

REPUBLIC OF KENYA




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OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



 THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	
DATE: 26 FEB 2026	DAY. THUR
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CLERK-AT-THE-TABLE:	V. WAMBU

PARLIAMENT
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THE AUDITOR-GENERAL

ON

**GITWEBE TECHNICAL TRAINING
INSTITUTE**

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



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)

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1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

2. Key Entity Information and Management

(a) Background information

Gitwebe Technical training Institute was registered on 2016 by the ministry of education under TVET Act no 29 of 2013. It is one of the thirteen newly established Technical institutes in Kenya during the tenth parliament. Before registration it has been under mentorship of Kisii National Polytechnic. The Institute has governing board of Governors and directly funded by the Government. The posting of Principal was done and on January 2018 admission of the first students started. The Board of Governors was inaugurated on January 2018 The Institute is situated in Nyamira County a long Ikonge chabera road. Our main aim to ensure that the institute is recognised both nationally and internationally as a centre for academic excellence with full support from the national Government.

(b) Principal Activities

The mandate of the institute as provided by the ministry of education science and technology includes;

- a) To offer teaching/training in science and technology.
- b) To offer innovative discovery, transmission and preservation of knowledge.
- c) To carry research and entrepreneurial activities.
- d) To participate in commercial ventures and activities that promote the objectives of the institution
- e) To foster the general welfare of staff. Students and the community
- f) To develop and provide educational, cultural, professional, technical and vocational services to the community and in particular foster corporate social responsibility
- g) To promote social – economic development in line with the county’s development agenda

VISION

To be the Centre of excellence for Technical, Vocational Education and Training.

MISISON

To provide Competent Human Resource for Sustainability Development in Science and Technology.

MOTTO

To understand the course of things to innovate new ways of doing them better “home of innovation”

CORE VALUES

Gitwebe Technical Training Institute is committed to the following core values:

- i) Integrity
- ii) Transparency and Accountability
- iii) Creativity and Innovation
- iv) Professionalism & Teamwork
- vi) Financial Sustainability

(c) Key Management

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

1. Board of governors
2. Principal/ Bog Secretary
3. Deputy Principal
4. Principal 's Management Committees

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Albert Omariba
2.	Deputy principal Academics	Kennedy Ongaga
3	Deputy principal Admin	Tirimba Manani
4	Ag. Registrar	Kenyagah Wilfred
5.	Ag. Dean of students	Javan Nyongesa
6.	Head of Finance	Samuel P. Aamba
7..	Head of procurement	Onesimus Mesesi
8.	Human resource	Dennis Obike
9.	Internal Auditor	Catherine Oriku

(e) Fiduciary Oversight Arrangements

Committee

members

-Finance Committee

- Joseph Arama Chair
- John Osoro Member
- Allan Oyoo Member
- Albert Omariba Principal

-Audit Committee

- Richard Atemba Chair
- Allan Oyoo Member
- Albert Omariba Principal

Gitwebe Technical Training Insitute
Annual Report and Financial Statements for the year ended 30th June 20XX

KEY ENTITY INFORMATION AND MANAGEMENT

(f) Entity Headquarter

Gitwebe Technical Training Institute
P.O. Box 326-40500
Off Ikonge- Chabera Road
Nyamira.
Kenya.

(g) Entity Contacts

Telephone: (254) 0703151338
E-mail: gitwebetti@gmail.com
Website: www.gitwebetti.ac.ke

(h) Entity Bankers

Kenya Commercial Bank
P.O Box 403-40500
Nyamira
Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

3.The Board of Governors

 <p>Mr. Noah Angwenyi (Chairman)</p>	<ul style="list-style-type: none"> • Working experience of over 30 Years. • Holds Master’s degree in animal Health from Texas A and M University USA. • Chairman Board of Governors Gitwebe tti. • Bsc. Agriculture UNIVERSITY OF Nairobi, July 1978. • Lecturer University of East Africa, Barton. • Registrar University of East Africa, Barton. • Farm Manager Kisii University 2019-2020.
 <p>Mr Albert Omariba (Principal)</p>	<ul style="list-style-type: none"> • Currently Principal Gitwebe T.T.I. • Former Deputy Principal Ekerubo Gietai TVC. • Holds a degree in Human Resource Management from Egerton University. • Has an overwhelming experience of Over 20 Years in teaching field.
 <p>Eng Anne J Cheboi (Member)</p>	<ul style="list-style-type: none"> • She holds bachelor of technology degree in electrical and communications engineering from Moi University. • Currently an ICT and Energy consultant. • She as experience of over 18 years in the field of Electrical and communications engineering.



Richard Atemba (Member)

- He Holds a Bachelors Degree Of Commerce (Accounting) from the University of Jomo Kenyatta
- Currently pursuing Masters in taxation.




John Osoro (Director)


- Currently regional director TVET
- More than 15 Years working experience.

4. Key Management Team




The management personnel who held office during this year ended 30th June 2025 and who had direct fiduciary responsibility were;

1		<ul style="list-style-type: none"> • Currently Principal Gitwebe T.T.I • Former Deputy Principal Ekerubo Gietai TVC. • Holds a degree in Human Resource Management from Egerton University. • Has an overwhelming experience of Over 20 Years in teaching field.
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Mr Albert Omariba (Principal)

	<ul style="list-style-type: none"> • Posted as the deputy principal administration. • 30 Years working experience in teaching Field. • Holder of MBA- Operations Research specialization from University of Nairobi. • Research coordinator • HOD in Mathematics. • Counsellor.
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Tirimba Manani (Deputy Principal)

<p>3</p>	 <p>Wilfred Kenyagah (Ag. Registrar)</p>	<ul style="list-style-type: none"> • Holds a bachelor’s degree in Computer Science from Kisii University and an Advanced Diploma in Technical Education from Kenya Technical Trainers College (KTTC) now known as Kenya School of TVET. • CICT-VI KASNEB holder. • Currently he is the Ag. Registrar Gitwebe TTI.
<p>4</p>	 <p>Mongare Kennedy (Deputy Principal)</p>	<ul style="list-style-type: none"> • Holder of Masters in sociology from the University of Nairobi. • Ag. Dean of students Gtwebe TTI. • Initially Head of Department Siaya TTI. • Director of communications Nyamira County. • Kiabonyoru High School teacher. • Overwhelming Experience in teaching of over 20 years.
<p>5</p>	 <p>Samuel P. Aamba (Head of finance)</p>	<ul style="list-style-type: none"> • CPA Finalist from Brilliant college of accountancy (BCA). • 2011-2014 Accountant Nyakeiri Boys High School. • 2015-2017 Accountant St. Charles Lwanga Ichuni Girls High School. • 2018-to date Gitwebe TTI Finance Officer. • ICPAK Member.

**Gitwebe Technical Training Institute
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6	 <p>Dennis Obike. (Head of Human resource)</p>	<ul style="list-style-type: none"> • Bachelor’s Degree of commerce (Human Resource) from Kenyatta University. • Currently Human Resource Officer Gitwebe TTI. • Born 1992 • IHRM Member. • CHRP- Ongoing.
7	 <p>Onesimus Mesesi (Head of Procurement)</p>	<ul style="list-style-type: none"> • Bachelor’s Degree in Business Management (Purchasing and supply chain management) from JKUAT • procurement officer Gitwebe tti • Member KISM.
	 <p>Catherine Oriku (Internal Auditor)</p>	<ul style="list-style-type: none"> • MBA (ACCOUNTING) Kisii University ongoing. • Degree in bachelor of commerce from Kisi University. • Diploma in Human Resource Management from Moi University. • CPA III

5. Chairman's Statement

Gitwebe Technical Training Institute is a new TVET institution. It opened its operations towards the end of 2018 in admitting its students.

The board of governors was subsequently appointed by the cabinet secretary for education then and held its inaugural meeting on January 2018. On behalf of the entire board, I would wish to thank the cabinet secretary for this appointment.

The Board therefore embarked on a mission to put in place systems, policies, procedures and other frameworks to enable full operationalization of the college. Subsequent to this the Board has already approved the Gitwebe Technical Training Institute strategic plan, in addition to the strategic plan the Board as also nominated various board committees.

The college however faced a number of challenges due to lack of enough financial resources, there were also problem of enrolment at the start. The college seems to overcome the challenge since trainee's enrolment is increasing gradually hence making the future look promising.

The Board has entrusted day to day running of the institution to management headed by the principal who together with the staff ensures that policies put in place by the Board are adhered to the reports in all operational areas are reported to the Board to oversight whether targets set are met.

The Board intends to embark on massive resource mobilization, additional policy formulation, link the institution with key stakeholder groups, enhance sustainability and monitor achievement of targets the Board gives an assurance on continued support to management as they exercise their oversight role for effective performance.

The achievements of the college are attained through hard work and team work of our staff over a period of time. They also reflect commitment of the Board of governors to the academic strategy and the institute's financial sustainability.

I wish to thank the government of Kenya, ministry of education state department of TVET, fellow board members, management and staff for their devotion and participation in striving to make Gitwebe Technical Training Institute Nationally competitive for trainees in the country.

Thank you


Mr. Noah Angwenyi

CHAIRMAN OF THE BOARD

6. Report of the Senior Principal

Introduction.

Presented here is the yearly report and financial statements of Gitwebe Technical Training Institute for the financial year ended 30th June 2025 as required by the public finance management act 2012.

Gitwebe Technical Training Institute's performance during the year was impressive despite few challenges faced in its year like inadequate training staff leading to employing BOG trainers which is costly to maintain. The government capitation and HELB loan is the main source of income to the Institution.

The college has continued with its core business of disseminating knowledge through, training and innovation. The current trainee population has increased to 1000 trainees and is expected to increase further by the end of the next financial year.

Development partner's project.

Currently we have completed installation of ICT department project (JITUME PROJECT) and we are committed to do more with availability of finances even though there is financial challenges we intend to operationalise fashion and design department in production.

Operational results.

Financial resources has been a big challenge in the just ended year. At the close of the financial year, the college the college entirely depends funding from the Government and loan from higher Education Loans Board.

We are working with the National government, CDF, county government and other donors to improve infrastructure. We intend to improve finances of the institution through regular marketing i.e media platforms and local meetings hopefully this will be realised in the coming financial year.

Conclusion.

On behalf of Gitwebe Technical Training Institute management and staff, I wish to take this opportunity to thank the government of Kenya, our development partners and all stakeholders for their continued support.

Finally, I would like to express my sincere gratitude for constituting the college board of governors to help provide policy and strategic guidance, the entire college staff and students who have worked tirelessly to ensure smooth running of the institution.

Thank you


Albert Omariba

The principal.

7. Statement of Performance against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Gitwebe Technical Training Institute has six strategic pillars and objectives within its strategic plan. These pillars are as follows;

- 1: To achieve financial viability and sustainability.
- 2: To develop a strong and a well-managed institution.
- 3: To provide quality education and technical training.
- 4: To improve corporate governance and image.
- 5: To expand and improve the physical facilities.
- 6: To enhance risk management and disaster preparedness.

Gitwebe Technical Training Institute has annual work plan based on the above pillars. Assessment of the Board performance against its annual work plan will be done on quarterly basis.

8. Corporate Governance Statement

We believe in good corporate governance as an institution. The board provides leadership through oversight, review and guidance whilst setting strategic direction.

The Board which has an appropriate mix of skills, knowledge and experience to perform its role effectively was inaugurated on

Board meetings are held quarterly and as and when need arises. The college ensures that it provides the necessary resources and expertise to the board to assist it in their decision making. The ministry of education is also regularly consulted on key policy matters.

General Responsibility

The Board has a duty to the people of Kenya to ensure that Gitwebe Technical Training Institute achieves its objectives efficiently and effectively and in compliance with PFM Act, 2012, TVET Act 2013, all relevant acts of parliament and all ministry directives and guidelines issued from time to time.

The statutory functions of the Board includes;

- Overseeing the conduct of education and training in the institution in accordance with the provisions of TVET act 2013
- Developing and implementing of Gitwebe Technical Training Institute strategic plan.
- Administering and managing the property of the institution.
- Mobilizing resources for the institution.
- Providing for the welfare of the students and staff of the institution.
- Making regulations governing organization and discipline of staff and students.
- Recruiting and appointing both trainers and support staff from among qualified professionals.
- Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institution.
- Preparing comprehensive annual reports on all areas of their mandate.
- Discharging all other functions conferred upon by the TVET Act 2013 or any other written laws.

Risk Management and Internal Controls.

The Board has overall responsibility for the establishment and oversight of the institution's risk management frameworks. The risk management policies are established to identify and analyse the risk faced by the institution and to set appropriate risk limits and controls and to monitor adherence to these limits. Risk management policies and systems are reviewed regularly to reflect changes in operating conditions, legislation and services offered. Subsequently the institution identifies and manages risk through in- house risk review enhanced by compliance by internal and external audits.

The institution has in place a system of internal control systems with defined operating procedures, financial and operating controls to ensure that resources are safeguarded, transactions authorised, validated and reported in line with IPSAS.

Conflict of Interest

All Board members are under a duty to avoid any conflict of interest. This entails not engaging directly or indirectly in any business that competes or conflicts with the institution's business.

The Board has established a robust process requiring members to disclose outside business interests that would conflict with institutions interests.

Compliance

The Board confirms that it is satisfied that though the institution has inadequate resources it can continue operate for the foreseeable future. For this reason it continues to adopt the going concern basis when preparing the financial statements.

The Board is satisfied that the institution as to the best of their knowledge complied with all relevant laws and conducted its business affairs in accordance with the laws in particular to;

- . The constitution of kenya, 2010.
- . TVET Act ,2012.
- . PFM Act ,2012.
- . Procurement and Asset disposal Act 2015.
- . IPSAS Standards.
- . All other relevant laws in its operation (Ministry of education circulars).

Gitwebe Technical Training Institute also has internal policies which are yet to be ratified and used in its operations. These policies are in line with all the relevant laws stated above and only direct the specific operations on how tasks are handled.

These policies are financial management policy, procurement policy and academic policy.

9. Management Discussion and Analysis

INTRODUCTION.

This discussion and analysis provide an overview of the results of activities and financial position of Gitwebe Technical Training Institute. Being the third year of operation, comparative information is available for comparison over the previous year. This overview gives a brief financial statements and the notes that follow.

FINANCIAL HIGHLIGHTS.

Revenue.

Gitwebe Technical Training Institute's revenue from both the government and HELB loan.

It is hoped that in **FY 2024/2025**, income of the institution will increase as a result of increase in number of students through marketing and familiarization of the institution via media platforms i.e Radio stations, website and registration with HELB and KUCCPS.

Expenditure.

The expenditure is incurred to operationalize the college. It is worth noting that due to lack of enough funds, trainees are having inadequate lecture rooms. However the college has fashion design workshop, Building workshop, ICT workshop and classrooms to facilitate smooth learning of the trainees in the year and are hoping for more funding from the government for tuition complex.

Compliance with statutory Requirements.

The college is operating under legal frameworks necessary under public sector requirement such as;

- . The constitution of Kenya, 2010
- . TVET Act, 2013
- . PFM Act, 2012
- . Procurement and Asset disposal Act, 2015
- . IPSAS standards.
- . All other relevant laws in its operation (regular circulars from treasury and the ministry).

The college has also internal policies to be ratified to be used in its future operations. The Board is to discuss and approve the following policies in the next financial year;

- . Financial Management policy.
- . Procurement Policy.
- . Risk Analysis policy.

Operational Risk policy.

The Board has overall responsibility for the oversight of the college risk management framework. The college is developing risk management policies to identify and analyse the risk faced by the college, set appropriate risk limits and controls and monitor risk and adherence to limits. These risk management policies and systems will be reviewed regularly to reflect the changes in economic conditions and the college activities.

The principal will then oversee how management monitors compliance with the college risk management policies and procedures review the adequacy of the risk management frame work in relation to the risk faced by the college. The college can also be exposed to the following risks in the future;

Liquidity risk.

This is the risk that the college will not meet its financial obligations as they fall due. There is therefore need to increase the number of trainees to cover the fixed costs. The college's approach to manage liquidity is to ensure as far as possible, that there is always sufficient cash to meet liabilities as and when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking to damage the college reputation.

Credit risk.

Credit risk is the risk of financial loss to the college if a customer or counter party to a financial instrument fails to meet its current obligations. The receipt of fees from student minimizes the credit risk exposure. The college will in the future implement fees payment policy which will define how and when fees are supposed to be paid thus minimizing the credit risk exposure.

10. Environmental and Sustainability Reporting Statement

Gitwebe Technical Training Institute's main aim is to transform lives of people. This is what guides us to deliver our strategy of putting the customer first, delivering relevant goods and services and improve operational activities.

Environmental performance

The college's approach to sustainability is based on the college mission to develop highly qualified human resources by providing quality education, applied research and practicability in partnership with industry players.

The institution recognises the importance of sustainable growth and has initiated programmes to generate income to use it in its day to day operations. It is also establishing policies and programmes that are needed to promote sustainable development especially at local and regional level.

Sustainability is also incorporated into student learning through both curricular and co-curricular programs by introducing practicability into the programmes as well as incorporating on job practical training. Programmes have also been planned at increasing the capacity and capability of the trainers through development workshops and trainings.

Environmental performance

Gitwebe Technical Training Institute strives to be a responsible business representing the higher standards of ethics and professionalism. We have reviewed the global best practise guidelines and standards including IPSAS, in order to help inform relevant policy areas. It is therefore important that Gitwebe Technical Training Institute is aware of current environmental issues and informs, educates and stand with the local community to improve the environment.

Our institution's social responsibilities are defined by both compliance and pro activeness. Gitwebe Technical Training Institute, compliance refers to our commitment to upholding all legal requirements, and willing to observe acknowledgement, and respect community values and laws.

- Recognise that privacy is a fundamental right, and we will comply with all laws and expectations. In addition, we will work whenever possible to ensure that we respect the ability for all to manage their personal data.

Gitwebe Technical Training Institute values our natural environment and the need to protect it. Keeping our environment unpolluted and clean is paramount to the success of our communities and business. We will also follow best practices in disposal of garbage, compost, and seek out working facilities that strive to minimize their carbon footprint through National Environmental Management Authority (NEMA) certificate and other environmentally sustainable best practice.

Employee welfare

We recognize the value of human relationships and put people at the heart of our business. We seek to treat all staff fairly and consistently, to create a workplace and business environment that is open, transparent, and trusted. Aligned with this approach, all members of the Gitwebe Technical Training Institute are required to conduct their activities in accordance with our codes and policies, as they are implemented and updated from time to time.

Gitwebe Technical Training Institute respect all employees, and strive to make their experience a positive one in all aspects of their relationship with the institution. Our success is closely tied to staff happiness, growth, development, and teamwork, and we work to assess, measure and support the personal and professional growth of our employees at all times, recognize that the success of Gitwebe Technical Training Institute is led first by the success and happiness of our staff.

We require our staff to act according to the highest standards of honesty and integrity as well as comply with all legal and regulatory requirements, which extend to the protection of human rights.

As an institution, we will also ensure that we do not risk the health and safety of our employees and community, we avoid harming the lives or safety of local and indigenous people, and we respect the basic human rights of all people, involved in our business. Gitwebe Technical Training Institute is dedicated to protecting human rights. We practice and commit to equal opportunity. Additionally, Gitwebe Technical Training Institute will ensure that our activities do not directly or indirectly violate human rights in any way.

Market place practices

Diversity and inclusion are deeply ingrained in all aspects of our mission. There are core values to our institution because they are aligned to our institution's ethics. These policies also have the added value of improving training performance. Studies show that more diverse teams perform better, and institutions that have more inclusive environments also experience less turnover, have higher internal morale, and higher productivity rates from their employees.

Corporate Social Responsibility / Community Engagements.

Gitwebe Technical Training Institute recognises an expectation to have a positive impact on our community, and we promote this expectation through provision of water to the community during dry seasons, volunteering and community services like encouraging students to rent houses from the community.

Our pro activeness is manifested by emphasising and recognizing human rights locally and globally and actively engaging with our communities through volunteering and community services like educating the community on the importance of education (why educate their sons and daughters) this is done through sensitization forums like churches and barasa .

Gitwebe Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

As an institution, we will formulate policies and take action to drive diversity and inclusion by providing an inclusive environment where all are empowered to share their diverse perspectives and experiences so we can be ultimately be better together. Our policies , practices , programs , activities and decisions regarding employment , hiring , assignment , promotion, compensation , volunteerism and internships are not based on a person's ethnicity ,colour , sex, age, religion, national origin, mental or physical disability , ancestry , sexual orientation , gender identity or expression , marital status , source of income, parental status , housing status, or other protected status. We strongly encourage women, youth, persons with disabilities and members of the community to join the institution and live our shared values.

Gitwebe Technical Training Institute will always;

- . Respect and uphold applicable local, county, and national laws to the best of our abilities.
- . Honour and review all internal policies for complete and responsible implementation.
- . Ensure that all business transactions and relationships are legitimate, free of influence and bribery.
- . Keep all partnerships and collaborations transparent and open.

11. Report of the Board of Governors

The board members is committed to submit their financial statements for the year ended 30th June 2024. Which shows the state of Gitwebe Technical Training Institute’s affairs.

Principal activities.

The principal activity of Gitwebe Technical Training Institute is to provide technical skills, research, innovation and management services. In addition, the college intends to participate in technological innovation beneficial to the society as well as contributing to industrial and technological development of Kenya in partnership with industry.

Results.

The results of Gitwebe Technical Training Institute for the year ended 30th June 2025 are set out on pages 1-5

Board of Governors

The members of the Board who served during the year are shown on page ii-iii

Auditors

The Auditor General is responsible for the statutory audit of Gitwebe Technical Training Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board


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


Date:.....

12 Statement of Board of Governor's Responsibilities

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

The Board members are responsible for the preparation and presentation of Gitwebe Technical Training Institute, which give a true and fair view of the state of affairs of the Institute for and as at the end of the financial year ended on 30th June 2025. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Gitwebe Technical Training Institute;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) safeguarding the assets of Gitwebe Technical Training Institute; (v) selecting and applying appropriate accounting policies; and
- (v) Making accounting estimates that are reasonable in the circumstances.

The council members accept responsibility for Gitwebe Technical Training Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and

The TVET Act. The Board members are of the opinion that Gitwebe Technical Training Institute's financial statements give a true and fair view of the state of Gitwebe Technical Training Institute's transactions during the financial year ended June 30, 2025, as at that date. The Board members further confirm the completeness of the accounting records of Gitwebe Technical Training Institute which have been relied upon in the preparation of Gitwebe Technical Training Institute's financial statements as well as the adequacy of the systems of internal financial control.

It's of the opinion that Gitwebe Technical Training Institute will be a going concern for the foreseeable future.

Approval of the financial statements

Gitwebe Technical Training Institute's financial statements were approved by the Board on 30th June 2025 and signed on its behalf by:

Name..... NOAH AUGUSTIN

Signature.....  Board chairperson

Name..... Alison Omondo

Signature.....  Principal



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 GITWEBE TECHNICAL TRAINING INSTITUTE 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 Gitwebe Technical Training Institute set out on pages 1 to 55, which comprise of the statement of financial position

Report of the Auditor-General on Gitwebe Technical Training Institute for the year ended 30 June, 2025

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 Gitwebe Technical Training Institute 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 and the Technical and Vocational Educational and Training Act, 2013.

Basis for Qualified Opinion

1.0 Presentations and disclosures

- a. The first page contains headers not in conformity with the template. The name of the institution is missing in the first page
- b. The appendices in the table of contents are missing
- c. The audit implementation table status for the report of the auditor general is blank

2.0 Inaccuracies in the Financial Statements

- a. The statement of cashflows reflects Kshs.15,830,150 in respect of transfers from other National Government entities as disclosed in Note 6 to the financial statements. Included are capitation grants of kshs.7,770,000. However, review of bank statements and AIEs indicates that Kshs.4,298,178 for capitation grants relates to the 2023/2024 financial year while the previous year's financial statements show receivables of Kshs.1,700,000. Thus, there is unreconciled and unexplained variance of Kshs.2,598,178. In addition, the debtor's policy and ageing analysis was not provided for audit review.
- b. The statement of financial position reflects total assets of Kshs.227,252,463 while the re-casted total is Kshs.229,339,443 resulting to a variance of Kshs.2,086,980 Further, the net assets totals reflect balance of Kshs.226,504,213 while recast total is Kshs.228,591,193 resulting to understatement of Kshs.2,087,070.
- c. The statement of cash flow reflects cash and cash equivalents as at 30 June 2025 of Kshs.415,567 while recast balance is Kshs.1,502,547 resulting to a variance of kshs.1,086,980. Further, the net cash flow from operating activities reflects kshs.1,533,694 while the same in Note 47 reflects kshs.6,030,426.

- d. The statement of financial performance reflects a deficit for the year of kshs.1,035,021. However, recasting reveals a deficit of kshs.769,194 resulting to unreconciled variance of kshs.265,827.
- e. Further, review of 2023/2024 financial statements revealed significant inconsistencies in the opening balances and the closing balances reported in the audited 2023/2024 financial statements. The discrepancies are summarized below;

Components	2023/2024 closing balances	2024/2025 opening balances	variances
Transfers from Other national government entities	10,596,185	12,455,000	(1,858,815)
Use of goods and services	1,370,830	11,083,151	(9,712,321)
Receivables from exchange transactions	8,752,104	8,753,387	(1,283)
Cash and cash equivalents	172,144	1,405,767	(1,233,623)
Repairs and maintenance	182,180	313,176	(130,996)

- f. The statement of comparison of budget and actual amounts reflects kshs.737,900 in respect of payments of transport which is omitted in the statement of cashflows. Further, various inaccuracies were noted in table below;

Components	Original budget	Adjustments	Final	Re-casted final	Variance
Transfers from national government entities	50,739,362	(11,121,181)	39,617,481	39,618,181	700
Sale of goods	250,000	0	25,000	250,000	225,000
Board/ council expenses	1,800,000	140,000	1,940,000	1,660,000	280,000
PPE	0	0	0	1,015,500	1,015,500

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

3.0 Payments made without ETR Receipts.

The statement of financial performance reflects use of goods and services amount of Kshs.9,310,923. Included in the amount is Kshs.900,160 in respect to supply of building materials, examination materials, electrical items and supply of office stationeries as detailed in Note 15 to the financial statements. The expenditures were not supported with electronic tax register (ETR) receipts as required by the VAT Act, 2013.

In the circumstances, the accuracy and completeness of the expenses incurred could not be confirmed.

4.0 Irregular Payment of Allowances to Non-Board Members.

The statement of financial performance reflects use of goods and services expenses of Kshs.9,310,923, which includes administration cost amount of Kshs.1,713,468 as disclosed in note 15 to the financial statements. Review of the payment records revealed that allowances amounting to Kshs.70,000 were paid to non-committee members during meetings held within the institute.

In the circumstances the expenditure on allowances amounting to Kshs.70,000 was irregular.

5.0 Failure to Charge Depreciation

The statement of financial position and as disclosed in Note 32 to the financial statements reflects an amount of Kshs.180,912,389 in respect to property, plant and equipment. However, the depreciation was not charged netbook value is overstated.

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

6.0 Un-Reconciled Cash and Cash Equivalents Balance

The statement of cash flow reflects cash and cash equivalents balance of Kshs.415,567 as at 30 June 2025, while recast balance is Kshs.1,502,547 resulting understatement of Kshs.1,086,980. Further, the bank reconciliation statement and the cash book credit balance of Kshs. 466,482 resulting in an unexplained and unreconciled variance of Kshs. (50,430).

In addition, bank reconciliation statements for the three bank accounts held by the institute were not prepared. This is contrary to Regulation 90(1) of the Public Finance Management (National Government) Regulations, 2015, which requires accounting officers to ensure bank reconciliations statements are completed every month and submitted not later than the 10th of every month to the National Treasury with a copy to the Auditor-General.

The cash book for development account was also not maintained.

In the circumstances the accuracy and completeness of cash and cash equivalents could not be confirmed.

7.0 Failure to Maintain Assets Register and Lack of Ownership Documents

The statement of financial position and as is disclosed in Note 32 to the financial statements reflects a balance of Kshs.180,912,389 in respect to property, plant and equipment. However, Management did not maintain assets register to support the values reflected in the financial statements.

In the circumstance, the accuracy and completeness of the assets could not be confirmed.

8.0 Unsupported Biological Assets

The statement of financial position and as disclosed in Note 35 to the financial statements reflects a balance of Kshs.167,000 in respect of biological assets. However, balance was not supported with a valuation report as at 30 June, 2025 as required by IPSAS 27.

In the absence of valuation report on the biological assets, the accuracy of biological assets balance of Kshs.167,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Gitwebe Technical Training Institute 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

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.42,338,400 and Kshs.18,527,569 respectively, resulting in an underfunding of Kshs.23,810,831 or 56% of the budget.

In the circumstances, the underfunding affected implementation of the planned activities and programs and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Management is responsible for the Other Information set out on page iii to xxii which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, The Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Board of Governors and Statement of Board of Governor's

Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0. Late Submission of Financial Statements

Management submitted the financial statements for the period ended 30 June, 2025 to the Auditor General on 5 September, 2025 which was after the statutory date of 31 August, 2025 as required by the National Treasury Circular No.AG.3/88 Vol. VIII (41) that requires financial statements to be submitted within two months after the end of the fiscal year to which the accounts relate.

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

2.0. Non-Compliance with Persons with Disability Act

Review of the muster roll and personnel records revealed that the entity had twenty-one (21) casual employees on contractual terms but none was a person with disability contrary to section 21(1)(2) of the Persons with Disability Act 2025 which requires employers to reserve at least five per cent direct employment opportunities for persons with disabilities.

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

3.0. Failure to Comply with Work Injury Benefit (WIBA) Act 2007

During the year under review the entity did not secure WIBA Insurance for the employees contrary to Work Injury Benefit Act 2007 Section 7(1) which provides that every employer shall obtain and maintain an insurance policy, with an insurer approved by the Minister in respect of any liability that the employer may incur under this Act to any of his employees.

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

4.0. Failure to Prepare Human Resource Plans

During the year under review, the entity did not prepare Human Resource Plans to support the achievement of goals and objectives in the Strategic plans. This was contrary to Section B.2(1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which states that every Ministry or State Department shall prepare Human Resource Plans to support achievement of goals and objectives in their strategic plans. The hiring, promotions, training and deployment of employees may not be aligned with the strategic goals of the entity.

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

5.0. Failure to Observe Ethnicity Diversity in Staff Composition

Review of the payroll revealed that 99% of the twenty-one (21) employees were from the dominant community in the region. This is contrary to the provisions of section 7(1) and (2) the National Cohesion and Integration Act, 2008 which provides that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one-third of its employees from the same ethnic community.

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

6.0. Irregular Recruitment Procedure

The entity advertised for one (1) position of a building and civil engineering technician on the 22 January, 2025. However, it was noted that the closing date for the advertisement was 10 February 2025 and thus, advertisement was open for only nineteen (19) days, contrary to Section B.4(1) of the Public Service Human Resource Policy, 2016 which requires advertisement for at least twenty-one (21) days before closing the advert.

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

7.0. Nugatory expenditure

The statement of financial performance reflects employee cost amount of Kshs.6,707,682 which includes NSSF penalty fee of Kshs.30,700 and Kshs.7,644 paid through payment vouchers number 10225 and 30182 respectively, for unremitted statutory deduction.

The expenditure is a loss of public funds since had the entity remitted all statutory deductions the entity would have saved Kshs.38,344.

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

8.0. Failure to Make Statutory Deductions

The statement of financial performance reflects employee cost amount of Kshs. 6,707,682. Included in the amount is trainers' salaries amounting to Kshs.244,000. However, PAYE was not deducted from the amount of Kshs.244,000, contrary to section 37(1) of the Income Tax Act. The Act requires employer paying emoluments to an employee to deduct therefrom, an amount for tax thereon, to such extent and in such manner as may be prescribed.

In addition, no deductions were done on the employees in regards to SHIF and NSSF contrary to Section 27(1) of Social Health Insurance Act 2023 and Section 6(1) NSSF Act.

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

9.0. Irregular Payment of Allowances to Staff During Board Meeting.

The statement of financial performance reflects board expenses amount of Kshs.947,000. Included in the amount is Kshs.18,000 paid to the principal as allowance for a board meeting held on 4 November, 2024 at the institution contrary to SRC/ADM/11(156) dated 7 August, 2023 which states that Institutional Internal Committees are constituted to facilitate the execution of the mandate of the institution. Therefore, payment of sitting allowance to members of institutional committees, in addition to the basic salary, amounts to double compensation.

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

10.0. Non-Remittance of Pay as You Earn (PAYE)

The statement of financial performance reflects board expenses amounting to Kshs.947,000. Review of records and payment vouchers revealed that the entity paid the allowances without deducting tax contrary to section 3(2)(a)(ii) and section 5(2) (a) of the Income Tax Act which makes it compulsory for payment of tax from the income derived from any employment or services rendered to any gainful engagement in a particular year of income.

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

11.0. Lack of Segregation of Duties in Cash Management

The statement of financial position and as disclosed in Note 26 to the financial statements reflects a balance of Kshs.415,568 in respect to cash and cash equivalents. Review of the records in support of the cash and cash equivalents revealed that there was no segregation of duties in the management of cash. One officer maintains the cashbook, does bank reconciliation, maintains the ledgers and prepares payment vouchers. Further, there was no evidence that cash book and bank reconciliations are checked by a senior officer in the office. In addition, there was no evidence that board of survey was carried out at the closure of the financial year.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Non-Implementation of E-Procurement System

Review of procurement records for the financial year under review revealed that the institute did not conduct procurements through the required e-procurement module contrary to Regulation 49(2) of the Public Procurement and Asset Disposal Regulations, 2020. This indicates a failure to use an integrated e-procurement system connected to the State Portal for procurement processes.

In the circumstances, Management did not put in place a proper system to ensure efficient coordination of procurement and disposal procedures, which leads to efficiency and effectiveness.

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 December, 2025

Gitwebe Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	14,874,921	12,455,000
Grants from donors and development partners	7	00	00
Transfers from other levels of government (CDF and county Govt.	8	190,000	00
Public contributions and donations	9	00	00
		15,064,921	12,455,000
Revenue from Exchange transactions			
Rendering of services- fees from students	10	1,278,060	10,760,677
Sale of goods	11	00	10,000
Rental revenue from facilities and equipment	12	00	00
Finance income	13	00	00
Miscellaneous income	14	00	00
Revenue from Exchange transactions		1,278,060	10,770,677
Total Revenue		16,342,981	23,225,677
Expenses			
Use of goods and services	15	9,310,923	11,083,151
Employee costs	16	6,707,682	6,139,081
Board /Council Expenses	17	947,000	859,000
Depreciation and amortization expense	18	00	00
Repairs and maintenance	19	146,570	182,180
Contracted services	20	00	00
Grants and subsidies	21	00	00
Finance costs	22	00	00
Total Expenses		17,378,002	18,263,412
Net surplus/(deficit) for the year		(1,035,021)	4,962,265

.....
Chairman of Council/Board

Date

.....
Principal

Date

.....
Finance Officer

ICPAK No

Date

TECHNICAL TRAINING INSTITUTE
 P.O. BOX 126-80500 NYAMIRI
 ICPAK

30 DEC 2025

TECHNICAL TRAINING INSTITUTE
 P.O. BOX 126-80500 NYAMIRI
 ICPAK
 30 DEC 2025
 SIGN:.....

Gitwebe Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

15. Statement of Financial Position As At 30th June 2025

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26a	1,502,547	2,385,012
Current portion of receivables from exchange transactions	27(a)	45,887,507	8,753,387
Receivables from non-exchange transactions	28	00	1,700,000
Inventories	29	169,900	121,250
Investments in financial assets	30	00	00
Prepayments	31	00	00
Total Current Assets		47,559,954	12,959,649
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	00	00
Investments	30	00	00
Property, plant, and equipment	32	180,912,389	179,867,489
Intangible assets	33	700,000	00
Investment property	34	00	00
Biological Assets	35	167,100	110,100
Total Non-Current Assets		181,779,489	179,977,589
Total Assets (A)		227,252,463	192,937,238
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	36	748,250	3,148,731
Refundable deposits from customers	37	00	00
Current provisions	38	00	00
Finance lease obligation	39	00	00
Deferred income	40	00	00
Employee benefit obligation	41	00	00
Payments received in advance	42	00	00
Current portion of borrowings	43	00	00
Social Benefits	46	00	000

**Gitwebe Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025**

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Total Current Liabilities		748,250	3,148,731
Non-Current Liabilities			
Finance lease obligation	39	00	00
Deferred income	40	00	00
Non-Current Employee Benefit Obligation	41	00	00
Non- Current Borrowings	43	00	00
Non-Current Provisions	44	00	00
Service Concession Liability	45	00	00
Social benefits	46	00	00
Total non- current liabilities		748,250	3,148,731
Total Liabilities (B)		748,250	3,148,731
Net Assets (A-B)		226,504,213	189,788,507
Represented By:			
Revaluation Reserves	16	32,641,278	00
Accumulated Surplus	14	4,074,428	5,109,449
Capital Fund		189,788,507	184,667,775
Net Assets		226,504,213	189,788,507

[Handwritten Signature]

Chairman of Council/Board

Date

TECHNICAL TRAINING INSTITUTE
P.O. Box 326-1500, NYAMIRA
PRINCIPAL

Principal

Date

10 DEC 2025

GITWEBE TECHNICAL TRAINING INSTITUTE
P.O. Box 326-1500, NYAMIRA
[Handwritten Signature]
Finance Officer
10 DEC 2025
ICPAK No
Date
SIGN:.....

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2024			189,788,507	189,788,507
Revaluation reserve	32,641,278	-		32,641,278
Surplus for the year		4,074,428		4,074,428
At June 30, 2025	32,641,278	4,074,428	189,788,507	226,504,213

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

Description		2024-2025	2023-2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	15,830,150	12,596,185
Grants from donors and development partners	7	00	00
Transfers from other levels of government	8	190,000	00
Public contributions and donations	9	00	00
Rendering of services- fees from students	10	1,278,060	10,760,677
Sale of goods	11	00	10,000
Rental revenue from facilities and equipment	12	00	00
Finance income	13	00	00
Miscellaneous income	14	00	00
Total Receipts		18,698,869	23,366,862
Payments			
Use of goods and services	15	9,310,923	9,048,900
Employee costs		6,747,682	9,183,422
Board /Council Expenses	17	960,000	859,000.00
Repairs and maintenance	19	146,570	182,180.00
Contracted services	20	00	00
Grants and subsidies	21	00	00
Total Payments		17,165,175	19,273,502
Net Cash Flows from operating activities	47	1,533,694	4,247,119
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	32	(1,015,500)	(2,188,010)
Proceeds from sale of property, plant and equipment		00	00
Net cash flows used in investing activities		(1,015,500)	(2,188,010)
Cash flows from financing activities			
Proceeds From Borrowing		00	00
Repayment Of Borrowings		(00)	(00)
Net cash flows used in financing activities		(00)	(00)
Net Increase/(Decrease) in Cash and Cash equivalents		518,194	2,059,109
Cash and Cash equivalents at 1 July	26	2,385,012	172,144
Cash and Cash equivalents at 30 June	26 a	415,567	2,385,012

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-					
Receipts						
Transfers from other National Government entities	50,739,362	(11,121,181)	39,617,481	15,830,150	(23,787,330)	39.96%
Grants from donors and development partners	00	(00)	00	00	(00)	0%
Transfers from other levels of government	190,000	(00)	190,000	190,000	(00)	0.00%
Public contributions and donations	00	00	00	00	00	0%
Rendering of services- fees from students	1,278,060	(00)	1,278,060	1,278,060	00	0.00%
Sale of goods	250,000	(00)	25,000	00	25,000	0%
Rental revenue from facilities and equipment	00	(00)	00	000	(00)	00%
Finance income	00	(00)	00	00	(00)	0%
Miscellaneous Income	00	(00)	00	00	(00)	0%
Total Receipts	52,457,422	(11,121,181)	41,110,541	17,298,210	(23,762,330)	
Payments						
Use of goods and services	19,042,416	(2,470,840)	16,571,576	9,310,923	7,260,652	56%
Employee costs	10,052,024	(1,800,000)	8,252,024	6,747,682	1,278,514	82%
Board /Council Expenses	1,800,000	(140,000)	1,940,000	960,000	980,000	50%
Repairs and maintenance	820,000	(205,000)	615,000	146,570	468,430	24%
Transport	2,000,000	(140,000)	1,860,000	737,900	900,000	40%
PPE		00	00	1,015,500	00	00
Grants and subsidies	00	00	00	00	00	00

Gitwebe Technical Training Institute
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Total Expenditure Payments	33,714,440	(4,755,840)	29,238,600	18,918,575	10,887,597	
Capital Expenditure Payments						
Surplus	18,742,982		11,871,941	1,620,365	12,874,733	

(Budget carryovers This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted to the Exchequer. Budget carryovers should not include third-party funds such as contractors' retention.)*

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	11,871,941
1	Reason for differences	12,874,733
2	Reason for differences	1,620,365
3	Reason for differences (purchase of assets)	(1,015,500)
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	415,567

19. Notes to the Financial Statements

1. General Information

Gitwebe tti entity is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is learning.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 20xx, it is applicable in Kenya from 1st July 20xx)

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

There are no new and amended standards 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:

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	<ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></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><i>Applicable 1st January 2026</i></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><i>Applicable 1st January 2026</i></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><i>Applicable 1st January 2027</i></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> <ul 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 the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on **28-06-2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of .xxx on the FY 20XX/20XX budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The entity 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, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

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

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

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

i) Research and development costs

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

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

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

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. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial

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liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

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.

Inventories (Continued)

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

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) 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.

r) 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.

s) Related parties

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

t) Service concession arrangements

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

u) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

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

6. Transfers from other National Government entities

Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants(Scholarship)	7,770,000	10,596,184
Operational Grant	499,827	2,000,000
Development grants	00	00
HELB	6,605,094	
Total unconditional Grants	14,874,921	12,596,184
Conditional Grants amortised/ recognised in revenue		
Library Grant	00	00
Hostels Grant	00	00
Administration Block Grant	00	00
Laboratory Grant	00	00
Learning Facilities Grant	00	00
Other Organizational Grants	00	00
Total Government Grants and Subsidies	14,874,921	12,596,184

(a)Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2024-2025
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of tvet HELB	6,605,094			6,605,094	6,605,094
Ministry of Education	499,827			499,827	499,827

7. Grants from Donors and Development Partners

Description	2024-2025	2023-2024
	Kshs	Kshs
JICA- Research Grant	00	00
World Bank Grants	00	00
In-Kind Donations	00	00
Donations transferred to revenue-conditions met	00	00
Other Grants (specify)	00	00
Total Grants from Development Partners	00	00

(a) Reconciliations of grants from donors and development partners

Description	2024-2025	2023-2024
	Kshs	Kshs
Balance unspent at beginning of year	xxx	00
Current year receipts	00	00
Conditions Met - Transferred to Revenue	00	00
Conditions Yet To Be Met - Remain Liabilities	00	00

(Provide brief explanation for this revenue)

8. Transfers from Other Levels of Government

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfer from County government	27,000	00
Transfer from cdf bursary	163,000	00
Transfer from XX Institute	00	00
Total Transfers	190,000	00

9. Public Contributions and Donations

Description	2024-2025	2023-2024
	Kshs	Kshs
Public Donations	00	00
Donations from Local Leadership	00	00
Donations from Religious Institutions	00	00
Donations from Alumni	00	00
Other Donations	00	00
Total Donations and Contributions	00	00

(Provide brief explanation for this revenue)

10. Rendering of Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition Fees	00	1,200,000
Activity Fees	74,000	120,000
Industrial Attachment Fees	00.	
Examination Fees	1,048,260	520,000
Library Fees	00	
Facilities And Materials	00	
Registration Fees	155,800	
Others (<i>Specify</i>)		8,920,000
Total Revenue from The Rendering of Services	1,278,060	10,760,000

(Provide brief explanation for this revenue)

11. Sale of Goods

Description	2024-2025	2023-2024
	Kshs	Kshs
	00	00
Sale of Books	00	00
Sale of Publications	00	00
Sale of Farm Produce	00	10,000
Cafeteria sales	00	00
Other sales (<i>specify</i>)	00	00
Total Revenue from Sale of Goods	00	10,000

12. Rental revenue from facilities and equipment

Description	2024-2025	2023-2024
	Kshs	Kshs
Hire of Facilities and Equipment	00	00
Contingent Rentals	00	00
Operating Lease Revenue	00	00
Others (<i>specify</i>)	00	00
Total	00	00

(Provide brief explanation for this revenue. *Contingent rentals include hire grounds, institutional facilities like halls, kitchen etc.)

13. Finance Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Cash investments and fixed deposits	00	00
Interest income from treasury bills	00	00
Interest income from treasury bonds	00	00
Interest from outstanding debtors	00	00
Others (<i>specify</i>)	00	00
Total finance income	00	00

(Provide brief explanation for this revenue.)

14. Miscellaneous Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Insurance recoveries	00	00
Consultancy fees	00	00
Income from sale of tender	00	00
Services concession income	00	00
Reimbursements and refunds	00	00
Graduation fees	00	00
Bad debts recovered	00	00
Income written back	00	00
Others (<i>specify</i>)	00	00
Total other income	00	00

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

15. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Teaching and learning materials	1,489,495	1,370,830
Industrial attachment costs	77,500	28,250
Electricity	227,699	437,657
Water	8,000	00
Security	00	00
Professional and consultancy services	00	00
Subscriptions	720,304	
Advertising	629,060	
Examination fees	1,634,550	945,820
contingencies		2,541,293
Audit fees		
Catering, conferences, and delegations	593,695	
Travelling and accommodation	570,500	2,264,355
Fuel and oil	8,200	36,000
Insurance	31,858	
Legal expenses	00	
Licenses and permits	00	
Postage	7,725	7,725
Printing and stationery	116,150	
Admin cost	1,713,468	
Hire charges	229,000	75,500
Activity expense	311,805	236,000
Rent expenses	00	00
Kuccps placement expense	84,000	
Skills development levies		
Telephone expenses	72,950	
Internet expenses	62,800	
Training expenses		
Cleaning materials	492,900	
Operational expenses		2,433,364
Development	3,500	
Bank Charges	17,514	
Student union (Leaders)	20,850	
Student IDs	20,000	
Student travelling expense.	167,400	
Total good and services	9,310,923	10,376,794

16. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	5,438,593	6,139,081
Employee related costs - contributions to pensions and medical aids	1,269,089	
Travel, motor car, accommodation, subsistence and other allowances	00	
Housing benefits and allowances	00	
Overtime payments	00	
Social contributions	00	
Employee Costs	6,707,682	6,139,081

17. Board/Council Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria		
Directors Emoluments		
Other Allowances	947,000	859,000
Other Board/Council Expenses		
Total	947,000	859,000

18. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	00	00
Intangible assets	00	00
Investment property carried at cost	00	00
Total depreciation and amortization	00	00

19. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Property	146,570	313,176
Investment property – earning rentals	00	00
Equipment and machinery	00	00
Vehicles	00	00
Furniture and fittings	00	00
Computers and accessories	00	00
Total Repairs and Maintenance	146,570	313,176

20. Contracted Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Actuarial valuations	00	00
Investment valuations	00	00
Property valuations	00	00
Other (specify)	00	00
Total contracted services	00	00

21. Grants and Subsidies

Description	2024-2025	2023-2024
	Kshs	Kshs
Community Development	00	00
Education Initiatives and Programs	00	00
Social Development	00	00
Social benefits expenses	00	00
Community Trust	00	00
Sporting Bodies	00	00
Others (specify)	00	00
Total Grants and Subsidies	00	00

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

22. Finance Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Borrowings (Amortized Cost)*	00	00
Finance Leases (Amortized Cost)	00	00
Unwinding of Discount from lease liabilities	00	00
Interest on Bank Overdrafts	00	00
Interest on Loans from Commercial Banks	00	00
Others (specify)	00	00
Total Finance Costs	00	00

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

23. Gain On Sale of Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, Plant and Equipment	00	00
Intangible Assets	00	00
Other Assets not capitalised	00	00
Total Gain On Sale of Assets	00	00

24. Gain/(loss) on Fair Value Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
Fair value on equity investments	00	00
Fair value arising from investment property	00	00
Fair value arising from biological assets	00	00
Fair value- other financial assets (specify)	00	00
Total Gain	00	00

25. Impairment Loss

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, Plant and Equipment	00	00
Intangible Assets	00	00
Total Impairment Loss	00	00

26. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	00	00
On - Call Deposits	00	00
Fixed Deposits Account	00	00
Staff Car Loan/ Mortgage	00	00
Others (Specify)	00	00
Total Cash and Cash Equivalents	00	00

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank			
Fees account	1222759683	418,078	1,171,032
Kenya Commercial Bank			
Recurrent account	1222760789	(3,792)	499,214
Kenya Commercial Bank			
Development account	1222760851	1,282	00
Others		1,086,178	713,482
Grand Total		1,502,547	2,385,012

27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	45,887,507	8,753,387
Rent Debtors	00	00
Consultancy Debtors	00	00
Other Exchange Debtors	00	00
Less: Impairment Allowance		
Total Current Receivables	45,887,507	8,752,104

27 (b) Long- term Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	00	00
Advance Payments	00	00
Public Organizations	00	00
Less: Impairment Allowance	00	00
Total	00	00
Current Portion Transferred To Current Receivables	00	00
Total Non-Current Receivables		
Total Receivables	00	00

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current	% of total	Comparative FY	% of total
Less than 1 year	0	%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	00	%	0	%
Over 3 years	0	%	0	%
Total (a+b)	0	%	0	%

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

Description	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	00	00
Provisions during the year	00	00
Recovered during the year	(00)	(00)
Write offs during the year	(00)	(00)
At the end of the year	00	00

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

28. Receivables from Non-Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Capitation Grants	3,341,100	1,700,000
Transfers from Other Govt. entities	00	00
Undisbursed Donor Funds	00	00
Other Debtors (Non-Exchange Transactions)	00	00
Less: Impairment Allowance	00	00
Total Current Receivables	3,341,100	1,700,000

*(*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review). However this amount was not recovered after financial year under review hence not captured in the financial statement.*

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

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	00	%	00	%
Between 1- 2 years	00	%	00	%
Between 2-3 years	00	%	00	%
Over 3 years	00	%	00	%
Total	00	%	00	%

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

Description	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	00	00
Additional provisions during the year	00	00
Recovered during the year	(00)	(00)
Written off during the year	(00)	(00)
At the end of the year	00	00

29. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Stationery Consumable stores	12,300	4,500
Maintenance stores	00	00
Fashion stores	81,500	65,000
Electrical stores	45,600	33,200
Cleaning Materials stores	18,200	3,250
Catering stores	12,300	15,300
Less: Impairment allowance		
Total Inventories at lower of Cost and Net Realizable Value	169,900.00	121,250

(Provide brief explanation on inventories)

Detailed disclosure on inventories

	2024-2025	2023-2024
Opening balance	121'250	
Additional Inventory in the year	48,650	00
Inventory expensed in the year	00	00
Write-downs in the year	00	00
Others specify	00	00
Closing balance	169,900	121'250

30. Investments in financial assets

Description	2024-2025	2023-2024
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	00	00
CBK	00	00
Sub- Total	00	00
b) Investment with Financial Institutions/ Banks		
Bank X	00	00
Bank Y	00	00
Sub- Total	00	00
c) Equity Investments (Specify)		
Equity/ Shares in Company Xxx	00	00
Sub- Total	00	00
Grand Total	00	00

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

d) Shareholding in other entities

For investments in equity shares 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	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	2024-2025	2023-2024
	%	%	%	Kshs	Kshs	Kshs
Entity A	00	00	00	00	00	00
Entity B	00	00	00	00	00	00

31. Prepayments

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Insurance	00	00
Rent	00	00
Water	00	00
Internet	00	00
Others (<i>Specify</i>)	00	00
Total	00	00

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32. Property, Plant and Equipment

Cost	Buildings	Land	Furniture and fittings	Computers and printers	Entertainment system	Television Set	Intangible Asset ERP	Generator	Water tanks	Fashion Design machines	Total
	Kshs	Kshs	Kshs	Kshs	Kshs				Kshs	ksh	Kshs
At 30 th Jun 2024	32,002,479.51	-	520,000	12,498,000	-				412,000	100,247,000	145,679,479
Additions-	2,188,010.00	32,000,000									34,188,010
At 30 th Jun 2024	34,219,889.51	32,000,000	520,000	12,498,000	-				412,000	100,247,000	179,896,889
At 1 July 2024	34,219,889.51	32,000,000	520,000	12,498,000					412,000	100,247,000	179,896,889
Additions – Nov 2024	00	00	00	00	77,000	153,500	700,000	85,000	00		1,015,500
At 30 th Jun 2025	34,219,889.51	32,000,000	520,000	12,498,000	77,000	153,500	700,000	85,000	412,000	100,247,000	180,912,389

NB. There was an additional of TV SET, Generator, Entertainment System and Intangible Asset (ERP) as shown in the PPE

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ERP system is work in progress.

Notes to the Financial Statements (Continued)

Valuation

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

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	NBV
		Depreciation	
	Kshs	Kshs	Kshs
Land	32,000,000	-	32,000,000
Buildings	34,190,489		34,190,489
Fashion design machines	100,247,000		100,247,000
Water tanks	412,000		412,000
Computers and Related Equipment	12,498,000		12,498,000
Office Equipment, Furniture, And Fittings	520,000		520,000
Total	179,867,489	-	179,867,489

33. Intangible Assets

Description	Insert Current	2023-2024
	2024-2025	
	Kshs	Kshs
Cost		
At beginning of the year	00	00
Additions	700,000	00
At end of the year	00	00
Additions–internal development	00	00
At end of the year	00	00
Amortization and impairment	00	00
At beginning of the year	00	00
Amortization	00	00
At end of the year	00	00
Impairment loss	00	00
At end of the year	00	00
NBV	700,000	00

34. Investment Property

Description	2024-2025	2023-2024
	Kshs	Kshs
At beginning of the year	00	00
Additions	00	00
Disposal during the year	00	00
Depreciation	00	00
Impairment	00	00
Gain or loss on fair value- if fair value is elected	00	00
At end of the year	00	00

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

35. Biological Assets

	2024-2025	2023-2024
	Kshs	Kshs
Trees in a plantation forest		
Animals: Dairy Cattle, Pigs, Sheep	167,100	110,100
Others (Specify)		
Total	167,100	110,100

(their was an additional of one cow costing kshs.57,000)

36. Trade and Other Payables

Description	2024-2025		Insert Comparative FY	
	Kshs		Kshs	
Trade payables	748,250		104,500	
Fees paid in advance	00		00	
Salary deductions	00		00	
Third-Party Payments	00		00	
Other Payables	00		3,044,231	
Total Trade and Other Payables	748,250		3,148,731	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	748,250	%	00	00
1-2 years	00	%	00	00
2-3 years	00	%	00	00

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Over 3 years	00	%	00	00
Total (to tie to totals above)	748,250	%	00	00

37. Refundable Deposits from Customers/Students

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Consumer deposits	00		00	
Caution money	00		00	
Other refundable deposits	00		00	
Total Deposits	000		00	
Ageing analysis:	2024-2025	% of the Total	Comparative FY	% of the Total
Under one year	00	%	00	%
1-2 years	00	%	00	%
2-3 years	00	%	00	%
Over 3 years	00	%	00	%
Total (to tie to totals deposits above)	00	%	00	%

(Provide brief explanation)

38. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year	00	00	00	00	00
Additional Provisions	00	00	00	00	00
Provision Utilised	00	00	00	00	00
Change Due To Discount And Time Value For Money	00	00	00	00	00
Transfers From Non -Current Provisions	00	00	00	00	00
Total Provisions	00	00	00	00	00

39. Finance Lease Obligation

Description	2024-2025	2023-2024
	Kshs	Kshs
At the start of the year	00	00
Discount interest on Lease Liability	00	00
Paid during the year	00	00
At end of the year	00	00

Maturity Analysis

Period	Amount
	Kshs
Year 1	00
Year 2	00
Year 3	00
Year 4	00
Year 5 and Onwards	00
Less: Unearned Interest	00
Total	00

Analysed as:

Description	Amount
	Kshs
Current	00
Non- Current	00
Total	00

40. Deferred Income

Description	2024-2025	2023-2024
	Kshs	Kshs
National Government	00	00
International Funding Bodies	00	00
Public Contributions and Donations	00	00
Total Deferred Income	00	00

The deferred income movement is as follows:

Description	National government	International funders/donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	00	00	00	00
Additions during the year	00	00	00	00
Transfers to capital fund	(00)	(00)	(00)	(00)
Transfers to income statement	(00)	(00)	(00)	(00)
Other transfers	(00)	(00)	(00)	(00)
Balance carried forward	00	00	00	00

Include columns as needed for the various sources of income deferred.

Analysed as:

Description	Amount
	Kshs
Current	00
Non- Current	00
Total	00

41. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2024-2025	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	00	00	00	00	00
Non-Current Benefit Obligation	00	00	00	00	00
Total Employee Benefits Obligation	00	00	00	00	00

Retirement benefit Asset/ Liability

The entity operates a defined benefit scheme for all full-time employees from July 1, 20xx. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at xxx June xxx by xxx actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

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Description	2024-2025	2023-2024
	Kshs	Kshs
Discount Rates	%	x%
Future Salary Increases	00%	00%
Future Pension Increases	00%	00%
Mortality (Pre- Retirement)	00%	00%
Mortality (Post- Retirement)	00%	00%
Withdrawals	00	00
Ill Health	00	00
Retirement	years	years

Recognition of Retirement Benefit Asset/ Liability

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	2024-2025	2023-2024
	Kshs	Kshs
The return on defined plan assets	00	00
Actuarial gains/ losses arising from changes in demographic assumptions	00	00
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	00	00
Actuarial gains and losses arising from experience adjustments	00	00
Others (<i>specify</i>)	00	00
Adjustments for restrictions on the defined benefit asset	00	00
Remeasurement of the net defined benefit liability (asset)	00	00

b) Amounts recognised in the Statement of Financial Position

Description	2024-2025	2023-2024
	Kshs	Kshs
Present value of defined benefit obligations(a)	00	00
Fair value of plan assets(b)	(00)	(00)
Funded status(=a-b)	00	00
Restrictions on asset recognised	00	00
Others (<i>specify</i>)	00	00
Net asset or liability arising from defined benefit obligation	00	00

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The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. XXX per employee per month. Other than NSSF the entity also has a defined contribution scheme operated by XXX Pension Fund. Employees contribute 6% while employers contribute 6% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

42. Payments received in advance.

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Fees received in advance	00		00	
Others (Specify)	00		00	
Total	00		00	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	00	%	00	%
1-2 years	00	%	00	%
2-3 years	00	%	00	%
Over 3 years	00	%	00	%
Total	00	%	00	%

43. Borrowings

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Balance at beginning of the year	00		00	
External borrowings during the year	00		00	
Domestic borrowings during the year	00		00	
Repayments of external borrowings during the year	00		00	
Repayments of domestic borrowings during the year	00		00	
Balance at end of the year	00		00	

43 a) Analysis of External and Domestic Borrowings

Description	2024-2025	2023-2024
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'	00	00
Sterling pound denominated loan from 'yyy organization'	00	00
Euro denominated loan from zzz organization'	00	00
Domestic borrowings		
Kenya shilling loan		
Total balance at end of the year	00	00

43 b) Breakdown of Long and Short-Term Borrowings

Description	2024-2025	2023-2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	00	00
Long Term Borrowings	00	00
Total	00	00

(NB: the total of this statement should tie to note 44 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

44. Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	00	00	00	00	00
Additional Provisions	00	00	00	00	00
Provision utilised	00	00	00	00	00
Change due to discount and time value for money	00	00	00	00	00
Less: Current portion	00	00	00	00	00
Total deferred income	00	00	00	00	00

(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 38)

45. Service Concession Arrangements

Description	2024-2025	2023-2024
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	00	00
Accumulated depreciation to date	(00)	00
Net carrying amount	<u>00</u>	<u>00</u>
Service concession liability at beginning of the year	00	00
Service concession revenue recognized	(00)	(00)
Service concession liability at end of the year	<u>00</u>	<u>00</u>

46. Social Benefit Liabilities

Description	2024-2025	2023-2024
	Kshs	Kshs
Health social benefit scheme	00	00
Unemployment social benefit scheme	00	00
Orphaned and vulnerable benefit scheme	<u>00</u>	<u>00</u>
People Living with disabilities benefit scheme	00	00
Elderly social benefit scheme	00	00
Bursary social benefits	00	00
Total		
Current social benefits	00	00
Non- current social benefits	00	00
Total (tie to totals above)	00	00

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

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47. Cash generated from operations.

Surplus for the year before tax	2024-2025	2023-2024
	Kshs	Kshs
Adjusted for:		
Working Capital Adjustments		
Increase in Inventory	(48,650)	(xxx)
Increase in Receivables	3,597,895.30	(xxx)
Increase in Deferred Income	00	xxx
Increase in Payables	2,481,181.00	xxx
Increase in Payments received in advance	00	xxx
Net Cash Flow from Operating Activities	6,030,426.30	xxx

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

48. Financial Risk Management

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

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

(i) Credit risk

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

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

Financial risk management (continued)

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

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

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

(ii) Liquidity risk management

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

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

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Description	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)				
Trade Payables	00	00	00	00
Current Portion Of Borrowings	00	00	00	00
Provisions	00	00	00	00
Deferred Income	00	00	00	00
Employee Benefit Obligation	00	00	00	00
Total	00	00	00	00
At 30 June 2025 (current year)				
Trade Payables	00	00	00	00
Current Portion Of Borrowings	00	00	00	00
Provisions	00	00	00	00
Deferred Income	00	00	00	00
Employee Benefit Obligation	00	00	00	00
Total	00	00	00	00

(iii) Market risk

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

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

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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial Assets (Investments, Cash, Debtors)	00	00	00
Liabilities	00	00	00
Trade and Other Payables	00	00	00
Borrowings	00	00	00
Net Foreign Currency Asset/(Liability)	00	00	00

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	10%	00	00
Usd	10%	00	00
20xx			
Euro	10%	00	00
Usd	10%	00	00

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

iv) Capital Risk Management

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	00	00
Retained Earnings	00	00
Capital Reserve	00	00
Total Funds	00	00
Total Borrowings	00	00
Less: Cash and Bank Balances	00	00
Net Debt/(Excess Cash and Cash Equivalents)	00	00
Gearing	00	00

49. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;
- v) XXX

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	00	00
Rent income from govt. agencies	00	00
Water sales to govt. agencies	00	00
Others (<i>specify</i>)	00	00
Total	00	00
B) Purchases from related parties		
Purchases of electricity from kplc	00	00
Purchase of water from govt service providers	00	00
Rent expenses paid to govt agencies	00	00
Training and conference fees paid to govt. agencies	00	00
Others (<i>specify</i>)	00	00
Total	00	00
b) Grants /Transfers from the Government		
Grants from National Govt	00	00
Grants from County Government	00	00
Donations in Kind	00	00
Total	00	00
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	00	00
Payments for Goods and Services for 2025	00	00
Total	00	000
d) Key Management Compensation		

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Description	2024-2025	2023-2024
	Kshs	Kshs
Directors' emoluments		
Compensation to Key Management		
Total		

50. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Contingent Assets	00	00
Insurance Reimbursements	00	00
Assets arising from determination of Court Cases	00	00
Reimbursable Indemnities and Guarantees	00	00
Others (<i>Specify</i>)	00	00
Total	00	00

Contingent Liabilities

Description	2024-2025	2023-2024
	Kshs	Kshs
Contingent Liabilities	00	00
Court Case Xxx against (<i>The Entity</i>)	00	00
Bank guarantees in favour of subsidiary	00	00
Contingent liabilities arising from Contracts including PPPs	00	00
Others (<i>Specify</i>)	00	00
Total	00	00

(Give details)

51. Capital Commitments

Capital Commitments	2024-2025	2023-2024
	Kshs	Kshs
Authorised for	00	00
Authorised and Contracted for	00	00
Total	00	00

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the entity but at the end of the year had not been contracted or those already contracted for and ongoing)

52. Events After The Reporting Period

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

53. Ultimate And Holding Entity

The entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Education Its ultimate parent is the Government of Kenya.

54. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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

Name
Accounting Officer
(Principal)
Date

Albert D. Mungu
