 30th June 2025**

Key Management Team

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 <i>Naomi kihara</i>	<p><i>Chair person BOM, she is a technical trainer in civil engineering at Kiambu national polytechnic with an experience of 13 years</i></p>
2.	 <i>Samsom Njiiri</i>	<p><i>Director Education He is currently a Director in department of education he holds master degree in project management.</i></p>
3.	 <i>Margret Gatimu</i>	<p><i>Deputy Director education She is currently Deputy Director of vocational training centres and she holds a bachelor degree in textile production and with over 20 years experience.</i></p>

**Melangine vocational training centre
Annual Report and Financial Statements for the year ended 30th June 2025**

4.	 <p><i>Ann Theuri</i></p>	<p><i>Principal Accountant</i> <i>She is a principal accountant in charge of financial reporting in department of education, she is a certified accountant with CPA K ICPAK no 18477</i></p>
5.	 <p><i>Gitau Waweru</i></p>	<p><i>Centre Manager</i> <i>He is a technical trainer in ICT and holds higher diploma in education management with 15 years work experience.</i></p>

5. Report of the Manager

Melangine Vocational and Training Centre (MVTC) is located in Nyandarua County, 27 km from Ol'kalou, the County's headquarters, and 1km from Ndundori Centre on the Nyahururu-Nakuru road. It is a Vocational Training center under the Department of Education, Children, Gender Affairs, Culture and Social Services in Nyandarua County. Melangine Vocational Training Centre was started in 1974 as a village polytechnic. In 1984, the polytechnic was officially registered under the Ministry of Culture and Social Services. Since then the vocational training centre has grown from strength to strength and currently has an enrollment of 630 trainees.

Trainees Enrolment

The current institutional enrolment is 630 trainees, this includes:

- Attachment - 277
- On session - 353

Enrolment Distribution as per department

Trade	Male	Female	Total
Electrical and electronics	96	7	103
Motor vehicle mechanics	100	7	107
Hairdressing and beauty therapy	9	92	101
Plumbing pipe fitting	91	16	107
Fashion design and garment making	2	53	55
Masonry	23	0	23
Carpentry and joinery	26	0	26
Metal processing	27	2	29
Food and beverage	14	35	49
I.c.t	12	18	30
Total	400	230	630

Attachment

We managed to send our trainees for their attachment to various institutions or business enterprises within Nyandarua County and neighbouring counties.

Examination

At the moment we are fully accredited to be examined by KNEC TEP Artisan and NITA (Grade Test III, II, I). Below is a table showing the examination results for NITA and KNEC Up-to-date:

Melangine vocational training centre
Annual Report and Financial Statements for the year ended 30th June 2025

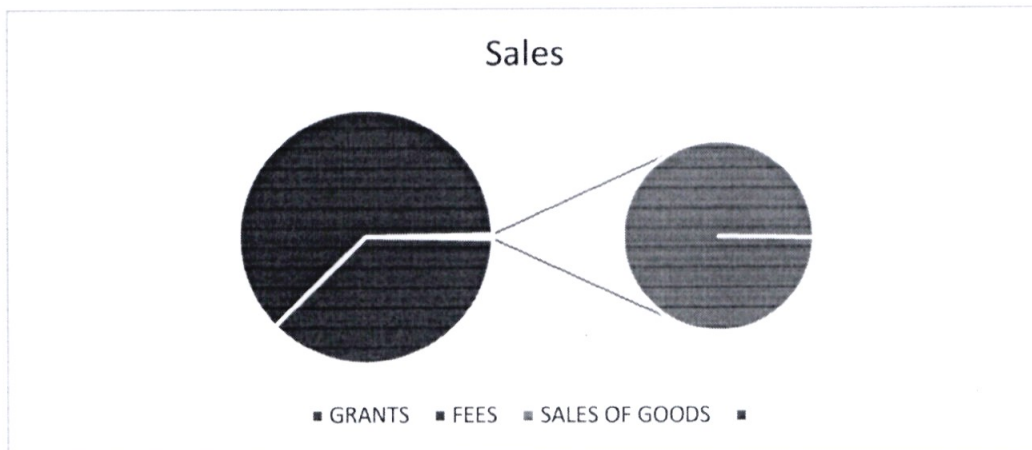
Exam	2024			2025		
	Male	Female	Total	Male	Female	Total
NITA	62	22	84	39	23	62
KNEC	9	8	17	25	23	48
Total	71	30	101	64	46	110

Co-curricular activities

Melangine Vocational Training Centre, participated in various activities which included scout’s competitions from the zonal level to national level for both girls and boys. Friendly matches in football games for both girls and girls with the neighbouring institutions.

The institution also held a talent search programme which took place in the month of May, which was sponsored by elementary crew from Nakuru.

The operations of the institutions during period under review was mainly through operations account due to delayed disbursement of capitation by the County government, however the institution received grant in-kind of kshs 4,034,639 for salaries. The total revenue for the institution amounted kshs 11,069,632. The revenues were composed of kshs 4,374,601 as grant in kind from the County Government, kshs 56,000 from sale of goods and services and Kes. 6,639,031 as trainees fee.



Achievements

- The institution is now offering Craft Certificate in food and beverage production & sales. Under the School of Hospitality.
- We have advanced from NITA to Artisan KNEC & craft.
- There is an on-going construction of modern latrines

4. Chairperson's Statement

On behalf of the Melangine Vocational Training Centre BOM, I wish to take this opportunity to acknowledge the team that worked together towards the successful period ended 30th June 2025. During this period the institution has achieved several objectives that had been planned which includes the following:

- Dissemination of exams to over 200 candidates
- Registering craft level training
- Opening of the hospitality department
- Completion of the ground floor for the complex block
- Launching of the 2023-2028 strategic plan
- Participating in national drama and music festivals

MVTC is committed to producing highly competitive technicians to bridge the gap needed in the job market.

The BOM is mandated to mobilize and prudently utilize resources to enable the smooth operation of the institution and ensure the trained technicians train to the TVET standards to fit in the job market.

This has been met by various challenges that greatly affect the performance of the institution that include;

- Inadequate staff
- Financial constraints due to the heavy wage bill for the casual
- Inadequate workshops with reference to all the 630 trainee's enrolment of the institution.
- Inadequate training materials, tools and equipment.
- Our trainees lack internship programs within the county government to kick start their technical training.
- No playing grounds for conducting co-curricular activities.
- Lack of dining hall, modern kitchen and social hall
- Delayed capitation for the financial year

We are grateful to the county government of Nyandarua and other stake holders for their continued financial support through the capitation grant which has enabled the institution to grow gradually.

Melangine vocational training centre
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I appeal to the County Government to

- Recruit more trainers to enable the institution achieve its mandate of offering quality training.
- Increase the capitation from 15,000 to 25,000
- Timely disbursement of capitation
- Provide modern tools and equipment


.....
NAOMI N. KIHARA
BOM CHAIRPERON

Community impact


- Creation of employment for the youth.
- Reduction of crime.
- Purchase of food products from the neighbours' example Cabbages.

County Government Impact

- Allocation of bursaries for our trainees.

Challenges.

- Inadequate workshops with reference to all the 630 trainees' enrolment of the institution.
- Inadequate training materials, tools, and equipment.
- Our trainees lack internship programs within the county government to kick-start their technical training.
- No playing grounds for conducting co-curricular activities.
- Lack of dining hall, modern kitchen and social hall
- Delayed capitation for the financial year.


.....

GITAU WAWERU
CENTRE MANAGER

6. Statement of Performance against Predetermined Objectives

Melangine Vocational Training Centre has 7 strategic pillars within current Strategic Plan for the FY 2025- FY 2028. These strategic objectives are as follows:

1. Integrity
2. Access and quality training
3. ICT
4. Resources
5. Innovation
6. Collaboration and linkage
7. Management of physical environment

Melangine VTC develops its annual work plans based on the above 8 objectives. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Melangine VTC achieved its performance targets set for the FY 2025/2028 period for its (8) strategic objectives, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Integrity	Enhance corporate governance at the institution	Proportion of procurement process adhered to	-develop procurement plan -adhere to procurement plan -undertake annual stock taking -review and appraise supplier performance -conduct training for management teams -undertake annual trainees' leaders and motivational trips -hold regularly scheduled meetings -promote a conducive working and learning environment -initiate income generating activities	100%
Access to quality training	Enhance Access and equity in the institution	Number of infrastructures developed	- repair, maintain and upgrade workshops and hostels -improve infrastructures and staff to accommodate persons living with disabilities	3
ICT	integrate ICT in the	-number of courses that	-acquire 1 LCD projector -equip the computer lab	5

Melangine vocational training centre

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievement
	operations of the institution	integrated ICT in teaching and learning		
Resources	Optimize the resources available at the institution	-proportion of resources optimised	-enhance BOM staff remuneration -Enhance income generating activities	70%
Innovation	Promote research and innovation in the institution	Proportion of the trainees equipped with the relevant knowledge in relation to the job markets	-liase with incubation centres -promote exhibition and skills competitions	60%
Collaboration and linkages	Establish and strengthen collaboration and linkages with relevant organizations	Number of development partners identified	-identify areas of partnership -initiate MOU/MOA negotiation with the concerned organization -sign MOU/MOA	2
Management of physical environment	Conserve and improve the physical environment	Proportion of physical environment conserved	-install solar powered lighting -utilise renewable energy -plant 1000 trees -adopt proper waste management	70%

7. Corporate Governance Statement

The institution is governed by a board of members appointed by the CECM in charge of education, children, culture, gender and social protection. The BOM is composed chair, vice chair, treasurer, secretary (centre manager), 3 members from the community and 4 Ex officials (director education, area chief, representative of area MCA and ward admin). The B.O.M. is guided by a policy guidelines document which outlines the respective roles, responsibilities and authorities of the board.

The functions of the Board of Management of a Vocational Training Centre are:

- i. Promote quality education and training for all trainees in accordance with the set standards.
- ii. Ensure the provision of proper and adequate infrastructure for the institution.
- iii. Managing institution's affairs in accordance with the rules and regulations that may be provided by the Executive committee members
- iv. Determine cases of trainees and trainer's discipline and make report to the Director of Education
- v. Prepare comprehensive quarterly reports on all areas of its mandate for submission to the relevant stakeholders.
- vi. Provide for the welfare and safety of the trainees, instructors and non-teaching staff in the institution.
- vii. Administering and managing the resources of the institution
- viii. Receiving, collecting and accounting for any funds accruing to the institution.
- ix. Employing such numbers of teaching and non-teaching as may be required by institution in accordance with the laid down regulations and
- x. perform any other function to facilitate the implementation of its function under these guidelines or any other written law

The VTC Bom held 3 meetings in the year under review. The issues discussed touched on the seven strategic pillars of the institution.

Melangine vocational training centre
Annual Report and Financial Statements for the year ended 30th June 2025

8. Management Discussion and Analysis

Melangine V.T.C have been running its operations relying on school fees paid by trainees, due to delayed capitation disbursement allocated for materials, tools and equipment from the county government.

The institution had a total of 630 trainees in various courses as summarised in the table below:

Trade	Male	Female	Total
Electrical and electronics	96	7	103
Motor vehicle mechanics	100	7	107
Hairdressing and beauty therapy	9	92	101
Plumbing pipe fitting	91	16	107
Fashion design and garment making	2	53	55
Masonry	23	0	23
Carpentry and joinery	26	0	26
Metal processing	27	2	29
Food and beverage	14	35	49
I.c.t	12	18	30
Total	400	230	630

The institution admitted trainees', trained them, registered and sat for national examinations and participated in other co curriculum activities.

The institution did not receive capitation from the County Government of Nyandarua for the financial year 2024/25. The school fees paid by the trainees amounted to kshs. 6,639,031 and was used for general operations of the institution with the large portion of the funds supporting the feeding program and stipend payments of the B.O.M staffs.

No major development project was done due to insufficient funds

Major Risks facing the institution

- ❖ Inadequate funding
- ❖ Trainees failing to pay school fees
- ❖ Accumulated debts Inherited from previous years
- ❖ Fluctuating enrolment
- ❖ Understaffing that resulted to huge wage bill B.O.M employees.
- ❖ Dropouts due to lack of school fees

9. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

During the given period Melangine Vocational Training Centre has relied on school fees collected as well as bursary given by the County and National Government for its sustainability.

Most of the trainees are from humble back ground and entirely rely on the bursaries offered.

Environmental performance

In the financial year 2024/2025 the MVTC was able to plant 300 tree seedlings at the institution's farm. The institution is planning to conserve the environment through the use of solar installation.

Employee welfare

MVTC BOM is mandated to carry out recruitment process for non-teaching staff and BOM trainer. The BOM ensures the one third gender rule is strictly adhered to.

The process of recruitment is initiated by the need to fill the vacancy which is followed by consultations with the stakeholders. When a vacancy arises, an advertisement is done and interested candidates are allowed to make their application. Interviews are conducted and the best candidate is selected and offered an appointment letter. The county government also engages trainers when need arises. The institution provides a conducive and suitable working environment of its employees by having a policy guideline on the same.

Market place practices

The institution ensured that the procurement process was strictly followed during the financial year. The suppliers were drawn from different categories prequalified by the county government. The tendering process was carried out and the suppliers were paid within the given period.

Corporate Social Responsibility.

During the year under review, the institution sourced basic items from the neighbouring community. Items sourced include firewood, vegetables and other food commodities.

The trainees were able to visit children's homes to give moral and financial support these included

- Olkalou disabled home
- Talitha kum children home

Melangine vocational training centre
Annual Report and Financial Statements for the year ended 30th June 2025

- Bethesda children's home

The scouts were also able to attend functions in the institution neighbourhood where they assisted in keeping order and arrangement.

10. Report of the Board of Management

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

Principal activities

The principal activities of Melangine Vocational Training Centre are as analysed in the Key entity information section.

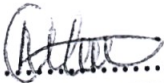
Board of Management

The members of the Board who served during the year are shown on pages 8 and 9. During the year the previous BOM expired and a new BOM was appointed with effect from 22nd May 2023.

Auditors

The Auditor General is responsible for the statutory audit of MVTC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 were nominated by the Auditor General to carry out the audit of the MVTC for the year/period ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board


.....
GITAU WAWERU
CENTRE MANAGER
Date:

11. Statement of Board of Governors

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

The Board members are responsible for the preparation and presentation of Melangine Vocational Training Centre. Financial statements, which give a true and fair view of the state of affairs of Melangine Vocational Training Centre for and at the end of the financial year ended on June 30, 2025. This responsibility includes:

Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Melangine Vocational Training Centre,
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, Safeguarding the assets of the centre, Selecting and applying appropriate accounting policies, and Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Melangine Vocational Training Centre financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and, the TVET

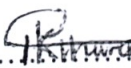
Melangine vocational training centre
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Act) The Board members are of the opinion that Melangine Vocational Training Centre financial statements give a true and fair view of the state of Melangine Vocational Training Centre transactions during the financial year ended June 30, 2025, and of Melangine Vocational Training Centre financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for Melangine Vocational Training Centre, which have been relied upon in the preparation of Melangine Vocational Training Centre's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

Melangine Vocational Training Centre financial statements were approved by the Board on _____ and signed on its behalf by:

.....

Naomi Kihara
Chairperson of the Board

.....

Gitau Waweru
Centre Manager

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MELANGINE 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 Melangine Vocational Training Centre set out on pages 1 to 48, 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 Melangine Vocational Training Centre as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Inaccuracies in the Financial Statements

Review of financial statements presented for audit revealed the following anomalies;

- i) The statement of financial position and Note 31 to the financial statements reflects Nil balance in respect to property, plant, and equipment. However, physical verification exercise confirmed that the institution owned some assets and which were not disclosed in the financial statements.
- ii) The statement of cashflows reflects opening cash and cash equivalents balance of Kshs.1,321,120. However, the balance was not supported with bank reconciliation statements.

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

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Melangine 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.22,680,689 and Kshs.10,729,670 respectively resulting in revenue shortfall of Kshs.11,951,019 or 53% of the budget. Similarly, the statement reflects actual expenditure of Kshs.13,630,799 against an approved budget of Kshs.22,680,689 resulting to an under expenditure of Kshs.9,049,890 or 40% of the approved budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Management are responsible for the Other Information set out on page iii to xxiv which comprise of Key Entity Information and Management, Statement of Performance Against Predetermined Objectives for the year, Management Discussion Analysis, Environmental and Sustainability Reporting and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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

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 and based on the audit procedures performed, 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

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

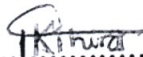
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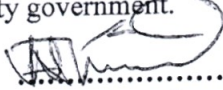
Melangine Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2025


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

	Notes	Kshs
Revenue from non-exchange transactions		
Transfers from the County Government	6	4,374,601
Grants from Development partners	7	-
Transfers from National Government Entities	8	-
Public Contributions and Donations	9	-
Revenue from Exchange transactions		
Fees from students	10	9,140,050
Sale of goods	11	56,000
Rental revenue from facilities and equipment	12	-
Finance income	13	-
Miscellaneous income	14	-
Revenue from Exchange transactions		-
Total Revenue		13,570,651
Expenses		
Use of goods and services	15	6,102,050
Employee costs	16	7,229,149
Board Expenses	17	63,000
Depreciation and amortization expense	18	-
Repairs and maintenance	19	236,600
Contracted services	20	-
Grants and subsidies	21	-
Finance costs	22	-
Total Expenses		13,630,799
Other Gains/(Losses)		-
Gain on sale of assets	23	-
Gain/ Loss on fair value of investments	24	-
Impairment loss	25	-
Total Other Gains/(Losses)		-
Net surplus/(deficit) for the year		(60,148)

NOTE:the difference between performance statement and cash flow is due to grant in kind received from county government of kshs 4,034,639 for county staff salaries. However kshs 339,962 was paid to institution bank account from county government.


.....
Naomi N. Kihara
Chairman of Board


.....
Anne Theuri
Accountant
ICPAK No 18477


.....
Gitau Waweru
Manager

Date

Date 1/12/25

Date 1/12/25

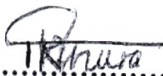
Melangine vocational training centre
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14. Statement of Financial Position as at 30th June 2025


Description	Notes	FY 2024/2025 Kshs
Assets		
Current Assets		
Cash and cash equivalents	26	1,024,370
Current portion of receivables from exchange transactions	27(a)	2,501,019
Receivables from non-exchange transactions	28	-
Inventories	29	-
Investments in financial assets	30	-
Total Current Assets		3,525,389
Non-Current Assets		
Long term receivables from exchange transactions	27(b)	-
Investments	30	-
Property, plant, and equipment	31	-
Intangible assets	32	-
Investment property	33	-
Biological Assets	34	-
Total Non-Current Assets		-
Total Assets (A)		3,525,389
Liabilities		
Current Liabilities		
Trade and other payables from exchange transactions	35	2,264,416
Refundable deposits from customers/Students	36	-
Current provisions	37	-
Finance lease obligation	38	-
Deferred income	39	-
Total Current Liabilities		2,264,416
Non-Current Liabilities		
Finance lease obligation	38	-
Deferred income	39	-
Non-Current Provisions	37	-
Service Concession Arrangements	40	-
Total non- current liabilities		-
Total Liabilities (B)		2,264,416

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Net Assets (A-B)		1,260,972
Represented By:		
Revaluation Reserves		-
Accumulated Surplus		1,260,972
Capital Fund		
Total Net Assets		1,260,972



 Naomi N. Kihara
 Chairman of Board



 Anne Theuri
 Accountant
 ICPAK No 18477



 Gitau Waweru
 Manager

Date

Date 1/10/25

Date 1/12/25

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

Statement of Changes in Net Assets For The Year Ended 30 June 2025				
	Revaluation reserve	Accumulated Surplus	Capital Grant/Fund	Total
At July 1, 2025	-	1,321,120	-	1,321,120
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	60,148	-	60,148
Capital grants received during the year	-	-	-	-
At June 30, 2025	-	1,260,972	-	1,260,972

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

Description	FY 2024/2025	
	Note	Kshs
Cash flows from operating activities		
Receipts		
Transfers from County Government		339,962
Grants from donors and development partners		-
Transfers from National Government entities		-
Public contributions and donations		-
Fees from students		6,639,031
Sale of goods		56,000
Rental revenue from facilities and equipment		-
Finance income		-
Miscellaneous income		-
Total Receipts		7,034,993
Payments		
Use of goods and services		3,837,634
Employee costs		3,194,509
Board Expenses		63,000
Repairs and maintenance		236,600
Contracted services		-
Grants and subsidies		-
Total Payments		7,331,743
Net Cash Flows from operating activities	41	- 296,750
Cash flows from investing activities		
Purchase of property, plant, and equipment		-
Purchase of intangible assets		-
Proceeds from the sale of property, plant, and equipment		-
Net cash flows used in investing activities		-
Cash flows from financing activities		
Proceeds From Borrowing		-
Repayment of Borrowings		-
Net cash flows used in financing activities		-
Net Increase/(Decrease) in Cash and Cash equivalents		- 296,750
Cash & Cash equivalents at the beginning (1st July)	26	1,321,120
Cash & Cash equivalents at the end. (30th June)	26	1,024,370

NOTE: The difference between performance statement and cash flow is due to grant in kind received from county government of kshs 4,034,639 for county staff salaries. However kshs 339,962 was paid to institution bank account from county government.

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

Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025						
Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	A	B	C=A+B	D	E=C-D	F=E/C%
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from County Government	13,484,639	-	13,484,639	4,034,639	9,450,000	70.1
Grants from donors and development partners	-	-	-	-	-	-
Transfers from National Government entities	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Fees from students	9,196,050	-	9,196,050	6,695,031	2,501,019	-
Sale of goods	-	-	-	-	-	-
Rental revenue from facilities and equipment	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-
Total Income	22,680,689	-	22,680,689	10,729,670	11,951,019	-
Expenses						
Use of goods and services	12,202,551	-	12,202,551	6,102,050	6,100,502	50
Employee costs	8,911,219	-	8,911,219	7,229,149	1,682,070	19
Board Expenses	64,019	-	64,019	63,000	1,019	2
Repairs and maintenance	1,502,900	-	1,502,900	236,600	1,266,300	84

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Contracted services	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	-	-
Total Expenditure	22,680,689	-	22,680,689	13,630,799	9,049,891	
Surplus For the Period		-	-	(60,148)		-
Capital Expenditure		-	-	-	-	-

**NOTE; the institution didn't receive capitation for the year under audit.*

18. Notes to the Financial Statements

1. General Information

Melangine vocational training centre is established by and derives its authority and accountability from TVETA Act. Melangine Vocational Training Centre is wholly owned by the County Government of Nyandarua and domiciled in Olkalou sub-county. Melangine Vocational Training Centre's principal activity is provide quality vocational training that is responsive to the needs of the society in both private and public sectors of the economy.

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 Melangine Vocational Training Centre's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Melangine Vocational Training Centre. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue and effective in the year ended 30 June 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> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

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	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <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 impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in Melangine Vocational Training Centre'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.

iii. Early adoption of standards

Melangine Vocational Training Centre did not early – adopt any new or amended standards in the financial year

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

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

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 Melangine Vocational Training Centre.

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on 27/6/2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Melangine Vocational Training Centre upon receiving the respective approvals to conclude the final budget. Accordingly, Melangine Vocational Training Centre recorded no additional appropriations on the FY 2025/2025 budget following the Board's approval. Melangine Vocational Training Centre's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. 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

Melangine Vocational Training Centre is exempt from paying taxes

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. 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, Melangine Vocational Training Centre recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

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

g) Intangible assets

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

h) Biological Assets

Melangine Vocational Training Centre 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 Melangine Vocational Training Centre, 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.

i) Research and development costs

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

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

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

j) 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. Melangine Vocational Training Centre does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, Melangine Vocational Training Centre measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless 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, Melangine Vocational Training Centre classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

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 Melangine Vocational Training Centre 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

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estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

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

Financial liabilities

Classification

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

k) 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 Melangine Vocational Training Centre.

l) Provisions

Provisions are recognized when Melangine Vocational Training Centre 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 Melangine Vocational Training Centre expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

m) 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. Melangine Vocational Training Centre recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that Melangine Vocational Training Centre will incur in fulfilling the present obligations represented by the liability.

n) Nature and purpose of reserves

Melangine Vocational Training Centre creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

Melangine Vocational Training Centre 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.

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

Melangine Vocational Training Centre 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 Melangine Vocational Training Centre, 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

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

- 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.

6. Transfers from the County Government

Description	FY 2024/2025 Kshs
Unconditional Grants	
Capitation Grants	-
Operational Grant	-
Unconditional Development grants	339,962
Other Grants-staff salaries	4,034,639
Total unconditional Grants	-
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	4,374,601

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(b) Transfers from County Government (Categorized)

Name of Melangine Vocational Training Centre Sending The Grant	Amount recognize d in Statemen t of Financial performance	Amount in deferr ed under deferr ed income	Amount recogni sed in capital fund	Total grant income available for the year
	Kshs	Kshs	Kshs	Kshs
County Department for XX	-	0	0	0
Total	-	0	0	0
Total	-	-	-	-

7. Grants from Development Partners

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

(a) Reconciliations of grants from development partners

Description	FY 2024/2025
	Kshs
Balance unspent at beginning of year	-
Current year receipts	-
Conditions Met - Transferred to Revenue	-
Conditions Yet To Be Met	-
(Provide brief explanation for this revenue)	

8. Transfers from National Government entities

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

9. Public Contributions and Donations

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

10. Fees from students

Description	FY 2024/2025 Kshs
Tuition Fees	8,830,650
Activity Fees	-
Industrial Attachment Fees	-
Examination Fees	246,400
Library Fees	-
Facilities And Materials	63,000
Registration Fees	-
Others (Specify)	-
Total Fees from students	9,140,050

11. Sale of Goods

Description	FY 2024/2025 Kshs
Sale of Books	-
Sale of Publications	-
Sale of Farm Produce	-
Sale of uniform	56,000
Cafeteria sales	-
Other sales (specify)	-
Total Revenue from Sale of Goods	56,000

12. Rental revenue from facilities and equipment

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

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13. Finance Income

Description	BY 2024/2025 KSHS
Cash investments and fixed deposits	-
Interest income from treasury bills	-
Interest income from treasury bonds	-
Interest from outstanding debtors	-
Total finance income	-

14. Miscellaneous Income

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

15. Use of Goods and Services

Description	FY 2024/2025 Kshs
Teaching and learning materials	1,822,275
Industrial attachment costs	-
Utilities	667,127
Security	-
Professional and consultancy services	25,000
Subscriptions	-
Advertising	32,000
Examination fees	235,440
Audit fees	-
Catering, conferences, and delegations	2,914,318
Travelling and accommodation	148,000
Fuel and oil	-
Insurance	-
Legal expenses	-
Licenses and permits	-
Postage	-
Printing and stationery	57,700
Hire charges	-
Rent expenses	-
Skills development levies	10,000
Telephone expenses	20,000
Internet expenses	20,000
Training expenses	-
Bank charges	12,770
co-curricular Activities	137,420
sanitary and cleaning material	
farm inputs	
Other (specify)	-
Total good and services	6,102,050

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16. Employee Costs

Description	FY 2024/2025 Kshs
Salaries and wages-BOM Staff	3,194,509
Salaries and wages-county Staff	3,557,725
Employee related costs - contributions to pensions and medical aids	476,915
Travel, motor car, accommodation, subsistence and other allowances	-
Housing benefits and allowances	-
Overtime payments	-
Social contributions	-
Employee Costs	7,229,149

*NOTE: The employee costs is inclusive of county staff whose salaries are paid directly to their accounts by the county government.

17. Board Expenses

Description	FY 2024/2025 Kshs
Chairman's Honoraria	-
Directors Emoluments	-
Other Allowances	63,000
Other Board Expenses	-
Total	63,000

18. Depreciation and Amortization expense

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

19. Repairs and Maintenance

Description	FY 2024/2025
	Kshs.
Property	-
tools and equipment	205,600
Investment property – earning rentals	
Equipment and machinery	-
Vehicles	31,000
Furniture and fittings	-
Computers and accessories	-
Total Repairs and Maintenance	236,600

20. Contracted Services

Description	FY 2024/2025
	Kshs.
Actuarial valuations	-
Investment valuations	-
Property valuations	-
Other (specify)	-
Total contracted services	-

21. Grants and Subsidies

Description	FY 2024/2025
	Kshs.
Community Development	-
Education Initiatives and Programs	-
Social Development	-
Social benefits expenses	-
Community Trust	-
Sporting Bodies	-
Total Grants and Subsidies	-

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22. Finance Costs

Description	FY 2024/2025 Kshs
Borrowings (Amortized Cost)*	-
Finance Leases (Amortized Cost)	-
Unwinding of Discount from lease liabilities	-
Interest on Bank Overdrafts	-
Interest on Loans from Commercial Banks	-
Total Finance Costs	-

23. Gain On Sale of Assets

Description	FY 2024/2025 Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Other Assets not capitalised	-
Total Gain On Sale of Assets	-

24. Gain/(loss) on Fair Value Investments

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

25. Impairment Loss

Description	FY 2024/2025 Kshs

26. -Cash and Cash Equivalents

Description	FY 2024/2025 Kshs
Current Account	1,024,370
On - Call Deposits	-
Fixed Deposits Account	-
Others (Specify)	-
Total Cash and Cash Equivalents	1,024,370

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

Financial Institution	Account number	FY 2024/2025
		Kshs
a) Current Account		
Equity Bank	0620264483417	863,515
Equity Bank	0620277231892	160,855
Sub- Total		1,024,370
b) On - Call Deposits		
XXX Bank		-
XXX Bank – etc.		-
Sub- Total		-
c) Fixed Deposits Account		
XXX Bank		-
XXX Bank		-
Sub- Total		-
d) Others (Specify)		
Cash in Transit		-
Cash in Hand		-
Mobile Money account		-
Sub- Total		-
Grand Total		1,024,370

27. Prepayments

Description	FY 2024/2025
	Kshs
Insurance	-
Rent	-
Water	-
Internet	-
Others specify	-
Total	-

28. Receivables from Exchange transactions

Description	FY 2024/2025 Kshs
Current Receivables	
Student Debtors	2,501,019
Rent Debtors	-
Advance payments	-
Consultancy Debtors	-
Other Exchange Debtors	-
Less: Impairment Allowance	-
Total Current Receivables	2,501,019

28 (a) Current Receivables from Exchange transactions

28 (b) Long- term Receivables from Exchange transactions

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

28 (c) Ageing Analysis of Receivables from Exchange Transactions

Description	FY 2024/2025 Kshs	
	Current FY	% of the total
Less than 1 year	-	-
Between 1- 2 years	-	-
Between 2-3 years	-	-
Over 3 years	-	-
Total (a+b)	2,501,019	-

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

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

29. Receivables from non-exchange transactions

Description	FY 2024/2025	
	Kshs	
Consumable stores	-	
Maintenance stores	-	
Health Unit stores	-	
Electrical stores	-	
Cleaning Materials stores	-	
Catering stores	-	
Less: Impairment allowance	-	
Total Inventories at lower of Cost and Net Realizable Value	-	

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

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

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

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

30. Inventories

Description	FY 2024/2025 Kshs
Consumable stores	-
Maintenance stores	-
Health Unit stores	-
Electrical stores	-
Cleaning Materials stores	-
Catering stores	-
Less: Impairment allowance	-
Total Inventories at lower of Cost and Net Realizable Value	-

Detailed Disclosure on Inventories

	FY 2024/2025
Opening balance	-
Additional Inventory in the year	-
Inventory expensed in the year	-
Write-downs in the year	-
Others specify	-
Closing balance	-

31. Investments in financial assets

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

d) Shareholding in other entities

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

Name of Entity where Investment is Held	No of Shares				Fair Value of Shares
	Direct Shareholding %	Indirect Shareholding %	Effective Shareholding %	Nominal Value of Shares Kshs	FY 2024/2025 Kshs
Entity A	-	0	0	0	0
Entity B	-	0	0	0	0
	-	0	0	0	0

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32. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2024	-	0	0	0	0	0	0	0	0
Additions	-	0	0	0	0	0	0	0	0
Disposals	-	0	0	0	0	0	0	0	0
Transfers/Adjustments	-	0	0	0	0	0	0	0	0
At 30th June 2025	-	0	0	0	0	0	0	0	0
Depreciation And Impairment									
At 1 Jun 2024	-	0	0	0	0	0	0	0	0
Depreciation	-	0	0	0	0	0	0	0	0
Disposals	-	0	0	0	0	0	0	0	0
Impairment	-	0	0	0	0	0	0	0	0
At 30 Jun 2025 (previous year)	-	0	0	0	0	0	0	0	0
Net Book Values									
At 30th Jun 2025	-	0	0	0	0	0	0	0	0

[Include Brief Description Of WIP]

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Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020).

32 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	0	0
Buildings	-	0	0
Plant And Machinery	-	0	0
Motor Vehicles including Motorcycles	-	0	0
Computers and Related Equipment	-	0	0
Office Equipment, Furniture, And Fittings	-	0	0
Total	-	0	0

33. Intangible Assets

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

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34. Investment Property

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

35. Biological Assets

Description	FY 2024/2025 Kshs
Cattle	-
Trees	-
Others (Specify)	-
Total	-

36. Trade and Other Payables from Exchange Transactions

Description	Period ended Kshs	
	Kshs	
Trade payables	2,264,416	
Salary deductions	-	
Third-Party Payments	-	
Other Payables	-	
Total Trade and Other Payables	2,264,416	
Ageing analysis:	Current FY	% of the Total
Under one year	-	%
1-2 years	-	%
2-3 years	-	%
Over 3 years	-	%
Total (to tie to totals above)	-	%

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37. Refundable Deposits from Customers/Students

	FY 2024/2025	
	Kshs	
	Kshs	
Fees prepayments	-	
Caution money	-	
Other refundable deposits	-	
Total Deposits	-	
Ageing analysis:	Current FY	% of the Total
Under one year	-	%
1-2 years	-	%
2-3 years	-	%
Over 3 years	-	%
Total (to tie to totals deposits above)	-	%

38. Provisions

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

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39. Finance Lease Obligation

Description	BY 2024/2025
At the start of the year	Kshs
Discount interest on Lease Liability	-
Paid during the year	-
At end of the year	-

Maturity Analysis

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

Maturity Analysis

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

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

40. Deferred Income

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

The deferred income movement is as follows:

Description	County government Kshs	National funding/ donors Kshs	Public contributions and donations Kshs	Total Kshs
Balance brought forward	-	-	-	-
Additions during the year	-	-	-	-
Transfers to capital fund	-	-	-	-
Transfers to income statement	-	-	-	-
Other transfers	-	-	-	-
Balance carried forward	-	-	-	-

Analysed as:

Description	Amount Kshs
Current	-
Non- Current	-
Total	-

41. Service Concession Arrangements

Description	FY 2024/2025 Kshs
Fair value of service concession assets recognized under PPE	-
Accumulated depreciation to date	-
Net carrying amount	-
Service concession liability at beginning of the year	-
Service concession revenue recognized	-
Service concession liability at end of the year	-

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42. Cash generated from operations.

Description	FY 2024/2025	
	KShs	
Surplus/(Deficit) for the year	-	60,148
Adjusted for:		
Depreciation		-
Non-Cash grants received		-
Contributed assets		-
Impairment		-
Gains and Losses on Disposal of Assets		-
Contribution to provisions		-
Contribution to impairment allowance		-
Finance Income		-
Finance Cost		-
Working Capital Adjustments		-
Increase in Inventory		-
Increase in Receivables		-
Increase in Deferred Income		-
Increase in Payables		-
Increase in Payments received in advance		-
Net Cash Flow from Operating Activities	-	60,148

43. Financial Risk Management

Melangine Vocational Training Centre'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.

Melangine Vocational Training Centre's financial risk management objectives and policies are detailed below:

(i) Credit risk

Melangine Vocational Training Centre 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 Melangine Vocational Training Centre's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	At 30 June 2024	At 30 June 2025	At 30 June 2025	At 30 June 2025
	Carrying amount	Carrying amount	Carrying amount	Impaired
	EUR	EUR	EUR	EUR
At 30 June 2025 (previous year)				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2025 (current year)	-	-	-	-
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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

The 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 Melangine Vocational Training Centre's directors, who have built an appropriate liquidity risk management framework for the management of Melangine Vocational Training Centre's short, medium and long-term funding and liquidity management requirements. Melangine Vocational Training Centre manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

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

(iii) Market risk

Melangine Vocational Training Centre has put in place an internal audit function to assist it in assessing the risk faced by Melangine Vocational Training Centre 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 Melangine Vocational Training Centre'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.

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Melangine Vocational Training Centre'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 Melangine Vocational Training Centre'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 Melangine Vocational Training Centre'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 Melangine Vocational Training Centre's capital risk management is to safeguard Melangine Vocational Training Centre's ability to continue as a going concern. Melangine Vocational Training Centre capital structure comprises of the following funds:

Revaluation Reserve	•
Retained Earnings	-
Capital Reserve	-
Total Funds	-
Total Borrowings	-
Less: Cash and Bank Balances	-
Net Debt/(Excess Cash and Cash Equivalents)	-
Gearing	-%

44. Related Party Balances

Nature of related party relationships

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

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County Government of Nyandarua

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

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

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

Description	FY 2024/2025 Ksh.
Transactions with Related Parties	
a) Sales to related parties	
Hire of facility by govt. agencies	-
Others (<i>specify</i>)	-
Total	-
B) Purchases from related parties	-
Purchases of electricity from kplc	-
Purchase of water from govt service providers	-
Rent expenses paid to govt agencies	-
Training and conference fees paid to govt. agencies	-
Others (<i>specify</i>)	-
Total	-
b) Grants /Transfers from the Government	-
Grants from National Govt	-
Grants from County Government	-
Donations in Kind	-
Total	-
Total	-
c) Key Management Compensation	-
Board of Management emoluments	-
Compensation to Key Management	-
Total	-

45. Contingent Assets and Contingent Liabilities

Contingent Assets

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

Contingent Liabilities

Contingent Liabilities	-
Court Case Xxx against (<i>Melangine Vocational Training Centre</i>)	-
Bank guarantees in favour of subsidiary	-
Contingent liabilities arising from Contracts including PPPs	-
Others (<i>Specify</i>)	-
Total	-

(Give details)

46. Capital Commitments

Authorised for	-
Authorised and Contracted for	-
Total	-

47. Events After The Reporting Period

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

48. Currency

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

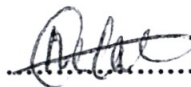
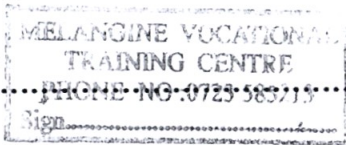
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19. Appendices

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)

Gitau Kabiru
Manager

Date 1/12/20

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Appendix II: Projects Implemented by (Melangine Vocational Training Centre)

Projects

Projects implemented by the melangine VTC Funded by development partners.

Projects Implemented by the melangine VTC Funded by development partners.						
1						
2						

Status of Project Completion

Status of Project Completion						
1						
2						
3						

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity:.....

Name of beneficiary entity:.....

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
Total					

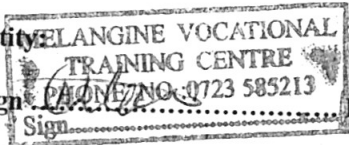
I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:

Name Alma Sign Anne Thesen Date 11/12/25

Head of Accounts Department - Beneficiary Entity:

Name HITAU WANAPU Sign [Signature] Date 11/12/25



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Appendix IV: Reporting of Climate Relevant Expenditures

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

Appendix V: Reporting on Disaster Management Expenditure

Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments