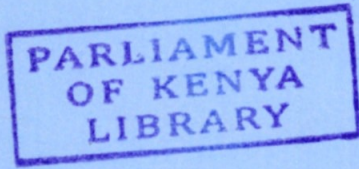


REPUBLIC OF KENYA



REPORT



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OF

THE AUDITOR-GENERAL

ON

**GITIE VOCATIONAL TRAINING
CENTRE**

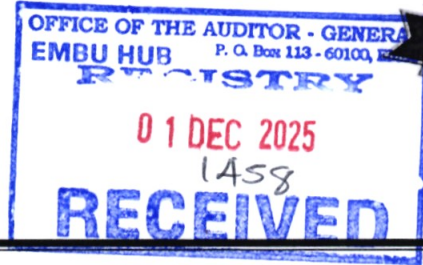
FOR THE YEAR ENDED

30 JUNE, 2025

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 08 APR 2026 DAY: wed

TABLED BY:	Hon. Samuel Chepkwony
CLERK-AT THE-TABLE:	Mado



**GITIE VOCATIONAL TRAINING CENTRE ANNUAL REPORT AND
FINANCIAL STATEMENT FOR THE YEAR ENDING 30TH 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 and Definition of Key Terms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
VTC	Vocational Training Col

2. Key Entity Information and Management

a) Background Information

Gitie Vocational Training Centre was started in 1962 under the sponsorship of catholic Church Mujwa. Started to provide Vocational Education and Training in accordance to TVET act 2013 (Section 26).

The Institution has a land of approximately 3. acres.

Green card for parcel No Abuthugusi 520

The Institution does not have a title deed.

The Institution is located at kiugu ward

Imenti central Sub-County, Meru County, along nkubu- mworoto road Road.

It is under department of education.

The Institution has 130 trainees.

The Vocation provides the following courses:-

1. Food Processing
2. Information Communication Technology
3. Motor Vehicle Mechanic
4. Masonry
5. Plumbing
6. Metal Fabrication
7. Hair Dressing/Beauty Therapy
8. Garment Making/Fashion Design
9. Electrical Installation

b) Principals Activities

The principal activity/is to train competent and innovative man power in gitievtc to meet the demand of of industry

MOTTO

- To train trace technical technics.

VISION

- To become a leading centre with impacting modern technology

MISSION

- To empower trainees with relevant skills to be self-reliance.

CORE VALUE

- Integrity.
- Creativity.
- Teamwork.

c) Key Management Team

The entity is a day to day management is under the following key organs:

- Board of Governors

- Accounting officer/Principal

- Management

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	John kiragu
2.	Deputy Principal	Charity mwarania
3.	Dean of Students	Pennina gacheri
5.	ILO	Benjamin koomei
6.	G & C Coordinator	Geoffrey Ndubai
7.	Finance Officer	Charity mwarania

Key Entity Information and Management (Continued)

e) Fiduciary Oversight Arrangements

(Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- *Audit and risk committee activities.*
- *Finance and operations committee activities.*
- *Academic committee activities*
- *Development partner oversight activities*
- *Other oversight activities*

f) Entity Headquarters

P.O. Box 647-60202
nkubu
mujwa- mworoto road
KENYA

g) Entity Contacts

Telephone: (254) 0799625548,0724652748
E-mail: gitiepoly@yahoo.com

h) Entity Bankers

**Cooperative
bank Nkubu
branch
01141206630000**

**Kcb nkubu branch
1233473650 a/c - capitation
a/c 1277419248 a/c –ward
fund a/c 1286931223a/c –
exam a/c**

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

County Attorney
(Provide address for the county attorney)

3. The Board of Management

<i>Member/ Director</i>	<i>Details</i>
 <p><i>Name: Samson Kimathi</i> <i>Profession: Retired Chief</i> <i>Academic : PI in Education</i></p>	<p><i>Samson Kimathi</i></p> <p><i>Date of Birth:</i> 1952 <i>Profession Qualification: : PI in</i> <i>Education Position: Chairman</i> <i>Work Experience: 30 years</i></p>
 <p><i>Name: Samson Kimathi</i> <i>Profession: Retired Teacher</i> <i>Academic : PI in Education</i></p>	<p><i>Jamlick Mutua</i></p> <p><i>Date of Birth 1956</i> <i>Profession Qualification: : PI in Education</i></p> <p><i>Position: Vice chairman</i> <i>Work Experience: 32 years</i></p>
 <p><i>Name: Rose Mwendwa</i> <i>Profession: Teacher</i> <i>Academic : Diploma in Education</i></p>	<p><i>Rose Mwendwa</i></p> <p><i>Date of Birth 1982</i> <i>Professional Qualification: Diploma in Education</i></p> <p><i>Position: Third Signatory</i> <i>Work Experience: 16 years</i></p>
 <p><i>Name: Caroline Kawira</i> <i>Profession: Business Lady</i> <i>Academic: Certificate in Computer</i></p>	<p><i>Caroline Kawira</i></p> <p><i>Date of Birth : 1997</i> <i>Profession Qualification: Certificate in Coputer</i></p> <p><i>Position: Member in executive</i> <i>Work Experience: 8 years</i></p>
 <p><i>Name: John Kiragu</i> <i>Profession:</i> <i>Instructor</i> <i>Academic: Diploma in Instructor Training</i></p>	<p><i>John Kiragu</i></p> <p><i>Date of Birth: 1969</i> <i>Professional Qualification: Diploma</i></p> <p><i>Position: Secretary to the Board</i> <i>Work Experience: 25 years</i></p>

Gitie Vocational Training Centre

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



Name: Charity Mwarania
Profession: Instructor
Academic: Diploma in ICT

Charity Mwarania

Date of Birth:

1978

Professional Qualification: Diploma

Position: Member

Work Experience: 20 years

Gitie Vocational Training Centre

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

 <p>Name: Isabella Kathambi Peter Profession: Lab Technician Academic: Diploma in Health Science and Lab</p>	<p>Isabella Kathambi Peter</p> <p>Date of Birth: 1975 Professional Qualification: Diploma in Health Science</p> <p>Position: Member Work Experience: 15 years</p>
 <p>Name: Gregory Murithi Profession: Trainer Academic: Masters in Business Administration</p>	<p>Gregory Murithi</p> <p>Date of Birth: 1976</p> <p>Professional Qualification: Masters</p> <p>Position: Member Work Experience: 24 years</p>
 <p>Name: Francis Mung'atia Profession: Retired DEO Academic: P1 in Education</p>	<p>Francis Mung'atia</p> <p>Date of Birth: 1953 Professional Qualification: P1 in</p> <p>Education Position: Member</p> <p>Work Experience: 30 years</p>
 <p>Name: Harun Muthamia Profession: Retired Ward Administrator Academic: Degree in Education</p>	<p>Harun Muthamia</p> <p>Date of Birth: 1969 Professional Qualification: Degree</p> <p>Position: Member Work Experience: 25 years</p>
 <p>Name: Isaac Kithure Kiara Profession: Health Worker Academic: Degree in Biomedical Sciences</p>	<p>Isaac Kithure</p> <p>Kiara Date of Birth: 1987 Professional Qualification: Degree</p> <p>Position: Member Work Experience: 11 years</p>

5. Chairman's Statement

Am pleased to present the financial statement of Gitie Vocational Training Centre for the year ended 30th June 2025

The need for skilled labour in the country has gone up

The Centre has continually introducing new course which are required in the market

Key achievements for financial year ended 30th June 2025

- ✓ Renovating the gate
- ✓ Completing the dining hall
- ✓ Renovating the old hall

During that time the major commitment was to change the face of the Centre


The main courses are:

- Electrical and electronics
- Automotive
- Garment making
- I.C.T
- Hair dressing and beauty therapy
- Food and beverages
- Building technology
- Metal work
- Plumbing

I wish to thanks all members of the board and staff for their commitment

Samson Kimathi
BOG Chairman

4. Key Management Team

<i>S N</i>	<i>Member/ Director</i>	<i>Details</i>
<i>1.</i>	 <i>Manager</i> <i>John</i> <i>Kiragu</i> <i>Academic Qualification : Form Four</i>	<i>Training</i>

Performance Contract

In the 2024/2025 financial year, the following observation were made; -

Strengths	Weaknesses
<ul style="list-style-type: none"> • Good boarding facilities and workshop • Good space • Conducive environment • Committed BOM • Discipline 	<ul style="list-style-type: none"> • Poor payment fee • Inadequate facilities • Inadequate skills of trainers • Drop out cases • High food cost
Opportunities	Threats
<ul style="list-style-type: none"> • Good security • Community goodwill 	<ul style="list-style-type: none"> • Lack of information to community • Competition with other higher institutes • Drugs and substances abuse • Non demand of quality skills by customers

STAKEHOLDERS ROLES IN THE INSTITUTION

STAKEHOLDERS	EXPECTATION SCHOOL'S	OBLIGATION
SCHOOL'S		
B.O.M	-Management of Centre affairs in accordance with mandate.	-Make decisions of the institution. -Employment of teaching and non-teaching staffs.
Parents	-Cordial relationship with teachers and B.O.M -Provide funding for recurrent - guiding and counseling them.	- Provide quality and holistic education to their children - Provide a conducive learning atmosphere
Teachers	To operate as a strong team - Be committed to training - Be available for Consultation when officially on duty and at other odd time.	- Provide quality training to trainees. - maintain tools and equipment of the institution in good order - Enforce Discipline

6. Report of the Manager

I hereby present the annual report and financial statement of Gitie Vocational Training Centre for the year 30th June 2025 as per requirements of the Public Finance.

Non-financial information.

Academic Programme

During the financial year under review the vocational Centre had 9 academic programs namely

- Food and Beverage
- ICT
- Motor Vehicle Electronic/Mechanic
- Plumbing
- Maon
- Welding
- Electrical Wireman
- Hair Dressing and Beauty
- Garment Making

Students population

The Centre admits trainees from Meru County and beyond. By end of 2024 – 2025 financial year the institution had a population of 136 trainees. The number is expected to have over 150. This will be achieved through

- Introduction of short courses
- Motivation of trainees

The achievement of the year;

The institution held 3 stake holders meeting together with parent to pla for fund raising to improve the fac of the Centre

The Centre had organized a parent to meet trainee trainer in their departments showing what they do practically. This was a way of advertising the Centre

Gitie Vocational Training Centre

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

MASONRY	26		26	29		29	55
I.C.T	1	1	2	1	3	4	6
	51	20	71	44	18	62	134

	<ul style="list-style-type: none"> - Ensure excellent results in training. - - Enforce discipline of students 	
Non - Teaching staff	<ul style="list-style-type: none"> - Provide dedicated service in their area of responsibility. - Deliver services efficiently and effectively. - Work as a strong team - Exercise honesty and integrity 	<ul style="list-style-type: none"> - Maintain tools, equipment and records.

We thanks all who in a small or big way has made gitie the way it.

God bless you

John kiragu

manager

**ENROLMENT PER DEPARTMNT FOR THE YEAR ENDED 30TH JUNE 2025
ENROLMENT 2025**

TRADE AREA	YEAR 2			YEAR 1			TOTAL
	M	F	T	M	F	T	
FOOD PROCESSING		4	4		4	4	8
MOTOR VEHICLE MECHANIC	10		10	5		5	15
PLUMBING	3		3				3
WELDING	6		6	3		3	9
ELECTRICALS	6		6	5		5	11
HAIRDRESSING		9	9		8	8	17
GARMENT MAKING		6	6	1	3	4	10

Gitie Vocational Training Centre

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

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar / theme / issue 1 advertising the centre	Increase and retain the number of trainees	Brochures posters	Liaising with head of schools Engage with extra curriculum activities	done
Pillar / theme / issue 2 daily cattle	To provide the centre with milk and manure	Daily cow	bought	done

Nature of meeting	Date	Samson Kimathi	Jamil Mutua	Rose Mwendwa	Caroline Kawira	GREGORY Muriithi	Harun Muthamia	John Kiragu	Issabella Kathure Peter	Charity Mwarania	Francis Mung'ata
QUARTER 1-2 FY 2024/2025 FULL BOARD MEETINGS											
INAUGURATION	17/09/24	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
INAUGURATION BOARD MEETING	17/09/24	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

SPECIAL FULL BOARD MEETING											
BOARD COMMITTEE MEETINGS QTR 2 FY 2024/2025											
INAUGURATION BOARD MEETING	17/09/2024	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
FULL BOARD MEETING	2/10/2024	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
BOARD MEETING	26/3/2025	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

7. Statement of Performance against Predetermined

Objective Gitie vocational training centre has 4 strategic

plan

- Increase and retain the number of trainees
- Establish income generating activities
- Renovate the old hall
- Revamp existing programmes to ensure quality and competent graduates.

Gitie develop its annual work plan based on the above four pillars. Assessments of the boards performance against its annual work plan is done on quarterly basis

Gitie has 4 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY xx- FY xx. These strategic pillars are as follows:

Strategic pillar No.	Strategic pillar	Objective	Key performance indicator	Activities	Achievements
Pillar 1:	Increase and retain the number of trainees	Increase and retain the number of trainees	Improved enrolment	Advertising (print brochures / posters)	Bench mark with neighbouring sister institutions
Pillar 2:	Establish income generating activities	To establish income generating activities	Bananas Guernsey heifer	Planting of Bananas Purchasing of Guernsey heifer	Benchmark with nearby farms
Pillar 3:	Renovate the old hall	To Renovate the old hall	Pillars , trashes and iron sheets	Making pillars	Old hall renovated
Pillar 4:	Revamp existing programmes to ensure quality and competent graduates.	To ensure quality and competent graduate	<ul style="list-style-type: none"> ➤ Programmes ➤ Graduates 	Training.	Graduates trained

Pillar/ theme/issue 1: advertising the centre
Pillar/ theme/ issue 2: dairy cattle

- In terms of communication the information is shared to the BOM:-
 - Consistent
 - Secured compliant
 - Efficient
 - Accountable
 - Channeled
 - Gardened

FULL BOARD AND SPECIAL MEETING SUMMARY					
<i>NAME</i>	<i>Q1</i>	<i>Q2</i>		<i>Q4</i>	<i>TOTAL</i>
SAMSON KIMATHI	1	1		0	2
JAMLICK MUTUA	1	1	0	0	2
FRANCIS MUNG'ATIA	1	1		0	2
CAROLINE KAWIRA	1	1		0	2
ROSE MWENDWA	1	1		0	2
JOHN KIRAGU	0	1		0	1
GREGORY MURIITHI	1	0		0	2
HARUN MUTHAMIA	1	1		0	2
ISSABELLA PETER	1	0		0	1
ISAAC KITHURE	1	1		0	2
CHARITY MWARANIA	0	0		1	2

8. Co-operate Governance statement

The board consists of 12 board members who pose experience in different areas consisting of county Director. The board has the right balance of skills and experience required in the Institution all members participate in dissection making and that reading to the effective learning of the Institution. 17/09/2024 Inauguration of Board, 17/09/2024 Board meeting, 02/10/2025 board meeting.

- Process of appointment – the board members are appointed from the community in regards to the following areas;
 - a) Academic level
 - b) Gender
 - c) Age
 - d) Interest
 - e) Sponsor
 - f) PWD
- Roles and functions of the board are:-
 - Make decision of the institution.
 - Employment of teaching and non teaching staff
 - Management of school affairs in accordance with mandate
- After nomination of the board members, they are taken through an induction and training in order to know their roles and performance of the Institution which are;
 - Management of the institution
 - Guarding of the institution property
- Number of board meeting per year are three and executive meetings which are held when need arises in order for better progress.
- In case a board member misses three meetings, he or she is replaced.
- The board members remuneration is done in attendance and allowance of 1000/- shillings.
- In matter of policy to manage conflicts of interest the BOM have no interest of gain in any way in the institution e.g. in supplying.
- Board remuneration - During meetings all BOM members are given an allowance of ksh. 1000/-and lunch.
- BOM are positive towards the laws of the Institution.

10. Environmental and Sustainability Reporting Statement

(i) Sustainability strategy and profile;

Gitie Vocational Training Institute is a learning organization under directorate of vocational educational training.

The Institution has identified the pontifical of the community in realizing the growth of the institution. Further, the institution has reached out the local leaders in supporting the needy in school fee payment through cdf programmes and bursary from all levels.

(ii) Environmental performance

Gitie vtc is committed to reducing its impact on overmantel. we strive to improve our environmental performance over the time and to initiate additional activities that will further reduce our impact on the environment.

Our commitment is to: activities that will further reduce our impacts on the envirmetal regulations,

1. Prevent pollution whenever possible
2. communicate our enlivenment commitment and effort to our staff We ha planted 300 trees

(iii) Employee welfare

The VTC has been following the procedures of hiring employees into the institution. The board identifies the vacancy, advertises, shortlist conducts interview and employ the best. The VTC is in the process of developing the policy on safety and compliance with occupational safety and health act of 2007, (OSHA).

(iv) marketplace practices-

The VTC upholds its effort to;

- a) Responsible competition practise, we procure our items though a fair competitive open tendering and respect for competitors without any corruption or political involvement
- b) Responsible supply chain and supplier relation. The VTC pays the suppliers on time.
- c) Responsible marketing and advertisement or responsible engagement with the citizens
- d) Product stewardship or awareness creation

(V) Corporate social responsibility and community engagement

The VTC is planning to be having a market cleaning day in every school term.

On behalf of the management of Gitie VTC, I take this opportunity to thank the BOG for the support accorded in management and development of the VTC,

I appreciate the support from the county government of meru and appeal for more support especially for the purpose of establishing suitable facilities like comprehension of the two storey workshop

I thank all the staffs and trainees of Gitie VTC for their cooperation despite many challenges in building of the VTC and I look forward to the same cooperation and enthusiastic participation in 2025/2026 financial year.

9. Management Discussion and Analysis

The BOG of the institution is very supportive to the management and has fully performed its oversight role in whole and through the BOG committees.

The management team is also well constituted with the principal being the team leader, deputy principals and other trainers.

During the financial year the management has endeavoured to satisfy both legal and regulatory requirements has espoused in its mandate in TVET act 2023.

11. Report of the Board of Management

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

Principal activities

The principal activities of the entity are;

- To train competent and innovative manpower to meet the dynamic means of the industry and self sustainability
- To foster linkage with industry and other institutions for the promotion of quality and relevant training
- To promote and include entrepreneurial skills and culture within the VTCs staff and trainees

Results

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

Board of Management

The members of the Board who served during the year are shown on page (viii) and (ix).

Auditors

The Auditor General is responsible for the statutory audit of the *entity* in accordance with Article 229 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 Management Responsibilities

Section 164 of the Public Finance Management Act, 2012 and in accordance to TVETS Act 2013 section 26, require the Board of Management to prepare financial statements in respect of that Gitie Vocational Training Centre, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of the Gitie Vocational Training Centre for that year/period. The Board of Management are also required to ensure that the Gitie Vocational Training Centre keeps proper accounting records which disclose with reasonable accuracy the financial position of the Gitie Vocational Training Centre. The Board of Management are also responsible for safeguarding the assets of the Gitie Vocational Training Centre.

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

The Board of Management accept responsibility for the Gitie Vocational Training Centre's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and TVETS Act 2013 section 26. The Board of Management are of the opinion that the Gitie Vocational Training Centre's financial statements give a true and fair view of the state of Gitie Vocational Training Centre's transactions during the financial year ended June 30, 2025, and of the Gitie Vocational Training Centre's financial position as at that date. The Board of Management further confirm the completeness of the accounting records maintained for the Gitie Vocational Training Centre, which have been relied upon in the preparation of the Gitie Vocational Training Centre's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal/Manager has assessed the Gitie Vocational Training Centre's ability to continue as a going concern (*disclose as applicable, matters relating to the use of going concern basis of preparation of the financial statements.*). Nothing has come to the attention of the Board of Management to indicate that the *entity* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Gitie Vocational Training Centre's financial statements were approved by the Board on _____ 2025 and signed on its behalf by:

SAMSON KIMATHI.....

Name

JOHN KIRACU.....

Name

REPUBLIC OF KENYA



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

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Gitie Vocational Training Centre set out on pages 1 to 55, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Gitie Vocational Training Center as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Undisclosed Assets

The statement of financial position reflects nil property, plant and equipment balance. However, audit revealed a number assets owned by the Training Centre including, land, building, plant and machinery, which were not valued, recorded in an asset register and disclosed in the financial statements. In addition, the Management did not provide for audit review the ownership documents of the land on which the Training Centre operates.

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

2. Unsupported Current Portion of Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.1,052,499 being student fees arrears as disclosed in Note 17(a) to the financial statements. However, details of students such as student names, admission numbers and amounts owed by each student were not provided. In addition, The Centre does not have an approved debt management policy to provide guidance on how the debts may be recovered and how much or what percentage of provisions should be made for bad and doubtful debts.

In the circumstances, the accuracy and recoverability of current portion of receivables from exchange transactions balance of Kshs.1,052,499 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.3,839,650 and Kshs.2,740,056 respectively, resulting to an under-funding of Kshs.1,287,594 or 29% of the budget. In addition, the Institution incurred an actual expenditure of Kshs.2,758,666 against actual receipts of Kshs.2,740,056 resulting to over-utilization by Kshs.18,610.

The under-funding affected the implementation of planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

In connection with my audit on the Training Centre's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, 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 matter 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

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

Review of records revealed that the Centre entered into contracts but no documentary evidence has been provided to confirm that the Entity complied with paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition, Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 which requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20th day of the subsequent month and also file monthly returns.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack ICT Policy, Disaster Recovery Plan and Risk Management Policy

Review of the Training Centre's ICT environment revealed lack of ICT Policy which is required to provide guidance on Information Technology governance, security management, program change management, physical access controls, environmental controls, IT service continuity and logical access control. Further, there was no Data Security Policy and Disaster Recovery Plans. In addition, the Training Centre did not have a risk management policy frame work to mitigate operational, legal and financial risks.

In the circumstances, the effectiveness of the risk management process and ICT internal controls could not be confirmed.

2. Lack of Internal Audit Function and Audit Committee

The Institution had not constituted an audit committee and an internal audit unit as at the time of audit contrary to Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a County Government entity to assess effectiveness of the Polytechnic through an internal performance appraisal commenting on its effectiveness in the annual report to The County Treasury.

In the circumstances, the financial and operational risks may have remained unidentified hence no mitigation mechanism in place and it did not benefit from the oversight role and advice from the Audit Committee and the internal audit function.

3. Incomplete Payroll Data

Review of the Staff bio data revealed that necessary information including Ethnicity, Gender, Disability, was not captured in the payroll. In addition, the data had only captured gross salary of the employees hence could not ascertain compliance with a third basic pay rule.

In the circumstances, the effectiveness of management of payroll and the extent of compliance with relevant employment laws and regulations could not be confirmed.

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

Responsibilities of the Management and Board of Management

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

02 December, 2025

GITIE VOCATIONAL TRAINING CENTRE

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

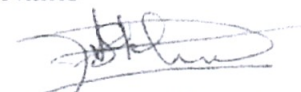
14. Statement of Financial Performance For The Year Ended 30 June 2025

C	Notes	FY 2024/2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the County Government	6(a)	1,995,000.00
Transfers from National Government Entities	7	94,000.00
Public Contributions and Donations	8	284,905.00
		2,373,905.00
Revenue from Exchange transactions		
Fees from students	9(a)	1,811,000.00
provision of hospitality services	10	33,650.00
Revenue from Exchange transactions		1,844,650.00
Total Revenue		4,218,555.00
Expenses		
Use of goods and services	11(a)	2,161,101.00
Employee costs	12	404,000.00
Board Expenses	13	110,000.00
Depreciation and amortization expense	14	3,493.75
Repairs and Maintenance	15	184,065.00
Total Expenses		2,862,659.75
Other Gains/(Losses)		1,355,895.25
Total Other Gains/(Losses)		-
Net surplus/(deficit) for the year		1,355,895.25

(The notes set out on pages 1 to 48 form an integral part of the Annual Financial Statements).
The Financial Statements set out on pages 1 to 3 were signed by:

JAMESON K. KIAMI

Name

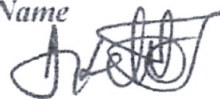


Chairman of Board

Date 28/11/2025

DOUGLAS DOMIZIANO

Name



Accountant

ICPAK No

Date 10401

28/11/2025

JOHN KIRAGU

Name



Principal/Manager

Date 28/11/2025

GITIE VOCATIONAL TRAINING CENTRE

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

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

Description	Notes	FY 2024/2025
		Kshs
Assets		
Current Assets		
Cash and cash equivalents	16	1,001,147.72
Current portion of receivables from exchange transactions	17(a)	1,052,499.00
Receivables from non-exchange transactions	18	426,000.00
Total Current Assets		2,479,646.72
Non-Current Assets		
Purchase of computer and printers	19	66,381.25
Biological Asset	20	45,000.00
Total Non-Current Assets		111,381.25
Total Assets (A)		2,591,027.97
Liabilities		
Current Liabilities		
Trade and other payables from exchange transactions	21	100,500.00
Total Current Liabilities		100,500.00
Non-Current Liabilities		
Total non- current liabilities		0
Total Liabilities (B)		100,500.00
Net Assets (A-B)		2,490,527.97
Represented By:		
Revaluation Reserves		0
Accumulated Surplus		2,490,527.97
Capital Fund		
Total Net Assets		2,490,527.97

GITIE VOCATIONAL TRAINING CENTRE

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

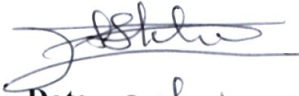
The Financial Statements set out on pages 1 to 3 were signed by:

SAMSON K. NIAMBI

.....

Name

Chairman of Board



Date 28/11/2025

DOUGLAS KOBIA
DOMIZIANO

.....

Name

Accountant

ICPAK No 10401

Date 28/11/2025

JOHN KIRAGU

.....

Name

Principal/Manager



Date 28/11/2025

GITIE VOCATIONAL TRAINING CENTRE

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

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

Description	Revaluati o n reserve	Accumulate d Surplus	Capital Grants/Fu n d	Total
At July 1, 2025	-	1,134,632.72	-	-
Revaluation gain	0	-	-	
Surplus/(deficit) for the year		1,355,895.25	-	1,355,895.25
At June 30, 2025	0	2,490,527.97		1,355,895.25

GITIE VOCATIONAL TRAINING CENTRE

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

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

Description		FY 2024/2025
	Note	Kshs
		BANK
Cash flows from operating activities		
Receipts		
Transfers from County Government	6(b)	1,569,000.00
Fees from students	9(b)	758,501.00
transfers from National government		94,000.00
other incomes(catering)		33,650.00
Harambee donations		284,905.00
Total Receipts		2,740,056.00
Payments		
Use of goods and services		2,060,601.00
Employee costs		404,000.00
Board Expenses		110,000.00
Repairs and maintenance		184,065.00
Total Payments		2,758,666.00
Net Cash Flows from operating activities	24	(18,610.00)
Cash flows from investing activities		
Purchase of property, plant, and equipment		69,875.00
Purchase of biological assets		45,000.00
Net cash flows used in investing activities		114,875.00
Cash flows from financing activities		-
Net cash flows used in financing activities		-
Net Increase/(Decrease) in Cash and Cash equivalents		(133,485.00)
Cash & Cash equivalents at the beginning (1 st July)	25(a)	1,134,632.72
Cash & Cash equivalents at the end. (30 th June)	25(b)	1,001,147.72

(Presentation of cash flows shall be on the basis of direct method for all public sector entities reporting under the IPSAS Accrual basis of accounting)

GITIE VOCATIONAL TRAINING CENTRE

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

17. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	A	B	C=A+B	D	E=C-D	F=D/C%
Budget carryovers from the previous year*	-	-	-	-	-	-
Receipts						
Transfers from County Government	1,995,000.00	0	1,995,000.00	1,569,000.00	426,000.00	0.786466165
Fees from students	1,811,000.00	0	1,811,000.00	758,501.00	1,052,499.00	0.418829928
other incomes(catering)			33,650.00	33,650.00	-	1
CDF				94,000.00	(94,000.00)	
Harambee donation		0	-	284,905.00	(284,905.00)	#DIV/0!
Total Receipts	3,806,000.00	0	3,839,650.00	2,740,056.00	1,287,594.00	0.713621294
Payments						
Use of goods and services	2,060,601.00	0	2,060,601.00	2,060,601.00	100,500.00	0.953495926
Repairs and maintenance	184,065.00		184,065.00	184,065.00	-	
Employee costs	404,000.00	0	404,000.00	404,000.00	-	
Board Expenses	110,000.00	0	110,000.00	110,000.00	-	
Total Expenditure	2,758,666.00	0	2,758,666.00	2,758,666.00		0.96484989

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

3. Adoption of New and Revised Standards

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

- i. **New and amended standards and interpretations in issue and effective in the year ended 30 June 2025.**
There are no new standards and interpretations issued in the Financial Year.

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

Standard	Effective date and impact
IFRS 43: Leases	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IFRS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>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</p>

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

18. Notes to the Financial Statements

1. General Information

Gitie Vocational Training Centre is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the County Government of xxx and domiciled in xxx sub-county. The entity's principal activity is xxx.

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 Gitie Vocational Training Centre 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 Gitie Vocational Training Centre. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the TVET Act, *(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 and effective in the year ended 30 June 2025.

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>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</p>

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

	<p>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. <i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>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. <i>State the expected impact of the standard to the Entity if relevant</i></p>

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

IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <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</p>
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Gitie Vocational Training Centre VTC
Annual Report and Financial Statements for the year ended 30th June 2025

	operational value. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> 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. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> 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. <i>State the expected impact of the standard to the Entity if relevant</i>

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

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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
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Gitie Vocational Training Centre VTC
Annual Report and Financial Statements for the year ended 30th June 2025

<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<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. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
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iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *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 has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

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

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.

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

b) Budget information

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

c) Taxes

Current income tax

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

Sales tax/ Value Added Tax

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

Gitie Vocational Training Centre VTC

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

- 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 xx-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.

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- 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 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

k) Inventories

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

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

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

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

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

Financial liabilities

Classification

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

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

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

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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. *(the entity to retain information relating to defined benefits or contributions, where both schemes are managed full policy applies)*

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

the year ended 30th June 2025

accounting policy retrospectively. The effects of changes in accounting policy are applied retrospectively.

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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

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

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.

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.

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- 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.

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6(a) Transfers from the County Government

Description	Insert Current FY
	Kshs
Unconditional Grants	
Capitation Grants	1,995,000
Total unconditional Grants	1,995,000
Conditional Grants amortised/ recognised in revenue	
Total Government Grants and Subsidies	1,995,000

(b) Transfers from County Government (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year
	Kshs	Kshs	Kshs	Kshs
County Department for education	1,569,000	0	1,569,000	1,569,000
Total	1,569,000	0	1,569,000	1,569,000

7. Transfers from National Government entities

Description	FY 2024/2025
	Kshs
Transfer from Ministry Education-CDF	94,000
Total Transfers	94,000

8. Public Contributions and Donations

Description	FY 2024/2025
	Kshs
Public Donations-Harambee	284,905
Total Donations and Contributions	284,905

(The school had a harambee to facilitate the renovation of the old building)

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9(a) Fees from students

Description	FY 2024/2025
	Kshs
Tuition Fees	1,796,000
Registration Fees	15,000
Total Fees from students	1,811,000

9(b) Fees from students

Description	FY 2024/2025
	Kshs
Tuition Fees	704,501
Registration Fees	54,000
Total Fees from students	758,501

This is the fees received from the students. The students pay for examination fees directly to the NITA, if not paid for by the Government.

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10.Sale of Goods

Description	FY2024/2025
	Kshs
Other sales (specify) Hospitality services to another institution	33,650
Total Revenue from Sale of Goods	33,650

The school hosted another institution and offered catering service

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11(b) Use of Goods and Services

Description	FY 2024/2025
	Kshs
Teaching and learning materials	1,214,025
Electricity	49,010
Water	2,000
Examination fees	248,000
Catering, conferences, and delegations	273,200
Travelling and accommodation	149,000
Bank charges	1,136
Printing and stationery	77,630
Telephone expenses	9,200
Purchase of Farm Chemicals	4,750
Other (<i>specify</i>)	32,650
Total good and services	2,060,601

12. Employee Costs

Description	FY 2024/2025
	Kshs
Salaries and wages	404,000
Employee Costs	404,000

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11(a) Use of Goods and Services

Description	FY 2024/2025
	Kshs
Teaching and learning materials	1,214,025
Electricity	49,010
Water	2,000
Examination fees	248,000
Catering, conferences, and delegations	373,700
Travelling and accommodation	149,000
Bank charges	1,136
Printing and stationery	77,630
Telephone expenses	9,200
Purchase of Farm Chemicals	4,750
Other (<i>specify</i>)	32,650
Total good and services	2,161,101

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13.Board Expenses

Description	FY 2024/2025
	Kshs
BoM Allowances	110,000
Total	110,000

14.Depreciation and Amortization expense

Description	FY 2024/2025
	Kshs
Property, plant and equipment	3,493.75
Total depreciation & amortization Expense	3,493.25

15.Repairs and Maintenance

Description	Current 2025
	Kshs
Property	184,065
Total Repairs and Maintenance	184,065

16.Cash and Cash Equivalentents

16(a)Cash and Cash Equivalentents

Description	Insert Current FY	Insert Comparative 2025
	Kshs	Kshs
Current Account	1,134,632.72	1,001,147.72
On - Call Deposits	0	
Fixed Deposits Account	0	
Others (Specify)	0	
Total Cash and Cash Equivalentents	1,134,632.72	1,001,147.72

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

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**16 (b). Detailed Analysis of Cash and Cash
 Equivalents**

Financial Institution	Account number	1-Jul-24	30-Jun-25
		Kshs	Kshs
a) Current Account			
KCB Bank-Grants	1233473670	369,887.25	494,343.25
KCB-Bank-Ward fund	1277419248	476,118.25	475,992.25
Co-operative Bank-operations	1141206630000	104,384.97	20,425.97
KCB Bank-Examination	1286931223	184,242.25	10,386.25
Sub-total		1,134,632.72	1,001,147.72
Grand-total		1,134,632.72	1,001,147.72

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17.Receivables from Exchange transactions

17(a) Current Receivables from Exchange transactions

Description	FY 2024/2025	
	Kshs	
Current Receivables		
Student Debtors	1,052,499	
Total Current Receivables	1,052,499	

17 (b) Ageing Analysis of Receivables from Exchange Transactions

Description	FY 2024/2025	
	Kshs	
	Current FY	% of the total
Less than 1 year	1,052,499	100%
Total (a+b)	1,052,499	100%

18.Receivables from non-exchange transactions

Description	FY 2024/2025
	Kshs
Current Receivables	
Capitation Grants*	426,000
Total Current Receivables	426,000

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

Description	FY 2024/2025	
	2025	% of the total
Less than 1 year	426,000	100%
Total	426,000	100%

19. Property, Plant and Equipment

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Computers and Related Equipment	69,875	3,493.75	66,381.25
Total	69,875	3,493.75	6,6381.25

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19 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Computers and Related Equipment	69,875	3,493.75	66,381.25
Total	69,875	3,493.75	66,381.25

20. Biological Assets

Description	FY 2024/2025
	Kshs
Animals: Dairy Cattle,	45,000
Total	45,000

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21. Trade and Other Payables from Exchange Transactions

Description	FY 2024/2025	
	Kshs	
Trade payables	100,500	
Total Trade and Other Payables	100,500	
Ageing analysis:	Current FY	% of the Total
Under one year	100,500	%

Cash generated from operations.

Description	FY 2024/2025
	Kshs
Surplus/(Deficit) for the year	1,355,895.25
Adjusted for:	
Depreciation	3,493.75
Working Capital Adjustments	
Increase in Receivables	(1,478,499)
Increase in Payables	100,500.00
Net Cash Flow from Operating Activities	(18,610.00)

Financial Risk Management

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

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

(i) Credit risk

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

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

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

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Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2025				
Receivables from exchange transactions	1,811,000	758,501	1,052,499	1,052,499
Receivables from non-exchange transactions	1,995,000	1,569,000	426,000	426,000
Total	3,806,000	2,327,501	1,478,499	1,478,499

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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

The 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.

18. Related Party Balances

Nature of related party relationships

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

County Government of Meru

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

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

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

19. Events After The Reporting Period

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

20. Currency

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

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(iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

.....

Name

Principal/Manager

Gitie Vocational Training Centre)

Date

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 implementation of each issue;

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Appendix IV: Reporting of Climate Relevant Expenditures

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

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	30/06/2025				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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Appendix III- Inter-Entity Confirmation Letter


Name of transferring entity:.....County Government Meru..... Name of beneficiary
 entity:.....Gitie Vocational Training Centre.....

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

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MERUCOUNTY/KE/NAIROBI/KE/NAIR	26-Feb-2025	930,000		930,000	Capitation
MERUCOUNTY/KE/NAIROBI/KE/NAIR	26-Feb-2025	639,000		639,000	Capitation
Total		1,569,000		1,569,000	

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

Head of Accounts Department - Disbursing Entity:
 Name DOUGLAS KOBIA DOMIZIANO Sign  Date 28/11/25

Head of Accounts Department - Beneficiary Entity:
 Name JOHN KIRAGU Sign  Date 28/11/2025

Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments