

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 08 APR 2026	DAY: WEDNESDAY
TABLED BY:	HON. DADO RASO, MP ON BEHALF OF LOM
CLERK-AT THE-TABLE:	J. LEMERELLE

REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

**MAUA VOCATIONAL TRAINING
CENTRE**

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

Revised 30th June 2025



MAUA 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)**

Table of Contents

1. Acronyms and Definition of Key Terms	iii
2 Key Entity Information and Management	iii
2. The Board of Management	vi
3. Key Management Team.....	ix
4. Chairman’s Statement.....	xi
5. Report of the Principal/Manager	xii
6. Statement of Performance against Predetermined Objectives.....	xiii
7. Corporate Governance Statement.....	xiv
8. Management Discussion and Analysis	xvi
9. Environmental And Sustainability Reporting Statement.....	xvii
10. Report of the Board of Management	xix
11. Statement of Board of Management Responsibilities	xx
12. Report of the Independent Auditor (Maua Vocational Training Centre)	xxi
13. Statement of Financial Performance For The Year Ended 30 June 2025.....	1
14. Statement of Financial Position As At 30th June 2025	2
15. Statement of Changes in Net Assets For The Year Ended 30 June 2025.....	3
16. Statement of Cash Flows For The Year Ended 30 June 2025	4
17. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025	5
18. Notes to the Financial Statements.....	7
19. Appendices	3 1

1. Acronyms and Definition of Key Terms

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

2. Key Entity Information and Management**(a) Background information**

Maua Vocational Training Centre is a public boarding institution located at Igembe South Sub-county, Kiegoi Antubochiu Ward, in Meru County.

Maua Vocational Training Centre was started in 1968 as a youth centre under the sponsorship of Methodist Church in Kenya (MCK). It is built on a six acre piece of land. Maua Vocational Training Centre is a basic technical education institution intended to offer school leavers, both from primary and secondary school opportunities to acquire quality knowledge and skills for gainful employment. Maua Vocational Training Centre acts as an avenue of attaining higher education through technical and vocational education system.

The institution is currently under the County Government of Meru under the department of Education Science and Technology.

(b) Principal Activities

The principal activity of the entity is to equip the trainees with entrepreneurial skills based on appropriate technology enabling them utilize locally available resources for employment creation.

Vision:

To be a Center of Excellence in Providing Quality Training for Self Reliance”

Mission:

“To Develop Competent, Dependable, Innovative and Creative Human Resource that Suits Dynamic Technological Trends for Sustainable Development”

(c) Key Management

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

- Board of Management, etc.
- 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.	Principal/Manager	Mr Kathurima Marangu
2.	Deputy Principal Manager	Faith Kagwiria
3.	Accounts clerk	Purity Nkatha

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County for the year ended 30th June, 2025 were:

- a. County Assembly of Meru-Approved budget for the county which was received through the Meru County Revenue Fund.
- b. Public accounts committee of the County Assembly of Meru-Provided oversight on the spending of County Funds.
- c. Budget and Appropriation Committee-appropriated Funds from County Revenue Fund.
- d. Senate sectorial committee on Public Accounts and Investment-provided on the spending of funds by the county Government.
- e. County Audit Committee-Received Internal Audit Reports on the Expenditure of the County Government.
- f. Controller of Budget-Approved all the funds drawn from the County Revenue Fund.
- g. Office of the Auditor General-Audited County Spending.

(f) Entity Headquarters

Maua Vtc
P.O. Box 84 -60600
Maua, Kenya

(g) Entity Contacts

Telephone: (254) 722143484
E-mail: mauavtc3@gmail.com

(h) Entity Bankers

KCB Bank
P.O Box
Maua

Equity Bank
P.O Box
Maua

(i) Independent Auditors

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

Key Entity Information and Management (Continued)

(j) Principal Legal Adviser

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

County Attorney
P.O Box 120 - 60200
Meru County, Kenya

MAUA VOCATIONAL TRAINING CENTRE

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

3. The Board of Management

<i>Member/ Director</i>		<i>Details</i>
 NAME ; REAGAN KABERIA		<i>BOG CATEGORY-</i> SPONSOR <i>POSITION ON BOG-</i> CHAIRPERSON <i>PROFESSIONAL:</i> ADMINISTRATION
 NAME ;MOSES MWENDA		<i>BOG CATEGORY-</i> SPONSOR <i>POSITION ON BOG-</i> VICE CHAIRPERSON <i>PROFESSIONAL –</i> ADMINISTRATION
 NAME ;FREDRICK MUGAMBI		<i>BOG CATEGORY-</i> COMMUNITY <i>POSITION ON BOG-</i> THIRD SIGNATORY <i>PROFESSIONAL -</i> PASTOR
 NAME ;JACK ITHALI		<i>BOG CATEGORY-</i> INDUSTRY /COMMERCE <i>POSITION ON BOG-</i> MEMBER <i>PROFESSIONAL –</i> RETIRED CIVIL SERVANT

MAUA VOCATIONAL TRAINING CENTRE

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

 <p>NAME :CHRIS MWENDA</p>	<p><i>BOG CATEGORY-</i> YOUTH</p> <p><i>POSITION ON BOG-</i> MEMBER</p> <p><i>PROFESSIONAL –</i> BUSINESS MAN</p>
 <p>NAME; MORRIS MWENDA</p>	<p><i>BOG CATEGORY-</i> SPECIAL INTEREST</p> <p><i>POSITION ON BOG-</i> MEMBER</p> <p><i>PROFESSIONAL –</i> BUSINESS MAN/ PASTOR</p>
 <p>NAME: FAITH KAGWIRIA</p>	<p><i>BOG CATEGORY-</i> PARENT TRAINERS ASSOCIATION</p> <p><i>POSITION ON BOG-</i> MEMBER</p> <p><i>PROFESSIONAL –</i> TRAINER</p>
 <p>NAME: LYDIA MWARI</p>	<p><i>BOG CATEGORY-</i> SPECIAL NEED</p> <p><i>POSITION ON BOG-</i> MEMBER</p> <p><i>PROFESSIONAL –</i> ACCOUNTANT</p>

MAUA VOCATIONAL TRAINING CENTRE

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

 <p>NAME: PETER NTONGAI</p>	<p><i>BOG CATEGORY-</i> COMMUNITY <i>POSITION ON BOG-</i> MEMBER <i>PROFESSIONAL –</i>ADMINISTRATION</p>
 <p>NAME; BONFACE MWENDA</p>	<p><i>BOG CATEGORY-</i> YOUTH <i>POSITION ON BOG-</i> MEMBER <i>PROFESSIONAL –</i> BUSINESS MAN</p>
 <p>NAME; KATHURIMA MARANGU <i>Secretary to the Board</i></p>	<p><i>BOG CATEGORY-</i> MANAGER <i>POSITION ON BOG-</i> SECRETARY <i>PROFESSIONAL –</i> TRAINER</p>
 <p>NAME; FRIDAH MUKIRI</p>	<p><i>BOG CATEGORY-</i> PARENT TRAINERS ASSOCIATION <i>POSITION ON BOG-</i> MEMBER <i>PROFESSIONAL –</i> BUSINESS LADY</p>

4. Key Management Team

 <p>NAME;KATHURIMA MARANGU</p>	<p><i>POSITION - MANAGER PROFESSIONAL – TRAINER</i></p>
 <p>NAME:FAITH KAGWIRIA</p>	<p><i>POSITION – DEPUTY MANAGER PROFESSIONAL – TRAINER</i></p>
 <p>NAME:PURITY NKATHA</p>	<p><i>POSITION – ACCOUNT CLERK PROFESSIONAL – ACCOUNTANT</i></p>
<p>NAME:BETTY MUKUMU</p>	<p><i>POSITION – STORE KEEPER PROFESSIONAL – STORE KEEPER</i></p>

MAUA VOCATIONAL TRAINING CENTRE

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



MAUA VOCATIONAL TRAINING CENTRE

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

Chairman's Statement

I am pleased to present the annual report and financial statement of Maua Vocational Training Centre for the 2024/2025 financial year.

The demand for basic technical skills in the county has continued to rise prompting Maua VTC to continually introduce courses that respond to the demand of the market. The main objective of the board is to position Maua VTC programs within the context of the market requirements and customer satisfaction.

During the financial year that ended on June 30th 2025, the following key achievements were realized;

- Increased trainee's enrollment from 314 at the beginning of the year to 340.
- Established and strengthened collaboration and liaison with local industries and service providers where the VTC can attach its trainees.
- Established partnership with KCB foundation for scholarship of our trainees.
- Participated in various extra curriculum activities locally and at county level.
- Participated in skills show at Meru national ask show.
- Held a successful graduation whereby 218 trainees graduated.
- Enhanced marketing strategies in public meetings, media and worship center's hence prompting increase in enrollment.

During this 2024-2025 financial year, the financial commitments was geared towards physical development of the VTC infrastructures, improvement of training to perfection being the core function of the institution. In reference to this, am proud to note that despite the financial challenge, several goals set were achieved. These include:

- Made improved dining hall seats to be used by 200 persons.
- Constructed a modern staffroom
- Constructed persons with disability (pwd) rest rooms
- Refurbished workshops by painting and repairing worn out floors.

The VTC has witnessed significant growth of its assets that has promoted a good training environment for both trainers and trainees. In this regard, I wish to thank the members of the board who have provided useful insight to the VTC management making it possible to collectively make progress. The BOG remains committed to building on the foundation laid down so far and work closely with all stakeholders in order to realize further development. The board is pleased with efforts of the VTC to ensure prudent management of resources and the level of compliance with the government regulations and statutory requirements. I thank the county government of Meru for its financial support so far that has made the VTC possible to implement its functions and programs.

I finally wish to thank all stake holders for their continued support and dedication, even as we together strive to achieve greater heights of excellence.

Reagan Kaberia - Chairman Board Of Governors

Reagan Kaberia



MAUA VOCATIONAL TRAINING CENTRE

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

6. Report of the Principal/Manager

Presented herein in the annual in the annual report and financial statement of Maua VTC for the year that ended on 30th June 2025.

A) ACCADEMIC PROGRAMM

During the financial year under review the VTC gad academic programmes namely:

- Hairdressing and beauty therapy
- Motor vehicle technology
- Electrical Technology
- Plumbing Technology
- Fashion design and garment making
- Information communication Technology (ICT)
- Building technology
- Appropriate carpentry and joinery
- Electric arc welder

B) STUDENT POPULATION

By the end of financial year 2024-2025, the VTC had a population of 240 trainees; the enrollment was low due to the change in education system that led to not having class 8 leavers in 2024. Most of trainees admitted at Maua VTC are class 8 graduates hence no admission was done in January 2025. However, 78 new trainees were admitted.

C) KEY PROJECT ACHIEVEMENTS

- Improved the appearance of the VTC by painting workshops and offices.
- Introduced income generating activity (IGA) by keeping dairy cows.
- Making it possible for PWD persons to access workshops and constructing their modern rest rooms.
- Construction of modern staffroom and ease trainers access in preparing for lessons.
- Refurbished the main gate to look decent.
- Improved greening for the VTC by planting trees.
- Collaborated with various stakeholders to assist in improving enrollment.

Maua VTC has witnessed significant improvement in trainees performance in acquiring relevant technical and entrepreneurial skills. Beside this, the VTC is committed to transferring technical knowledge through innovation and service to humanity. I thank the government for providing funds that has really transformed the status of the VTC into a formidable institution that is deeply engaged in making adequate contributions to the development of the country.

Lastly I wish to thank all the staff members, B.O.G, parents for their support in making it possible to have conducive learning environment of the VTC.

Thank you.
Kathurima Marangu
Manager



MAUA VOCATIONAL TRAINING CENTRE

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

7. Statement of Performance against Predetermined Objectives

Preview of Maua VTC performance for 2024-2025 financial year

The public finance management act 2012 requires the accounting officer to include in the financial statement, a statement of county government entities performance against the predetermined objectives.

Maua VTC has 3 pillars and objectives within its strategic plan for the year 2024-2026. They are:

- Establish growth in the VTC education programmes.
- Promote equip and quality education and training.
- Strengthen organization development and capability.

Based on the above three pillars, Maua VTC develops its annual work plan. These achievements attained in the year 2024-2025 are indicated as below:

STRATEGIC PILLAR NO.	STRATEGIC PILLAR	OBJECTIVE	KEY PERFORMANCE INDICATION	ACTIVITIES	ACHIVEMENT
PILLAR I	Establish growth in VTC education	Growing education in VTC programmes	Improved in service delivery.	Benchmarking with VTC's with similar courses	Benchmarked with neighboring VTC on Motor vehicle technology and driving
PILLAR II	Promote equity and quality training	Promoting equity and quality training	Number of trainers incase that are dominated by the opposite gender.	Advocate for the participation of both genders in the VTC programmes.	Improved enrollment of female in MVM and plumbing courses.
PILLAR III	Strengthen organization development and capability	Strengthen organization development and capability	Performance appraisal and for trainers. Reward and sanctions system based on appraisal report.	Celebrate staffs success formally through a reward.	Staff are being rewarded according to their performance.

8. Corporate Governance Statement

The functionality of Maua Vtc solely depends on the governance and management structures. It is of critical importance that such structures promote cohesion, nurture accountability and provide visionary leadership necessary to create a conducive learning environment. The government recognizes the need for stakeholders' involvement in the governance of VTCs, and other institutions offering skills training programmes to the youth.

The structure of governance and management aims at encouraging cooperation and collaboration of all stakeholders for effective representation and participation. In this regard the county government, the community and the stakeholders are fully involved in the management of Maua Vtc.

The composition of boards of management members is as follows:

1. Two (2) persons nominated by the Religious Entity/SCEB affiliated with the Vocational Training Centre.
2. Two (2) persons representing the community in which the VTC is situated.
3. Two (2) youths; one MALE and FEMALE.
4. One (1) person representing people with special needs.
5. One (1) person representing the jua kali or industry and commerce sector.
6. One (1) person representing special interests.
7. Three persons (3) co-opted to the Board during the first BOG's meeting. These members will be drawn from the parents' instructors Association (PIA).
8. Vocational Education and Training Officer as an ex-officio Board member.
9. The VTC manager who is the secretary to the board

The total composition of board members is twelve people and no single gender shall constitute more than two thirds of the total number.

The roles of the bog are as follows:

- (a) To promote the best interests of the Institution and ensure its development,
- (b) To promote quality education and training for all trainees in accordance with the set standards,
- (c) To develop a strategic plan for the institution,
- (d) To provide proper and adequate physical facilities for the institution,
- (e) Create an enabling environment for the institution's manager/principal, instructors and other staff of the institution in the performance of their professional duties,
- (f) Manage all affairs of the Institution in the accordance with the laid down procedures,
- (g) Make recommendations for appointment of instructors at the institution,
- (h) Recruit, employ and remunerate such number of instructors as may be required by the Institution subject to the provisions of the law,
- (I) In consultation with the Quality Assurance and Standards Officers, ensure effective curriculum implementation and delivery,
- (j) Ensure the trainees are presented for examination and assessments,
- (k) Prepare annual estimates of revenues and expenditure for the institution and incur expenditure on behalf of the institution,
- (L) Receive, on behalf of the institution: - Fees, grants, subscriptions, donations or other monies and to make payments to the Institution or other bodies or persons in accordance to the relevant law,

MAUA VOCATIONAL TRAINING CENTRE

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

- (m) Mobilize resources for the purposes of the institution subject to the provisions of the Public Financial Management Act, 2012, and any other relevant laws,
- (n) Enter into association with other local or International training institutions in the interests of the institution with the approval of the relevant authority,
- (o) Continuously monitor instructors in terms of curriculum implementation and delivery conduct of examinations and assessments in the institution.

MAUA VOCATIONAL TRAINING CENTRE

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

9. Management Discussion and Analysis

The bog of Maua VTC has been very supportive to the management and has fully performed its oversight role very well. The management, being led by the manager has been well constituted, has the deputy who handles administration and academics, senior trainer and head of departments. Above all, the VTC has a robust team of support staff in finance and other related services. During the financial year 2024/2025 that ended in 30th June 2025, the VTC was able to achieve its targets by almost completing projects as shown below:

S/N O	PROJECT NAME	PROJECT DESCRIPTIO N	LOCATIO N	COST	CURRENT STATUS	ALLOC ATION 2024/2 025 FY	STATUS BY 30/6/202 5
1	Security	Installation Of Cctv Camera	Maua Vtc	218,000	New	218,00 0	100% Complete
2	Constructio n Of Staffroom	Constructio n Of Staffroom	Maua Vtc	1,200	New	840,00 0	85% Complete
3	Painting	Painting Of Workshops, Dining Hall, Offices And Dormitory	Maua Vtc	110,000	Refurbishment	110,00 0	90% Complete
4	Income Generating Activity (Iga)	Rear Milking Cows	Maua Vtc	75,000	New	75,000	100% Complete

10. Environmental And Sustainability Reporting Statement

i. Sustainability strategy and profile

Maua VTC is a learning institution under the department of vocational educational and training, Meru County. The institution complies with ministry of education policies in order to produce multi-skilled manpower that can fit comfortably in the job market. The institution has identified the potential of the community as key in realizing the growth of the institution. The VTC has engaged the community through frequent sensitization of various courses offered and the support of capitation the VTC is receiving from the government. Further the VTC has reached out to the stakeholders and political leaders for their support in all aspects in the running of the institution. This has been achieved through attending church meetings, community meeting and upholding of support for the fees payment thro county retention fund, CDF programmes and

ii. Environmental performance

Our commitment as Maua VTC is to strive to improve our environmental performance over time. The VTC commitment is to;

- (A) To comply with all applicable environmental regulations.
- (b). improve the current number of trees from 720 to over 1000.
- (C) Create awareness on our commitment concerning environment to our trainees an the community.
- (d.) prevent any form of pollution where possible.

iii. Employee welfare

The VTC Board of Management identifies vacancies by analysing key responsibilities and duties that are not adequate especially when there is a higher enrolment. Maua VTC has been following the procedure of hiring employees as required. When a vacancy is identified, the bog consults the county government for replacement and in the case where there is no replacement, the bog advertises for these positions. The adverts are made public and qualified candidates are invited to apply. On applications, shortlisting of qualified person is done basing on the advert requirement. Qualified persons are contacted to attend interviews on a set date and time. The panes engages all the interviewees and allocates marks as per the score sheet. The panel later discuss the scores and the best candidate approved. Orientation is done after the new staff has been engaged where also the responsibilities are outlined. The VTC is complies with the Occupational Safety and Health Act 2007 (OSHA). In collaboration with the department of vocational education and training, performance appraisals are done.

iv. Marketplace practices-

The organization should outline its efforts to:

a) Responsible competition practice.

Maua VTC ensures that there is adequate information disseminated to public to whoever feels to apply for a tender advertised in the institution. Tenders have deadline dates for submission and during opening, all tenderers are invited to witness the exercise. The VTC does not in any

way indulge in any form of corruption and trainees and staff are always sensitized to avoid corruption. All payment done is cashless and all fees paid is done directly to the bank by individual trainees.

b) Responsible Supply chain and supplier relations

The VTC maintain good business practices by ensuring goods and services are up to standard. Once these procurements are done, there is a team of head of department committees whom form acceptance committee that is mandated to check if items delivered are as per requested. Payments of goods delivered are paid timely

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

The institution is so much responsible in direct engagement with the community hence making promises that are met as required. Through several events on media coverage's, adequate information is shared with the community. Also the management encourages one on one question and answer moment in order to give the information as requested.

d) Product stewardship or Awareness creation

Maua VTC is committed to safeguard consumer rights and interests issues. These include protection of health and safety, providing adequate product information and consumer/trainee's personal data protection. Any information required on SHIF NSSF or any other relevant information is shared as requested)


v. Corporate Social Responsibility / Community Engagements

The VTC in the financial year 2024/2025 had embarked on several community engagements a corporate social responsibilities as follows;

- (a) Visited Athi Special school and offered cosmetology services to pupils in that school)
- (b) Donated food and clothes to Wirigiro Project- Laare so as to distribute to vulnerable students.
- (c) Held a graduation hence engaged community in advertising the institution.

On behalf of Maua fraternity, I thank the bog for their support accorded to the key management and for its visionary direction in ensuring the VTC is soaring towards excellence.

I thank all the staff, trainees on Maua VTC for their continued support in ensuring the VTC is progressing on positively. I look forward to the same cooperation and enthusiastic participation in 2025/2026 financial year.


Kathurima marangu
manager



MAUA 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 Maua VTC affairs.

Principal activities

The principal activities of the entity are to;

- a) Conduct training in vocational educational and training level
- b) To foster linkages with industries and other institutions for the promotion of quality and relevant training.
- c) To undertake income generating (IGA) through introduction of boda boda driving school and introduce tailor made short courses in food production.
- d) Improve spiritual growth among community members both staff and trainees.
- e) To promote entrepreneurial skills within the VTC
- f) To conduct innovation research by our staff and trainees.

Results

The results of the entity for the year ended June 30th June 2025 are set out on pages 1 to 33

Board of Management

The members of the Board who served during the year are shown on page vi. During the year there has been no change in the board of management.

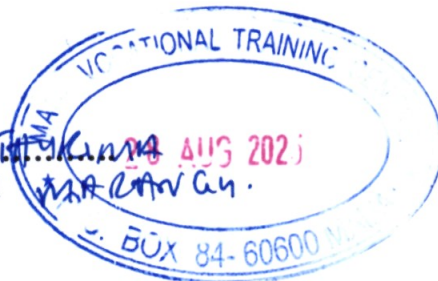
Auditors

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

By Order of the Board



.....
Secretary of the Board



Date:

12. Statement of Board of Management Responsibilities

Section 164 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the technical and vocational education and training act 2013 require the Board of Management to prepare financial statements in respect of that Maua VTC, which give a true and fair view of the state of affairs of the entity at the end of the financial year/period and the operating results of Maua VTC for that year/period. The Board of Management are also required to ensure that Maua VTC keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Board of Management are also responsible for safeguarding the assets of Maua VTC

The Board of Management are responsible for the preparation and presentation of the VTC financial statements, which give a true and fair view of the state of affairs of the VTC for and as at the end of the financial year 2024/2025 ended on June 30, 2025. This responsibility includes:

(i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of Maua VTC, (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 Maua VTC financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board of Management are of the opinion that Maua VTC financial statements give a true and fair view of the state of VTC transactions during the financial year ended June 30, 2025, and of Maua VTC financial position as at that date. The Board of Management further confirm the completeness of the accounting records maintained for the VTC, which have been relied upon in the preparation of the VTCs financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, nothing has come to the attention of the bog to indicate that the entity will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Maua VTC financial statements were approved by the Board on 28/8/ 2025 and signed on its behalf by:

Name Ehabena
BOG Chairperson [Signature]

Name [Signature]
Accounting Officer/Manager KANTUKIMA MARANU.



REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON MAUA 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 statements;
- 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 Maua Vocational Training Centre set out on pages 1 to 33, 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 Maua 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 Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Receivables

The statement of financial position as disclosed in Note 15 to the financial statements reflects current portion of receivables from exchange transactions balance of Kshs.2,800,772. Included in this balance are receivables amounting to Kshs.2,002,251 which had been outstanding for more than one (1) year. Further, there was no policy on the impairment of long outstanding fee arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the recoverability of the amount totalling Kshs.2,800,772 could not be confirmed.

2. Inaccuracies in the Financial Statement

The statement of financial position and as disclosed in Note 15 reflects a balance of Kshs.2,800,772 in respect to current portion of receivable from exchange transactions. However, re-computation of the movement of same made up of Kshs.14,705,838 reflected in the statement of financial performance and as disclosed in Note 7 as revenue from exchange transaction -fees from students and actual receipts shown in the statement of cashflow of Kshs.11,466,700 resulted to uncollected revenue of Kshs.3,239,138 leading to unreconciled variance of Kshs.438,366.

In the circumstances, the accuracy and completeness of the current portion of receivable from exchange transactions balance of Kshs.2,800,772 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Maua 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.16,249,776 and Kshs.15,732,700 respectively, resulting to an under-funding of Kshs.517,076 or 3.2% of the budget. However, the Institution spent a balance of Kshs.16,755,643 against actual receipts of Kshs.15,732,700 resulting to an over-utilization of Kshs.1,022,943 or 6.5% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Board of Management is responsible for the Other Information set out on page ii to xx 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 Mandatory Registration Requirements under the Data Protection Act

Review of compliance with the Data Protection Act, 2019 revealed that Maua 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.

2. Unbudgeted Expenditure

Review of the statement of budget versus actual amounts for the year ended June, 2025 revealed the Management over spent an amount totalling Kshs.2,887,450 on three components without approvals as follows; Board expenses - Kshs.309,300, repairs and maintenance - Kshs.772,720 and training materials - Kshs.1,805,430. This is contrary to Section 45(3) of the Public Procurement and Assets Disposal Act, 2015 which requires that all procurement processes should be within the approved budget of the procuring entity and should be planned by the procuring entity concerned through an Annual Procurement Plan.

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

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

Review of records revealed that the College 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.

4. Non-Compliance with the Two-Thirds Gender Principle

Review of the composition of the Board of Management revealed that the Board has twelve (12) Members, out of which nine (9) are male and three (3) are female. The number

of male Members exceeds the allowable maximum of eight (8) under the two-thirds gender rule, which requires that no more than two-thirds of the members of a public body be of the same gender as provided for under Article 27(8) of the Constitution of Kenya.

In the circumstances, Management was in breach of Law.

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

REPORT ON 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 Approved Staff Establishment

The Management did not have an approved staff establishment contrary to Paragraph B 5(2) of the County Public Service Human Resource Manual, 2013 which states that all vacancies shall be declared in a prescribed format which shall include the number of vacancies, when the vacancy occurred, whether the vacancy is within the authorized establishment and other relevant details. Further, Section B 6(3) states that in the recruitment process, due consideration will be given to appropriate organizational structure in each department, optimal staffing levels, schemes of service and career progression guidelines.

In the circumstances, it was not possible to establish if the Vocational Training Centre operated at optimum staffing levels.

2. 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), Regulations 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 County Treasury.

In the circumstances, the Institution lacked the required governance and internal oversight mechanisms necessary to ensure effective internal controls, risk management and accountability.

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

Responsibilities of the Management and Board of Management

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

MAUA 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

	Notes	Insert Current FY Kshs
Revenue from non-exchange transactions		
Transfers from the County Government	6	4,266,000.00
		4,266,000.00
Revenue from Exchange transactions		
Fees from students	7	14,705,838.67
Revenue from Exchange transactions		14,705,838.67
Total Revenue		18,971,838.67
Expenses		
Use of goods and services	8	4,718,509.33
Employee costs	9	2,168,322.00
Board Expenses	10	309,300.00
Depreciation and amortization expense	11	7,266.67
Repairs and maintenance	12	1,661,240.00
Total Expenses		8,864,638.00
Net surplus/(deficit) for the year		10,107,200.67

The notes set out on pages 19 to 26 form an integral part of the Annual Financial Statements.

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

Rkabena
.....
Name *Rkabena*
Chairman of Board

Douglas Kobia
.....
Name Douglas Kobia
Accountant
ICPAK No 10401

Katurima Marawa
.....
Name KATURIMA MARAWA
Principal/Manager

Date

Date 28/11/2025

Date



MAUA 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	Insert Current FY
		Kshs
Assets		
Current Assets		
Cash and cash equivalents	13	1,183,615.60
Prepayments	14	476,634.67
Current portion of receivables from exchange transactions	15	2,800,772.00
Inventories	16	7,502,487.00
Total Current Assets		11,963,509.27
Non-Current Assets		
Property, plant, and equipment	17	1,050,733.33
Biological Assets	18	75,000.00
Total Non-Current Assets		1,125,733.33
Total Assets (A)		13,089,242.60
Liabilities		
Current Liabilities		
Trade and other payables from exchange transactions	18	775,483.33
Total Current Liabilities		775,483.33
Non-Current Liabilities		
Non-Current Provisions		0
Service Concession Arrangements		0
Total non-current liabilities		0
Total Liabilities (B)		775,483.33
Net Assets (A-B)		12,313,759.27
Represented By:		
Accumulated Surplus		12,313,759.27
Total Net Assets		12,313,759.27

The Financial Statements set out on pages 2 were signed by:

[Signature]

Name
Chairman of Board

[Signature]

Date

[Signature]

Name Douglas Kobia
Accountant
ICPAK No 10461

Date 28/11/2025

[Signature]

Name KATHURIMA MARANGU
Principal/Manager

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 (<i>current year</i>)	0	2,206,558.60	0	2,206,558.60
Revaluation gain	0	-	0	-
Surplus/(deficit) for the year	0	10,107,200.67	0	10,107,200.67
Capital grants received during the year	0	-	0	-
At June 30, 2025	0	12,313,759.27	0	12,313,759.27

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

MAUA 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	Insert
		Current FY Kshs
Cash flows from operating activities		
Receipts		
Transfers from County Government		4,266,000.00
Fees from students		11,466,700.00
Total Receipts		15,732,700.00
Payments		
Use of goods and services		12,578,513.00
Employee costs		2,206,590.00
Board Expenses		309,300.00
Repairs and maintenance		1,661,240.00
Total Payments		16,755,643.00
Net Cash Flows from operating activities	19	(1,022,943.00)
Cash flows from investing activities		
Purchase of property, plant, and equipment		0
Purchase of intangible assets		0
Proceeds from the sale of property, plant, and equipment		0
Net cash flows used in investing activities		
Cash flows from financing activities		
Proceeds From Borrowing		0
Repayment of Borrowings		0
Net cash flows used in financing activities		
Net Increase/(Decrease) in Cash and Cash equivalents		(1,022,943.00)
Cash & Cash equivalents at the beginning (1 st July)	11	2,206,558.60
Cash & Cash equivalents at the end. (30 th June)	11	1,183,615.60

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

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

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	A	B	C=A+B	D	E=C-D	F=D/C%
Budget carryovers from the previous year*	878,250.00	0	878,250.00	0	878,250.00	0
Receipts						
Transfers from County Government	4,266,000.00	0	4,266,000.00	4,266,000.00	-	100
Fees from students	11,983,776	0	11,983,776.00	11,466,700.00	517,076.00	0
Total Receipts	16,249,776.00	0	16,249,776.00	15,732,700.00	517,076.00	97
Payments						
Use of goods and services	10,510,480.00	0	10,510,480.00	9,066,683.00	1,443,797.00	86
Employee costs	3,094,376.00	0	3,094,376.00	2,206,590.00	887,786.00	71
Board Expenses	0	0	0	309,300.00	(309,300.00)	0
Repairs and maintenance	938,520.00	0	938,520.00	1,661,240.00	(722,720.00)	177
Training Materials	1,706,400.00	0	1,706,400.00	3,511,830.00	(1,805,430.00)	206
Total Expenditure	16,249,776.00	0	16,249,776.00	16,755,643.00	(505,867.00)	103
Capital Expenditure payments	-	0	0	0	0	0
Surplus/Deficit	-	0	-	(1,022,943.00)	1,022,943.00	0

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

(Entities can present the Statement of Comparison of Budget & Actual amounts in a different categorization of items as approved by the governing body.)

Budget notes

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14

Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	(1,022,943.00)
Classification/ Presentation differences	160,672.60
Closing Cash and Cash Equivalent as per the statement of Cash flows	1,183,615.60

19. Notes to the Financial Statements

1. General Information

Maua Vocational Training Centre is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the County Government of Meru and domiciled in Igembe North sub-county. The entity's principal activity is offering technical training courses to the surrounding community.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>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:</p> <p>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.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 45: Property Plant and Equipment	<p>Applicable 1st January 2025</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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 46: Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.

MAUA VOCATIONAL TRAINING CENTRE

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

	<p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 48: Transfer Expenses</p>	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

MAUA VOCATIONAL TRAINING CENTRE

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

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on xxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. 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) Investment property

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

d) Property, plant and equipment

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

e) Leases

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

f) Intangible assets

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

g) Biological Assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

MAUA VOCATIONAL TRAINING CENTRE

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

the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

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

k) Nature and purpose of reserves

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

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

n) Related parties

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

o) Service concession arrangements

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

p) 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.

q) Comparative figures

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

r) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

MAUA VOCATIONAL TRAINING CENTRE

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

- Changes in the market in relation to the asset

Provisions

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

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

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

6. Transfers from the County Government

Description	FY 2024/2025
	Kshs
Conditional Grants amortised/ recognised in revenue	
Repairs, Maintenance & Improvement Of Tools And Equipments	938,520.00
Tools, Equipments And Instructional/ Assessment/ Examination Mater	1,706,400.00
Exercise Books And Stationeries	568,800.00
Skills Competitions	270,180.00
Co-Curricular Activities	284,400.00
Utilities	355,500.00
Local And Transport	142,200.00
Total Government Grants and Subsidies	4,266,000.00

(b) Transfers from County Government (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year
	Kshs	Kshs	Kshs	Kshs
County Department for Education & Technology	4,266,000.00	0	0	4,266,000.00
Total	4,266,000.00	-	-	4,266,000.00

MAUA VOCATIONAL TRAINING CENTRE

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

7. Fees from students

Description	FY 2024/2025
	Kshs
Transfer-KCB BANK	3,962,875.00
Hostels	4,496,900.00
Development	175,000.00
Emoluments	452,700.00
Exams	433,300.00
Uniforms	35,000.00
Tuition Fees	1,910,925.00
Advance payments from students in July 2024	438,366.67
Receivables-student debtors	2,800,772.00
Grand Total Fees from students	14,705,838.67

(Provide brief explanation for this revenue)

8. Use of Goods and Services

Description	FY 2024/2025
	Kshs
Teaching and learning materials	3,511,830.00
food stuff and kitchen items	3,319,990.00
Fuel & Oil - Firewood	375,000.00
Skilled labour	466,960.00
Trainees track suits and T shirts	305,500.00
Examination expense	2,050,135.00
Printing & Stationeries	531,360.00
General office expenses	432,140.00
Local Travel and transport	70,124.00
Security Services	120,000.00
Training expenses	164,250.00
Graduation expenses	104,200.00
staffroom construction materials	254,520.00
Electricity	96,355.00
Postal Services	15,450.00
Skills Development	474,265.00
Industrial Attachment costs	267,170.00
Bank Charges	19,264.00
Trade Payables	775,483.33
Inventories	(7,502,487.00)
PPE	(1,058,000.00)
Biological Assets	(75,000.00)
Net Use of goods and services	4,718,509.33

9. Employee Costs

Description	FY 2024/2025
	Kshs
Salaries and wages	1,958,874.00
Employee related costs - SHA,NHIF,NSSF	247,716.00
Prepaid Statutory Deductions - SHA/NHIF	(8,256.00)
Prepaid Statutory Deductions - NSSF	(30,012.00)
Total Employee cost	2,168,322.00

10. Board Expenses

Description	FY 2024/2025
	Kshs
Other Board Expenses	309,300.00
Total	309,300.00

11. Depreciation and Amortization expense

Description	FY 2024/2025
	Kshs
PPE-CCTV	7,266.67
Total depreciation Expense	7,266.67

12. Repairs and Maintenance

Description	FY 2024/2025
	Kshs
Repairs and Maintenance	1,661,240.00
Total Repairs and Maintenance	1,661,240.00

MAUA VOCATIONAL TRAINING CENTRE

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

13. Cash and Cash Equivalents

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Account	1,183,615.60	2,206,558.60
Total Cash and Cash Equivalents	1,183,615.60	2,206,558.60

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

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank-Capitation/Grant	1233976974	1,091,447.75	2,108,590.75
Kenya Commercial Bank-Operations/Fees from Students	1303349787	88,644.25	94,444.25
Equity Bank-Exam fee Account	0400294169815	3,523.60	3,523.60
Grand Total		1,183,615.60	2,206,558.60

14. Prepayments

Description	FY 2024/2025
	Kshs
Statutory Deductions - SHA/NHIF	8,256.00
Statutory Deductions - NSSF	30,012.00
Advance fees from students	438,366.67
Total	476,634.67

15. Receivables from Exchange transactions

15 (a) Current Receivables from Exchange transactions

Description	FY 2024/2025
	Kshs
Current Receivables	

MAUA VOCATIONAL TRAINING CENTRE

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

Student Debtors	798,521.00
Other Exchange Debtors-Meru Youth Service	1,452,251.00
Other Exchange Debtors-Athi Special School	550,000.00
Total Current Receivables	2,800,772.00

15 (b) Ageing Analysis of Receivables from Exchange Transactions

Description	FY 2024/2025	
	Kshs	
	Current FY	% of the total
Less than 1 year	798,521.00	28.51
Between 1- 2 years	550,000.00	19.64
Between 2-3 years	1,452,251.00	51.85
Total (a+b)	2,800,772.00	100.00

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

16. Inventories

Description	FY 2024/2025
	Kshs
Consumables	364,975.00
Tools And Equipment	7,137,512.00
Total Inventories at Cost	7,502,487.00

(Provide brief explanation on inventories)

Detailed Disclosure on Inventories

	FY 2024/2025
Opening balance	0
Additional Inventory in the year	7,502,487.00
Inventory expensed in the year	0
Write-downs in the year	0
Others specify	0
Closing balance	7,502,487

MAUA VOCATIONAL TRAINING CENTRE
Annual Report and Financial Statements for the year ended 30th June 2025

17. Property, Plant and Equipment

Cost			Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Land	Buildings							
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		0	0	0	Straight line based on 5 years usefull life	0	0	0	0
At 1 July 2024 (previous year)	0	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Transfers/Adjustments	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
At 30th June 2024 (previous FY)	0	0	0	0	0	0	0	0	0
Additions	0	0	0	0	218,000.00	0	0	840,000.00	1,058,000.00
Disposals	0	0	0	0	0	0	0	0	-
Transfer/Adjustments	0	0	0	0	0	0	0	0	-
Revaluation	0	0	0	0	0	0	0	0	-
At 30th June 2025 (current year)	-	-	-	-	218,000.00	-	-	840,000.00	1,058,000.00
Depreciation And Impairment									
At 1 July 2023 (previous year)	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
At 1st July 2024 (current year)	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	7,266.67	0	0	0	7,266.67
Disposals	0	0	0	0	0	0	0	0	-

MAUA VOCATIONAL TRAINING CENTRE

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

Cost			Motor vehicles	Furniture and fittings	Computers	Plant and	Other Assets	Capital	Total
	Land	Buildings				equipment	(specify)	Work in progress	
Impairment	0	0	0	0	0	0	0	0	-
Transfer/Adjustment	0	0	0	0	0	0	0	0	-
At 30th Jun 2025 (current year)	-	-	-	-	210,733.33	-	-	840,000.00	1,050,733.33
Net Book Values									
At 30th Jun 2024 (previous year)	0	0	0	0	0	0	0	0	0

WIP- 85% complete Staffroom construction

18. Biological Assets

Description	FY 2024/2025
	Kshs
Animals: Dairy Cattle	75,000.00
Total	75,000.00

19. Trade and Other Payables from Exchange Transactions

Description	FY 2024/2025	
	Kshs	
Trade payables	548,450.00	
Other Payables-advance payments from students	227,033.33	
Total Trade and Other Payables	775,483.33	
Ageing analysis:	Current FY	% of the Total
Under one year	775,483.33	100.00
Total (to tie to totals above)	775,483.33	100.00

20. Cash generated from operations.

Description	FY 2024/2025
	Kshs
Surplus/(Deficit) for the year	10,107,200.67
Adjusted for:	
Depreciation	7,266.67
Working Capital Adjustments	
Increase in Inventory	(8,635,487.00)
Increase in Receivables	(2,800,772.00)
Increase in Payables	737,215.33
Increase in Payments received in advance	(438,366.67)
Net Cash Flow from Operating Activities	(1,022,943.00)

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

21. 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	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024 (previous year)				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
At 30 June 2025 (current year)				
Receivables from exchange transactions	2,800,772.00	2,800,772.00	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	1,183,615.60	1,183,615.60	0	0
Total	3,984,387.60	3,984,387.60	0	0

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

MAUA VOCATIONAL TRAINING CENTRE
Annual Report and Financial Statements for the year ended 30th June 2025

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

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)				
Trade Payables	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Total	0	0	0	0
At 30 June 2025 (current year)				
Trade Payables	0	775,483.33	0	775,483.33
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Total	0	775,483.33	0	775,483.33

(iii) Market risk

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

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

MAUA VOCATIONAL TRAINING CENTRE
Annual Report and Financial Statements for the year ended 30th June 2025

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

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

a) Interest rate risk

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

Management of interest rate risk

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

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

- i) Board of Management;
- ii) Key management;

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

Description	Insert Current FY
	Kshs
Transactions with Related Parties	
a) Grants /Transfers from the Government	
Grants from County Government	4,266,000.00
Donations in Kind	0
Total	4,266,000.00
b) Key Management Compensation	
Board of Management emoluments	309,300.00
Compensation to Key Management	0
Total	4,575,300.00

23. Events After The Reporting Period

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

24. Currency

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

20. Appendices


Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

..... 

Name **KATHIRIMA MARAVAN.**
 Principal/Manager
 (Enter title of Head of entity)
 Date

MAUA VTC

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

Appendix II: Projects Implemented by Maua Vocational Training Centre

Projects

Projects implemented by the Maua Vocational Training Centre Funded by development partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1			N/A			
2						

Status of Project Completion

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

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

MAUA VTC

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

Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity: COUNTY GOVERNMENT OF MERU

Name of beneficiary entity: MAUA VOCATIONAL TRAINING CENTRE

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Edu/VTC/OS/2024-2025	24/3/2025	1,656,000	0	1,656,000	Recurrent purpose
Edu/VTC/OS/2024-2025	24/3/2025	2,610,000	0	2,610,000	
Total		4,266,000		4,266,000	

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

Head of Accounts Department - Disbursing Entity:
 Name Douglas Kobici Jamizano Sign [Signature] Date 28/11/2025

Head of Accounts Department - Beneficiary Entity:
 Name KATHURIMA MARANGU Sign [Signature] Date 28/11/2025

