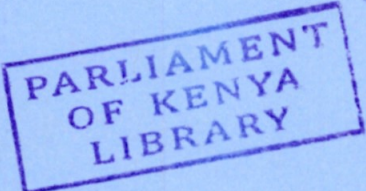
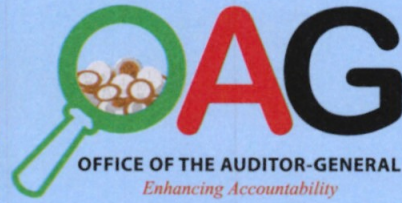


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

KITHOKA 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 Chepkong'o

CLERK-AT
THE-TABLE:

Mochi

Revised 30th June 2025



KITHOKA VOCATIONAL TRAINING CENTRE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE

**YEAR ENDED
30TH JUNE 2025**

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

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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 College

2. Key Entity Information and Management

a) Background information

The Kithoka Vocational Training Centre was started in 1975 under the sponsorship of Methodist Churches in Kenya. Started to provide Technical and Vocational Education and Training in accordance to TVET act 2013 (Section 26).

The Institution has a land of approximately 3.24 acres. Green card for parcel No. Nyaki/Kithoka/2272.

The Institution does not have a title deed.

The Institution is located at Kithoka Nyaki West Ward, Imenti East Sub-County, Meru County, along Meru Ruiru Road. It is under department of education.

The Institution has 179 trainees.

The Vocation provides the following courses:-

- Food Processing
- Information Communication Technology
- Motor Vehicle Mechanic
- Motor Vehicle Electronic
- Masonry
- Carpentry and Joinery
- Plumbing
- Metal Fabrication
- Hair Dressing/Beauty Therapy
- Garment Making/Fashion Design
- Electrical Installation
- Driving (CBET)

b) Principal Activities

The principal activity of the entity is to train compete and innovative trainers to meet needs of the industry and self-sustainability under the TVETA ACT 2013

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

VISION: To be the choice Institution to provide quality, Interpol skills.

MISSION: To empower youth with marketing useful competitive skills, the college

MOTTO: Training for self-reliance.

CORE-VALUES:

- Transparency of accountable
- Integrity an ethical]
- Creativity and innovativeness
- Professionalism
- Team work

c) Key Management

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

- Board of Management
- Accounting Officer/ Principal/Manager
- 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:

SN.	Designation	Name
1.	Senior Principal	Nancy Wahome
2.	Deputy Principal Administration	Grace Karambu
3.	Deputy Principal Academics	David Lintari
4.	Dean of Students	Sammy Manga
5.	ILO	Benjamin Kariuki
6.	G & C Coordinator	Mercy V. Wawira
7.	Finance Officer	Patrick Muriungi
8.	Administrative Secretary	MercyBetty Karimi

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

Key Entity Information and Management (Continued)

e) Fiduciary Oversight Arrangements

No.	Name of the Committee	Members
1.	Finance Committee	Charles Gikundi - Chair Patrick Muriungi Paul Muthamia
2.	HRM Committee	Everlyn Mukiri Lewis Kithinji Innocent Kimathi
3.	Risk & Audit Committee	Nancy Wahome David Lintari Patrick Muriungi
4.	Academic committee	Benjamin Kariuki Sammy Manga

Roles of the finance committee

- Budgeting and financial planning
- Financial oversight and monitoring
- Financial reporting and transparency
- Strategic financial decision-making
- Risk management

Roles of human resource

- Recruitment and selection
- Onboarding and training
- Performance management
- Employee relation
- Compliance with legal matters
- Mainlining a positive school culture
- Strategic planning

Roles of Risk and Audit committee

- Provide high-level oversight to ensure adequate and effective arrangement are in place for risk management, control and governance.

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

- Review the arrangement in place to promote economy, efficiency and effectiveness:
- Oversee the appointment of the internal and external auditors;
- Review the audit aspects of the University financial statement together with the external auditors management letter;
- Review internal audit report and to seek assurance that recommended management actions are satisfactory and regulatory compliance.
- Ensure that effective management strategies, policies and plans are in place to manage statutory and regulatory compliance
- Ensure a good understanding of the institution (its objectives, risks, structure and culture) as well as the legal framework governing the institution, alongside a good understanding of the sector and the topical challenges its faces.

Roles of Academic committee in school

- Policy development and review
- Curriculum and development
- Student matters
- Accreditation and quality assurance
- Other responsibilities

f) Entity Headquarters

KITHOKA VTC
P.o Box 436 – 60200 MERU
KENYA

g) Entity Contacts

Telephone (254)720-214747
E-mail: kithokayouthpolytechnic@yahoo.com

h) Entity Bankers

- Kenya Commercial Bank Account
number:1294540084 Meru Branch
- Kenya Commercial Bank Account
Number:1234104547 Meru Branch

Kithoka Vocational Training Centre
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- Kenya Commercial Bank Account
Number 1287357504 Meru Branch

Independent Auditors

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

Kithoka Vocational Training Centre
Annual Report and Financial Statements for the year ended 30th June 2025
Key Entity Information and Management (Continued)

i) Principal Legal Adviser



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

County Attorney
P.O Box 109-60200
Meru, Kenya





3. The Board of Management

<i>Member/ Director</i>	<i>Details</i>
-------------------------	----------------





The Council Board of Governors

Board of Governors passport-size photo, name and key professions/academic qualifications	Description of member's date of birth, key qualification and work experience
<p>1. </p> <p>Name: Mr. Chalres Gikunda Profession: Administrator Academic: Masters of arts in project planning and management</p>	<p>Date of Birth:-24/12/1966</p> <p>Qualification:-Masters</p> <p>Work Experience:- 25 years and over Position in BOM:-Chairman</p>
<p>2. </p> <p>Name: Ms Mukiri Mbaabu Profession: Administrator Academic: Diploma</p>	<p>Date of Birth:- 01/01/1961</p> <p>Qualification:-Diploma in Business Administration</p> <p>Work Experience:-30 years and above Position in BOM:-Vice-Chair</p>


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


<p>3.</p>  <p>Name: Paul Muthamia Profession: Business Academic: Diploma</p>	<p>Date of Birth:-Paul Muthamia Qualification:-Higher Diploma in Building & Constriction Work Experience:- 30 years and above Position in BOM:- Third Signator</p>
<p>4.</p>  <p>Name: Nancy Wahome Profession: Trainer Academic: Diploma</p>	<p>Date of Birth:-29/01/1977 Qualification:- Diploma in Technical Education Work Experience:- 20 years and above Position in BOM:-Secretary</p>
<p>5.</p>  <p>Name: Joy Baariu Profession: VETO Academic: BCOM</p>	<p>Date of Birth:-23/08/1985 Qualification:-Degree BCOM Work Experience:-10 years and above Position in BOM:-VET Officer</p>
<p>6.</p>  <p>Name: Lewis Kithinji Profession: Administrator</p>	<p>Date of Birth:-15/12/1984 Qualification:-Masters of Acts in Governance & Ethics Work Experience:- 12 years and above Position in BOM:-Member</p>

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

Academic: Masters	
<p>7.</p>  <p>Name: Pauline Kajuju Profession: Teacher Academic: Degree</p>	<p>Date of Birth:-06/03/1997 Qualification:-Degree Bachelor of Science Work Experience:- 7 years and above Position in BOM:-Member</p>
<p>8..</p>  <p>Name: Innocent Kimathi Profession: Business Academic: Diploma</p>	<p>Date of Birth:-14/03/1996 Qualification:-Diploma BM Work Experience:-5 Years and above Position in BOM:-Member</p>
<p>9.</p>  <p>Name: Dorothy Mukwanya Gerald Profession: Teacher Academic: Bachelor of Education</p>	<p>Date of Birth:-12/05/1972 Qualification:- Bachelor of Education Work Experience:-30 years and above Position in BOM:-Member</p>
<p>12.</p>  <p>Name: Kenneth Mugambi Majau Profession: Lecturer Academic; PHD</p>	<p>Date of Birth:-13/12/1967 Qualification:-Professor Work Experience:-30 Years and above Position in BOM:-Member</p>

4. Key Management Team

<i>S N</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 <p>NANCY WAHOME</p>	<p><i>AIE Holder Administration Budgeting BoG Secretary Trainer</i></p>

<i>S N</i>	<i>Deputy/ Director</i>	<i>Details</i>
1.	 <p>DAVID NG'URU LINTARI</p>	<p><i>Deputy principal Administration Trainer</i></p>

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

5. Chairman's Statement

I am grateful to present the annual report and financial statement of Kithoka V.T.C. the year ended 30th June 2025.

Financial skills being the future suitability of the youth in Meru and beyond has risen to high demand, in the market. The position of the board in K.V.T.C. is to maintain the customer satisfaction.

The demand of TVET programmes in the community is to rise, promoting the Institution to improve on the academic skills. The objective of the board is to position Kithoka within the market requirements.

During the period of financial year 2024-2025 period, key achievements were realized:-

- ❖ Participation in skills competition and ball games in county level
- ❖ Increasing of short courses
- ❖ Parents open day
- ❖ Graduation

Challenges

- ❖ Poor fee payment
- ❖ Delay in capitation
- ❖ High dropout rate
- ❖ High number of BOG instructors

Way forward:

- ❖ The government should consider early disbursement of capitation
- ❖ The government to consider paying examination fee for the trainees
- ❖ Employment of more government instructors


During the year 2024 – 2025 financial year commitment was agreed towards maintaining the trainees and their performances and repainting the Institution.

This include:-

- ❖ Growth of students numbers
- ❖ Addition of more sits

The board is pleased with the efforts of KVTC office to ensure management of resource and level of compliance with the government regulations and statutory is met. I thank the county government for their continued support in capitation which has enabled to maintain trainees through training materials.

I finally wish to thank the KVTC administration and stake holders for continued support in order move Kithoka to a better level in terms of skills. God bless Kithoka.


Charles Gikunda
Chair of board of governors.

Kithoka Vocational Training Centre

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

6. Report of the Principal/Manager

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

Non-financial information.

1. Academic Programme

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

- (a) Food and Beverage
- (b) ICT
- (c) Motor Vehicle Electronic/Mechanic
- (d) Plumbing
- (e) Masonry
- (f) Carpentry and Joinery
- (g) Welding
- (h) Electrical Wireman
- (i) Hair Dressing and Beauty
- (j) Garment Making/Fashion Design
- (k) Driving School classes

2. Students population

The Centre admits trainees from Meru County and beyond. By end of 2024 – 2025 financial year the institution had a population of 179 trainees. The number is expected to have over 250. This will be achieved through;

- Marketing of the vocational programmes
- Introduction of short courses
- Motivation of trainees through awarding them i.e. the best taken for tours and bench marking of other Centre

The achievement of the year;

The institution held a graduation ceremony as a way of motivating and encouraging them to put more effort in their skills.

The institution also held a cultural day for the trainees to show case their different talents in different fields as an alternative in life.

The Institution had an open day for parents to meet trainee trainer in their departments showing what they do practically. This was a way of advertising the institution, bring together the both parties in the community.

3. Performance Contract

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

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

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 of boarding 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 • Good road to the Institution • Good accessibility 	<ul style="list-style-type: none"> • Some see vocational training centre's as an institution for failures • Competition with other examinable institutions which offer less time (duration) • 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	<ul style="list-style-type: none"> -Management of school affairs in accordance with mandate. -Partnership with PTA, Alumni and other stakeholders in development matters 	<ul style="list-style-type: none"> -Make decisions of the institution. -Employment of teaching and non teaching staffs.
Parents	<ul style="list-style-type: none"> -Cordial relationship with teachers and B.O.M -Provide funding for recurrent and capital expenditure 	<ul style="list-style-type: none"> - Provide quality and holistic education to their children - Provide a conducive learning atmosphere

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

	-Discipline their children by guiding and counseling them.	
Teachers	<ul style="list-style-type: none"> To operate as a strong team - Be committed to teaching - Be available for teaching and - Consultation when officially on duty and at other odd time. - Ensure excellent academic results. - Exercise honesty and integrity - Enforce discipline of students 	<ul style="list-style-type: none"> - Provide quality training to trainees. - maintain tools and equipment of the institution in good order - Enforce Discipline
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, equipments and records. - Meet all statutory labour Requirements.

On behalf of all the stakeholders we want to thank you for continued support and holding together in improving, managing and making Kithoka better training centre.

God bless you all

Nancy Wahome

Nancy Wahome Principal/Secretary of the Board



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

7. Statement of Performance against Predetermined Objectives

Review of Kithoka VTC Performance for 2024/2025 financial year

Kithoka VTC has four strategic pillars. Plan for the year 2023/2024, 2024/2025 are as follows;

- Pillar 1 – promote equity and quality skills and training
- Pillar 2 – establish suitable learning services and facilities
- Pillar 3 – enhance good relationship with stake holder, partners and collaborators
- Pillar 4 – growth in skills and TVET programmes

The institute achieved its performance target set for the financial year 2024/2025 period for its four pillars as indicated below.

	Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1	Promote Equity and quality skills training	Promoting equity and quality skills and training	Number of trainers dominated by opposite	Integrated training plan Participation in TVET programmes for both gender	Increased enrollment in plumbing and motor vehicle for ladies
Pillar 2	Establish suitable learning services and facilities	Establishing suitable learning services and facilities	Setting up suggestion boxes	Establishing a good relationship management by maintain visitors and customers feed back	Suggesting management system in consideration in customers complains
Pillar 3	Enhance good relationship with stake	Enhancing better relationship with stake	Number of meeting in a year	Strengthen external networks	Signed MOU with young African works

Kithoka Vocational Training Centre
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	holder, partners and collaborators	holders, partners and collaborators	Number of MOU signed by the Institution and the partners	with partners	Holding quarterly meeting with stake holders
Pillar 4	Growth in skills and TVET programmes	Growing skills in TVET	Improved Services Delivery	Enhance partnership with the stake holders	Established partnership with young African works
Pillar 5	Strengthen organization development and capability	Strengthen organization and capability	Performance appraisal tool	Celebrate staff success through rewarding	Staff being rewarded according to their performance
Pillar 6	Establish contemporary learning services	Establishing contemporary learning services	Suggestion box	Establishing a client relationship	Suggesting management services.

Participation in county co-curriculum activities such as ball games, skills competition and county ASK show. Partitioning of workshop into offices, installation of internet.

8. Corporate 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.

18/09/2024 Inauguration of Board, 13/02/2025 –Full Board meeting, 22/05/2025 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
- 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 misplaced.
- The board members remuneration is done in attendance and allowance of 2000/- shillings.
- They are not supposed to be interested in any way of offering services i.e. supply of goods.

FULL BOARD AND SPECIAL MEETING SUMMARY					
NAME	Q1	Q2	Q3	Q4	TOTAL
CHARLES GIKUNDA	1	1	0	0	2
EVERLYN MUKIRI	1	1	0	0	2
PAUL MUTHAMIA	1	1	0	0	2
NANCY WAHOME	1	1	0	0	2
JOY BAARIU	1	1	0	0	2
DOROTHY MARETE	0	1	0	0	1
PENINAH MUTWIRI	1	0	1	0	2
INNOCENT KIMATHI	1	1	0	0	2

Kithoka Vocational Training Centre

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

PAULINE KAJUJU	1	0	0	0	1
LEWIS KITHINJI	1	1	0	0	2
DAVID LINTARI	0	0	1	1	2
KEN MAJAU	0	0	1	1	2

BOARD RETREAT 11TH/12TH AUGUST 2024.					
CHARLES GIKUNDA					

Statement of performance against predetermined objectives

In this period, the institution managed to install a quick pay installation of salary payments through the help of Kenya Commercial Bank.

Nature of meeting	Date	Charles Gikunda	Evelyn Mbabu	Paul Muthamia	Joy Baa riu	Nancy Waho me	Doro thy Mare te	Lewi s Kithi nji	Peni nah Mut wiri	Pauli ne Kajuj u	Ken Maja u
QUARTER 1-2 FY 2024/2025 FULL BOARD MEETINGS											
INAUGULATI ON	18/09/24		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INAUGULATI ON BOARD MEETING	13/02/25		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL FULL BOARD MEETING											
FULL BOARD RETREAT	11&12 August 2024		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BOARD COMMITTEE MEETINGS QTR 2 FY 2024/2025											
INAUGULATION BOARD MEETING	18/09/2024		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FULL BOARD MEETING	13/02/24		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BOARD MEETING	22/05/24		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. Management Discussion and Analysis

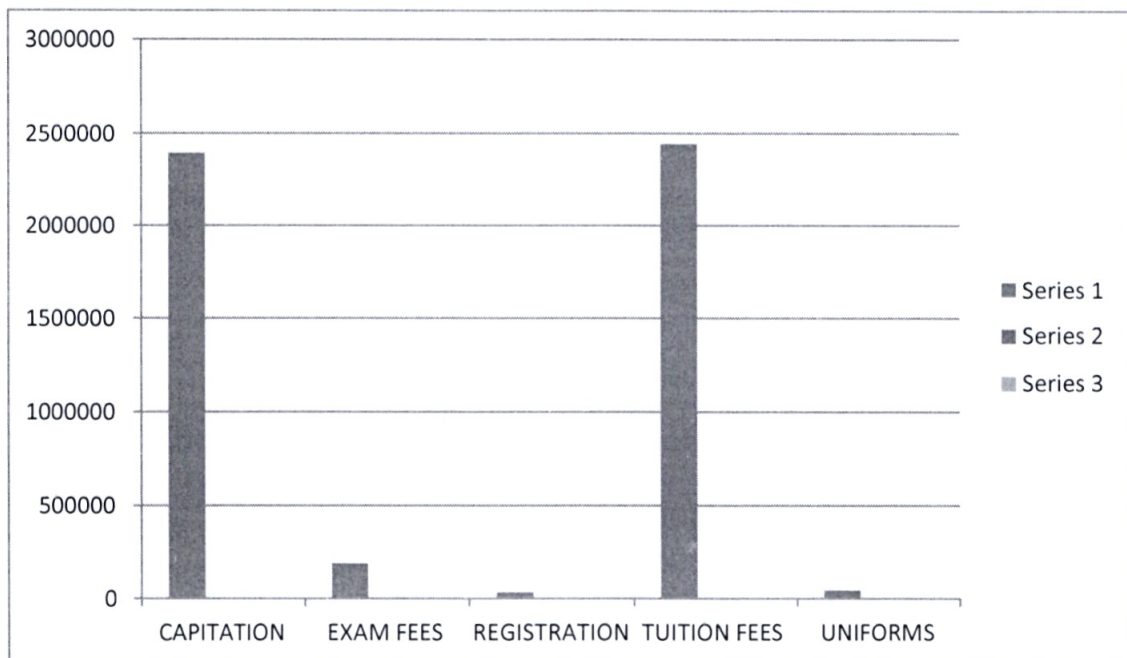
The BOG of the institution very supportive to the management and has fully performed its oversight role in whole and through the BOG committees.

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 as espoused in its mandate in TVET act 2023.

In overview operations, transparency and decisions are well made in order to meet regulatory requirements.

Operation and Financial performance



10.Environmental and Sustainability Reporting Statement

i. Sustainability strategy and profile;

Kithoka 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

The vocational recognizes environmental sustainability as the greatest challenges in the 21st Century and commits to ensuring that its major strategy and operations consider their environmental and ecological aspect and imparts. In this respect, the institution is; partnering with the local community within in keeping this town clean. In order to maintain healthy environment, the vocational planted grass under the trees and the sloppy part of the compound to reduce the soil erosion.

iii. Employee Welfare

The vocational had developed human resource management policy which implementation partially was to start in the financial year 2024/2025 If the resources will be available. Hiring of staff is competitive and consider all genders, ethnicity, and special group. The stake holders are involved in the distribution of adverts and in receiving knowledge of the advert. There are officials who are involved in short listing and interviews to determine the most preferred customers candidate. Officers in management positions have been sponsored for capacity building workshop. For example, the Register, the dean of students, ILO, QASO, deputy principal , HODs, procurement, Accountant, committee coordinators have also attended capacity building sessions sponsored by the vocation.

iv. Market place practices

The Institution upholds integrity as a core value work place ethics honesty to outcomes in any way. Work as a team is also another day to day business in the Institution. The institution embraces good relationship with the suppliers by paying them on spot. In the county, the institution does ways differently from others i.e.

- Cashless payment
- It's an anticorruption Centre

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

- Does open air tendering
- The institution is near town and along the road.

Co-operate social responsibilities/community engagement

During FY 2024/2025 the trainees participated in planting trees in Kithoka forest inconjunction with the community donated by an NGO programme.

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

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 Kithoka vocational training centre affairs.

Principal activities

The principal activities of the entity are to train compete and innovative trainers to meet needs of the industry and self-sustainability under the TVETA ACT 2013

Results

The results of the entity for the year ended June 30 are set out on page 1 to 40

Board of Management

The members of the Board who served during the year are shown on page ix.

Auditors

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

By Order of the Board

Alione

Secretary of the Board



11/12/25'

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 to Kithoka Vocational Training Centre, which give a true and fair view of the state of affairs of the Kithoka Vocational Training Centre at the end of the financial year/period and the operating results of the Kithoka Vocational Training Centre for that year/period. The Board of Management are also required to ensure that the Kithoka Vocational Training Centre keeps proper accounting records which disclose with reasonable accuracy the financial position of the Kithoka Vocational Training Centre. The Board of Management are also responsible for safeguarding the assets of the Kithoka Vocational Training Centre.

The Board of Management are responsible for the preparation and presentation of the Kithoka's Vocational Training Centre financial statements, which give a true and fair view of the state of affairs of the Kithoka 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 Kithoka Vocational Training Centre, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accept responsibility for the Kithoka 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 State Corporation Act and the Tvets's Act). The Board of Management are of the opinion that the Kithoka Vocational Training Centre's financial statements give a true and fair view of the state of Kithoka Vocational Training Centre's transactions during the financial year ended June 30, 2025, and of the Kithoka 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 Kithoka Vocational Training Centre, which have been relied upon in the preparation of the Kithoka 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 Kithoka Vocational Training Centre's ability to continue as a going concern. Nothing has come to the attention of the Board of Management to indicate that the Kithoka Vocational Training Centre will not remain a going concern for at least the next twelve months from the date of this statement.

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

Approval of the financial statements

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

.....
Name *Charles Oyinda*
Chairperson of the Board

.....
Name *MARCY WAKOMBE*
Principal/Manager



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KITHOKA 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 the 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 statement;
- B. Report on the Lawfulness and Effectiveness in 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 the 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 Kithoka Vocational Training Centre set out on pages 1 to 28, which comprise of statement of financial position as at 30 June, 2025, statement of financial performance, the 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 Kithoka Vocational Training Centre as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statement presented for audit revealed the following anomalies: -

- i) Statement of financial position reflects current receivables from exchange transactions balance of Kshs.1,605,081 as disclosed in Note 14a to the financial statements. However, Note 14b on ageing analysis of receivables from exchange transactions reflects a balance of Kshs.3,240,081 resulting in an unreconciled variance of Kshs.1,635,000.
- ii) Statement of financial position reflects capital funds balance of Kshs.889,980. However, the statement of changes in net assets reflects a Nil balance resulting in an unreconciled variance of Kshs.889,980.

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

2. Undisclosed Assets

The statement of financial position reflects a Nil balance in respect to property, plant and equipment balance. However, a number assets owned by the Training Centre including, land, building, computers, inventory, plant and machinery were not valued, recorded in an asset register and disclosed in the financial statements. In addition, the ownership documents of the land on which the Training Centre operates was not provided for audit verification.

In the circumstances, the accuracy, completeness, existence and ownership of the Property, Plant and Equipment balance could not be confirmed.

3. Unsupported and Unreconciled Cash and Cash Equivalent Balance

The statement of financial position reports cash and cash equivalents amounting to Kshs.633,579, as disclosed in Note 13 to the financial statements. However, bank

reconciliation statements and cashbooks for the three (3) accounts held by the Training Centre were not provided for audit verification.

In the circumstances, the completeness and accuracy of the cash and cash equivalents balance of Kshs.633,579 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kithoka 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.7,001,729 and Kshs.5,105,647 respectively, resulting to an under-funding of Kshs.1,896,082 or 27% of the budget. However, the Institution spent a balance of Kshs.5,362,048 against actual receipts of Kshs.5,105,647 resulting to an over-utilization of Kshs.256,401 or 5% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

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

Conclusion

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

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

Review of the Financial Statements presented for audit had the following anomalies:

- i). Statement of financial position reflects receivables from non-exchange transactions balance of Kshs.291,000 which was incorrectly referenced to disclosure Note 15 to the financial statements instead of Note 14(b).
- ii). Statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.594,844 which was incorrectly referenced to disclosure Note 16 to the financial statements instead of 15.
- iii). Statement of comparison of budget and actuals lacks budget Notes to provide explanation of differences between actual and budgeted amounts (10% over/ under) as per IPSAS 24.14.

In the circumstances, the financial statements did not comply with the financial reporting templates issued by the Public Sector Accounting Standards Board.

2. Unbalanced Budget

The statement of comparison of budget and actual amounts for the year ended 30 June, 2025 reflects a revenue budget of Kshs.7,001,729 against a total expenditure budget of Kshs.5,956,892 resulting in a budget surplus of Kshs.1,044,837 in regard to

revenue. This is contrary to Regulation 33 of the Public Finance Management (National Government) Regulations, 2015, which states that unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, the following guidelines shall be observed at all times during budget formulation and approval- (a) all revenue and expenditure shall be entered into the national government budget estimates and (c) the budget shall be balanced.

In the circumstances, Management was in breach of law.

3. Non-Compliance with Mandatory Registration Requirements under the Data Protection Act

Review of compliance with the Data Protection Act, 2019 revealed that Gitugu Vocational Training Centre has not registered with the Office of the Data Protection Commissioner (ODPC) as a data controller or data processor, despite collecting and processing personal data of trainees and staff. Failure to register contravenes Section 18(1) of the Act, which requires all entities that meet the prescribed thresholds to be duly registered before processing personal data.

In the circumstances, Management was not compliant with mandatory registration requirements under the Data Protection Act.

4. 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.

5. Manager/Principal Acting Beyond the Legal Six-Month Limit

Review of personnel records revealed that the VTC Principal has served in an acting capacity since 2022, contrary to Section 34(3) of the Public Service Commission Act, 2017 which stipulates that an officer may serve in an acting capacity for a minimum of thirty days but not exceeding six months.

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

6. Non-Compliance with Statutory Deductions Obligations

Statement of financial performance reflects Kshs.1,681,401 as employee cost as disclosed in Note 7 to the financial statement. Review of payroll revealed that support staff and instructors hired by the Board of Management (BoM) are remunerated. However, there is no documented evidence that statutory deductions, specifically the National Social Security Fund (NSSF), Social Health Insurance Fund (SHIF), and Affordable Housing Levy (AHL), were deducted or remitted to the respective statutory bodies for the year ended 30 June, 2025. This was contrary to Section 19(4) of the employment Act, 2007 which provides that an employer who deducts an amount from an employee's remuneration in accordance with subsection (1)(a), (f), (g) and (h) should pay the amount so deducted in accordance with the time period and other requirements specified in the law.

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 THE 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 the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the Institution had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the Centre through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

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

2. Absence of an Approved Staff Establishment

The Training Centre does not have an approved staff establishment, contrary to the requirements of Policy B.2 (1). Without a formal staff establishment, it is not possible to assess whether the Centre is operating with an optimal staffing structure necessary to support the implementation of its mandate.

In the circumstances, Management was not in compliance with the HR policy requirements.

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

Responsibilities of the Management and the Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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 overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the Centre'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

**Kithoka 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

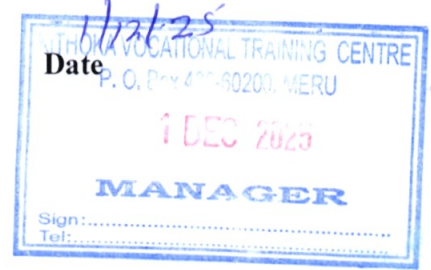
Description	Notes	FY 2024-2025
		Kshs
Revenue from non-exchange transactions		
Transfers from the County Government	6(a)	2,685,000.00
		2,685,000.00
Revenue from Exchange transactions		
Fees from students	7(a)	4,272,329.00
Sale of goods	8	44,400.00
Revenue from Exchange transactions		4,316,729.00
Total Revenue		7,001,729.00
Expenses		
Use of goods and services	9(a)	3,830,401.00
Employee costs	10(a)	1,681,401.00
Board Expenses	11	94,600.00
Repairs and maintenance	12	350,490.00
Total Expenses		5,956,892.00
Other Gains/(Losses)		-
Total Other Gains/(Losses)		-
Net surplus/(deficit) for the year		1,044,837.00

The Financial Statements set out on pages 1 to 5 were signed by:

.....
Charles Awala
 Name *Charles Awala*
 Chairman of Board
 Date *1/12/2025*

.....
Douglas Kobira
 Name *Douglas Kobira*
 Accountant
 ICPAK No *10401*
 Date *1/12/2025*


.....
HANCY WAAHOME
 Name *HANCY WAAHOME*
 Principal/Manager



Kithoka 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	13	633,579.15
Current portion of receivables from exchange transactions	14(a)	1,605,081.85
Receivables from non-exchange transactions	15	291,000.00
Total Current Assets		2,529,661.00
Non-Current Assets		
Total Non-Current Assets		0
Total Assets (A)		2,529,661.00
Liabilities		
Current Liabilities		
Trade and other payables from exchange transactions	16	594,844.00
Total Current Liabilities		594,844.00
Non-Current Liabilities		
Total non-current liabilities		0
Total Liabilities (B)		594,844.00
Net Assets (A-B)		1,934,817.00
Revaluation Reserves		0
Accumulated Surplus		1,044,837.00
Capital Fund		889,980.00
Total Net Assets		1,934,817.00

The Financial Statements set out on pages 1 to 5 were signed by

.....


Name *Charles Anunda*
Chairman of Board

1/12/2025
Date

.....


Name *Douglas Kobia*
Accountant

ICPAK No *10701*
Date *1/12/2025*

.....


Name *HANGI WATHOME*
Principal/Manager

1/12/25
Date

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

Description	Revaluation reserve	Accumulated Surplus	Capital Grants/Fund	Total
At July 1, 2024	0	0	0	0
Revaluation gain		-		
Surplus/(deficit) for the year		1,044,837.00		1,044,837.00
Capital grants received during the year		-		0
At June 30, 2025		1,044,837.00		1,044,837.00

KITHOKA VOCATIONAL TRAINING CENTRE
P. O. Box 626, 60200, MERU

MANAGER

Sign:.....
Tel:.....

Kithoka Vocational Training Centre

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

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

Description	Note	FY 2024-2025
		Kshs
Cash flows from operating activities		
Receipts		
Transfers from County Government	6(b)	2,394,000.00
Fees from students	7(b)	2,667,247.15
Sale of goods		44,400.00
Total Receipts		5,105,647.15
Payments		
Use of goods and services	9(b)	3,420,501.00
Employee costs	10(b)	1,496,457.00
Board Expenses		94,600.00
Repairs and maintenance	17	350,490.00
Total Payments		5,362,048.00
Net Cash Flows from operating activities		-256,400.85
Cash flows from investing activities		-
Net cash flows used in investing activities		-
Cash flows from financing activities		-
Net cash flows used in financing activities		-
Net Increase/(Decrease) in Cash and Cash equivalents		-256,400.85
Cash & Cash equivalents at the beginning (1 st July)	18	889,980.00
Cash & Cash equivalents at the end. (30 th June)	18	633,579.15

KITHOKA VOCATIONAL TRAINING CENTRE
P. O. Box 4200, MERU

MANAGER

Sign:

Tel:

**Kithoka 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 2025

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	A	B	C=A+B	D	E=C-D	F=D/C%
Budget carryovers from the previous year*	-	-	-	-	-	-
Receipts						
Transfers from County Government	2,685,000.00	0	2,685,000.00	2,394,000.00	291,000.00	89%
Fees from students	4,272,329.00	0	4,272,329.00	2,667,247.15	1,605,081.85	62%
Sale of goods	44,400	0	44,400.00	44,400.00	-	100%
Total Receipts	7,001,729.00	0	7,001,729.00	5,105,647.15	1,896,081.85	73%
Payments						
Use of goods and services	3,830,401.00	0	3,830,401.00	3,420,501.00	409,900.00	89.30%
Employee costs	1,681,401.00	0	1,681,401.00	1,496,457.00	184,944.00	89%
Board Expenses	94,600.00	0	94,600.00	94,600.00	-	100%
Repairs and maintenance	350,490.00	0	350,490.00	350,490.00	-	100%
Total Expenditure	5,956,892.00	0	5,956,892.00	5,362,048.00	594,844.00	90%
Capital expenditure payments		0				
Surplus	1,044,837.00	0	1,044,837.00	-256,400.85	1,301,237.85	-25%

KITHOKA VOCATIONAL TRAINING CENTRE
P. O. Box 420 02001 NERU

MANAGER

Sign:
Tel:

18. Notes to the Financial Statements

I. General Information

Kithoka Vocational Training centre is established by and derives its authority and accountability from Tvet's Act 2013. The entity is wholly owned by the County Government of Meru and domiciled in Imenti North sub-county. The entity's principal activity is Training.

II. 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 Kithoka Vocational Training Centre's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Kithoka 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, *state corporation Act*, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Kithoka Vocational Training Centre

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

III. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

Kithoka Vocational Training Centre

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

IPSAS 45: Property Plant and Equipment	<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.</p>
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">Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.Clarifying transaction costs guidance to enhance consistency across IPSAS.Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements</p>

Kithoka Vocational Training Centre

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

	about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
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.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <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.

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IV. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

iii. Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

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b) Budget information

The original budget for FY 2024/2025 was approved by the Board. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. 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 the income tax Act 470.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. 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.

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e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Biological Assets

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

i) Research and development costs

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

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

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.

- The ability to measure reliably the expenditure during development.

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. 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.

a) Financial Assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

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Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Liabilities Classification

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

b) 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.

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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*.

c) Provisions

Provisions are recognized when Kithoka 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 Kithoka 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 Kithoka 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 Kithoka 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 Kithoka 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.

d) 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.

e) Nature and purpose of reserves

The Kithoka creates and maintains reserves in terms of specific requirements.

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f) Changes in accounting policies and estimates

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

g) Employee benefits

Retirement benefit plans

The Kithoka 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.

h) Foreign currency transactions

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

i) 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.

j) Related parties

The Kithoka 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.

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k) Service concession arrangements

The Kithoka 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, Kithoka recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, Kithoka also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

l) 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.

m) Comparative figures

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

n) 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.

o) Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Kithoka Vocational Training Centre 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.

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Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available..

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	FY 2024/2025
	Kshs
Unconditional Grants	
Capitation Grants	2,685,000.00
Total unconditional Grants	2,685,000.00
Conditional Grants amortised/ recognised in revenue	0
Total Government Grants and Subsidies	2,685,000.00

6(b) Transfers from the County Government

Description	FY 2024/2025
	Kshs
Unconditional Grants	
Capitation Grants	2,394,000.00
Total unconditional Grants	2,394,000.00
Conditional Grants amortised/ recognised in revenue	0
Total Government Grants and Subsidies	2,394,000.00

7(a) Fees from students

Description	FY 2024/ 2025
	Kshs
Tuition Fees	3,453,729.00
Examination Fees	785,100.00
Registration Fees	33,500.00
Others (<i>Specify</i>)	0
Total Fees from students	4,272,329.00

7(b) Fees from students

Description	FY 2024/ 2025
	Kshs
Tuition Fees	2,667,247.00
Total Fees from students	2,667,247.00

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8. Sale of Goods

Description	FY
	2024/2025
	Kshs
Other sales (Sale of school uniform)	44,400.00
Total Revenue from Sale of Goods	44,400.00

9(a).Use of Goods and Services

Description	FY 2024/2025
	Kshs
Teaching and learning materials	1,653,376.00
Electricity	157,339.00
Water	18,000.00
Security	71,000.00
Bank Charges	17,733.00
Examination fees	234,252.00
Catering, conferences, and delegations	1,076,250.00
Other fuels(firewood)	100,500.00
Postage	31,200.00
Printing and stationery	235,100.00
Skills development levies	31,200.00
Telephone expenses	14,800.00
Other (<i>specify</i>)	189,651.00
Total good and services	3,830,401.00

9(b)Use of Goods and Services

Description	FY 2024/2025
	Kshs
Teaching and learning materials	1,480,276.00
Electricity	157,339.00
Water	18,000.00
Security	71,000.00
Bank Charges	17,733.00
Examination fees	234,252.00
Catering, conferences, and delegations	879,450
Other fuels(firewood)	100,500.00
Postage	31,200.00
Printing and stationery	235,100.00
Skills development levies	31,200.00
Telephone expenses	14,800.00
Other (<i>specify</i>)	149,651.00
Total good and services	3,420,501.00

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10(a).Employee Costs

Description	Period ending 30 th June 2025
	Kshs
Salaries and wages	1,295,480.00
Travel, motor car, accommodation, subsistence and other allowances	385,921.00
Employee Costs	1,681,401.00

10(b).Employee Costs

Description	Period ending 30 th June 2025
	Kshs
Salaries and wages	1,110,536.00
Travel, motor car, accommodation, subsistence and other allowances	385,921.00
Employee Costs	1,496,457.00

11.Board Expenses

Description	Period ending 30 th June 2025
	Kshs
Chairman's Honoraria	24,000.00
Directors Emoluments	70,600.00
Total	94,600.00

12.Repairs and Maintenance

Description	Period ending 30 th June 2025
	Kshs
Property	91,350.00
Investment property – earning rentals	75,000.00
Computers and accessories	184,140.00
Total Repairs and Maintenance	350,490.00

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13. Cash and Cash Equivalents

Description	1-JUL-2024	30-JUN-2025
	Kshs	
Current Account	889,980.00	633,579.15
Total Cash and Cash Equivalents	889,980.00	633,579.15

13(a). Detailed Analysis of Cash and Cash Equivalent

Financial Institution	Account number	1-JUL-2024	30-JUN-2025
		Kshs	
a) Current Account			
KCB Bank-Grants	1234104547	150,953.00	590,668.00
KCB Bank-operations	1294540084	720,469.00	42,005.15
KCB Bank-Exams	1287357504	18,558.00	906.00
Sub- Total		889,980.00	633,579.15
Sub- Total		-	
Grand Total		889,980.00	633,579.15

14. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	FY 2024/2025
	Kshs
Current Receivables	
Student Debtors	1,605,081.00

b) Ageing Analysis of Receivables from Exchange Transactions

Description	FY 2024/2025	
	Kshs	%
	Current FY	% of the total
Less than 1 year	1,605,081	49.5%
Over 3 years(2020-2021)	1,635,000	50.5%
Total (a+b)	3,240,081	100%

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14(b).Receivables from non-exchange transactions

Description	FY 2024/2025	
	Kshs	
Current Receivables		
Capitation Grants*		291,000.00
Total Current Receivables		291,000.00

15. Trade and Other Payables from Exchange Transactions

Description	FY 2024/2025	
	Kshs	
Trade payables	409,900	
Salary deductions	184,944	
Total Trade and Other Payables	594,844	
Ageing analysis:	Current FY	% of the Total
Under one year	594,844	100%
Total (to tie to totals above)	594,844	100%

16. Cash generated from operations.

	FY 2024/2025	
	Kshs	
Surplus/(Deficit) for the year	1,044,837	
Adjusted for:		
Working Capital Adjustments		
Increase in Receivables	(1,896,081.85)	
Increase in Payables	594,844	
Net Cash Flow from Operating Activities	(256,400.85)	

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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:

Description At 30 June 2025	Total amount Kshs	Fully performi ng Kshs	Past due Kshs	Impaired Kshs
Receivables from exchange transactions	4,272,329	2,667,247	1,605,082	1,605,082
Receivables from non-exchange transactions	2,685,000	2,394,000	291,000	291,000
Total	6,957,329	5,061,247	1,896,082	1,896,082

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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 Jul 2024

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 Kithoka Vocational Training Centre. 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

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

Description	FY 2024/2025
	Kshs
Transactions with Related Parties	
A) Purchases from related parties	
Purchases of electricity from kplc	157,339
Purchase of water from govt service providers	18,000
Total	175,399
a) Grants /Transfers from the Government	
Grants from County Government	2,394,000
Total	2,394,000
b) Key Management Compensation	
Board of Management emoluments	94,600
Total	94,600

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Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

Guidance Notes:

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

..... *H. Komo*

Name *HANCT WAAHORE*
 Principal/Manager
 Kithoka Vocational Training Centre
 Date *11/12/25*



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

Appendix II- Inter-Entity Name Confirmation Letter

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

Confirmation of amounts received by Kithoka Vocational Training Centre as at 30th June 2024/2025

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
MERUCOUNTY/KE/NAIROBI	25-Feb-2025	1,089,000.00		1,089,000.00	Capitation
MERUCOUNTY/KE/NAIROBI	25-Feb-2025	1,305,000.00		1,305,000.00	Capitation
Total					

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

Head of Accounts Department - Disbursing Entity:

Name Douglas Kobia Sign  Date 1/12/2025

Head of Accounts Department - Beneficiary Entity:

Name NAHCO WAMOME' Sign  Date 1/12/25