

REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

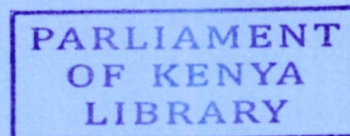
ON

**A.I.C CHEBISAAS BOYS HIGH
SCHOOL**

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

UASIN GISHU COUNTY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 JUN 2026	DAY. WEDNESDAY
TABLED BY:	HON. OWEN BAYAMP
CLERK-AT-THE-TABLE:	DEPUTY LEADER OF MAJORITY KEITH NGINTO





A.I.C CHEBISAAS BOYS HIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2025

**Transitional Financial Statements Prepared under the International Public Sector Accounting
Standards (IPSAS)**



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1. Acronyms and Definition of Key Terms

A. Acronyms.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

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

A.I.C Chebisaas Boys High School is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Uasin Gishu County, Moiben Sub-County.

The school was founded in 1985 and re-registered in February, 2020 under registration number 27S30000935 and is currently categorized as a National public school established, owned and operated by the Government.

The school is a boarding school and had 1245 number of students as at 30th June 2025. It has 26 streams and 72 teachers of which 69 are under the Teachers Service Commission while 3 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	Mr. Isaac Birgen	Chairman	19/07/2022
2	Mr. Albert K. Kosgei	Secretary – Principal	19/07/2022
3	Mr. Zephania Yego	Member	19/07/2022
4	Mr. Shadrack Metto	Member	19/07/2022
5	Eng. Edwin Cheserek	Member	19/07/2022
6	Mdm. Sally Wafula	Member	19/07/2022
7	Mr. Abraham Mutai	Member	19/07/2022
8	Gideon Kipchirchir	Member – Rep CEB	19/07/2022
9	Md. Naomi Morogo	Member	19/07/2022
10	Md. Gladys Jebiwott	Member	19/07/2022
11	Md. Abigael Chepkirui	Member	19/07/2022
12	Mr. Noah Tenai	Member Rep Teachers	19/07/2022
13	Rev. Elijah Kebenei	Member – Sponsor	19/07/2022
14	Paul Kolum	Member – Community	19/07/2022
15	Benjamin Koech	Member Special Needs	19/07/2022
16	Mr. Francis Kiplagat	Member	19/07/2022
17	Emmanuel Mutai	Rep Students	19/07/2022

The functions of the School Board of Management are to:

- Promote the best interests of the school and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, of 2013.
- Ensure and assure the provision of proper and adequate facilities for the school.
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the school.
- Determine cases of pupils' discipline and make reports to the CEB.
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB.
- Administer and manage the resources of the school.
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Mr. Isaac Birgen 2. Zephania Yego 3. Mr. A. K. Kosgei 4. Mdm. Sally Wafula 5. Mr. Abraham Mutai	Chairman V/Chairman Secretary Member Member	2out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
2	Audit Committee	1. Mr. Paul Kolum 2. Mr. A. K. Kosgei 3. Mr. Shadrack Metto 4. Mdm Sally Wafula 5. Mr. Abraham Mutai	Chairman Member Member Member Member	2out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
3	Finance,procurement and general purposes Committee	1. Mdm. Gladys Jebiwott 2. Mr. A. K. Kosgei 3. Rev. Elijah Kebenei 4. Mr. Abraham Mutai 5. Mr. Gideon Kipchirchir	Chairman Member Member Member Member	2out of 2 2 out of 2 2 out of 2 2 out of 2 2out of 2
4	Academic Committee	1. Mr. Shadrack Metto 2. Mr. A. K. Kosgei 3. Mr. Zephania Yego 4. Mdm Sally Wafula	Chairman Member Member Member	2out of 2 2 out of 2 2 out of 2 2 out of 2

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
		5. Mr. Abraham Mutai 6. Mr. Francis Kiplagat	Member Member	2 out of 2 2 out of 2
5	Development Committee	1. Eng. Cheserek 2. Mr. Isaac Birgen 3. Sub- County Director- Moiben 4. Mr. A.K. Kosgei 5. Mr. Elkana Kiyeng 6. Mr. Abraham Mutai 7. Eng. Patrick Tonui	Chairman Member Member Member Member Member Memeber	6 out of 6 6 out of 6 6 out of 6 6 out of 6 6 out of 6 5 out of 6 4 out of 6
6	Discipline and welfare Committee	1. Mr. Zephania Yego 2. Mr. A.K Kosgei 3. Rev. Elijah Kebenei 4. Mr Tenai Noah 5. Md. Abigael Chepkirui	Chairman Member Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1

(d) School operation Management

For the financial year ending 30th June, 2025 the school's day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Mr. Albert K. Kosgei	TSC No. 388303
2	Deputy Principal-Admn	Mr. Benard Rutto	TSC No. 364308
3	Deputy Principal-Academics	Mr. Festus Kiprono	TSC No. 467133
4	School Bursar	Mr. Obadiah Kimaru	27788963

(e) Schools contacts

Post Office Box: 3778-30100
Telephone: 0788427912
E-mail: chebisaas@gmail.com

(f) School Bankers

Name of Bank: KCB Bank Kenya Ltd
Branch: Eldoret Branch
Postal Address: P.O. Box 400 – 30100, Eldoret

Name of Bank: Co-operative Bank of Kenya Ltd
Branch: Eldoret Branch
Postal Address: P.O. Box 323 – 30100, Eldoret

MPESA Pay: Business Number: 522123 aattached to KCB School Fund Account

(g) Independent Auditors

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

3. Summary Report of Performance of The School

The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

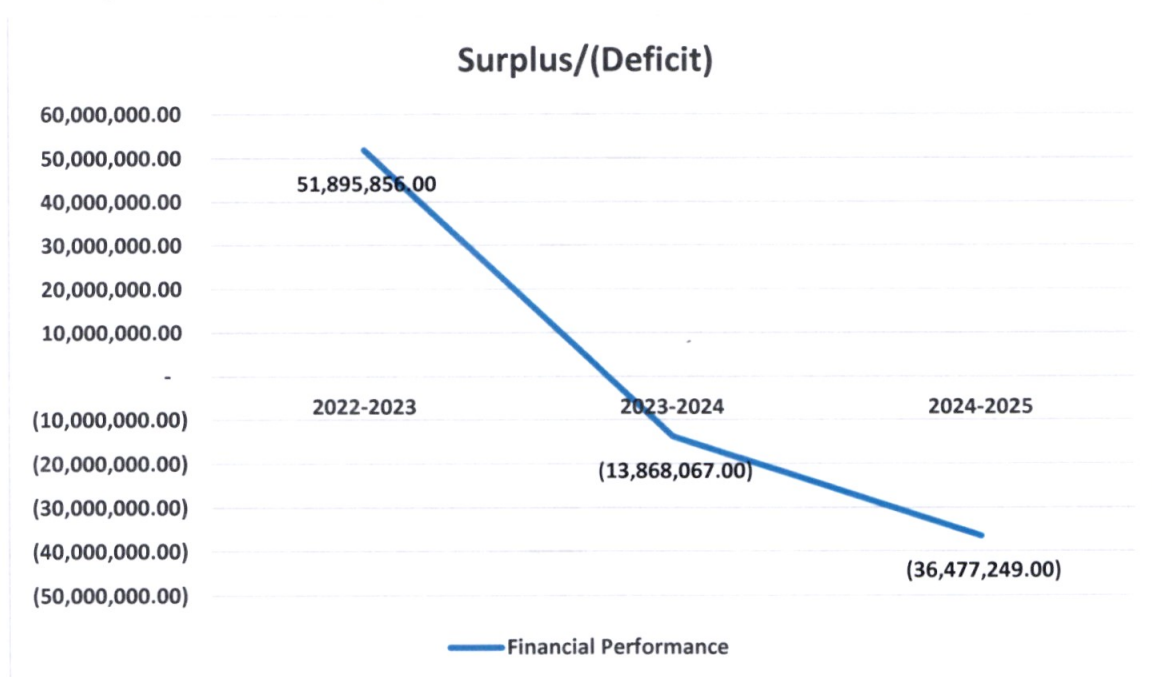
YEAR	2022-2023	2023-2024	2024-2025
Surplus/(Deficit)	51,895,856	(13,868,067)	(36,477,249)
Growth/(Decline) in Surplus	54,352,659	(65,763,923)	(22,609,182)
Government Grants for Capitation Operation	10,627,121	16,315,525	11,524,971
Government Grants for Infrastructure	51,973,446	22,467,800	4,659,040
Capitation Grants – Tuition	3,528,422	3,551,970	3,801,050
Total Capitation	66,128,989	42,335,295	19,985,061
No. of Students	1,371	1,574	1,245
Ratio of Capitation	15,411	14,190	16,052
Total Expenditure	111,891,361	160,882,208	162,414,010
Growth in Expenditure	8,978,637	48,990,847	1,535,802
Total Accounts Receivable	18,356,946	23,234,280	20,689,812
Growth in Accounts Receivables	5,931,260	4,877,334	(2,544,468)
Accounts Payables	11,587,540	16,464,874	21,650,991
Growth in Accounts Payables	5,931,260	4,877,334	5,186,117
Cash and Bank Balances	55,840,408	41,972,342	12,294,790
Growth in Cash and Bank Balances	51,941,076	(13,868,067)	(29,677,552)

i) Surplus/ Deficit)

The school recorded a deficit of Ksh.36,477,249 in the year under review, declining further down by Ksh.22,609,182 from a deficit of Ksh.13,868,067, reported in the preceding year. This was not occasioned by performance Per se, but by the unique way by which IPSAS cash basis of accounting,

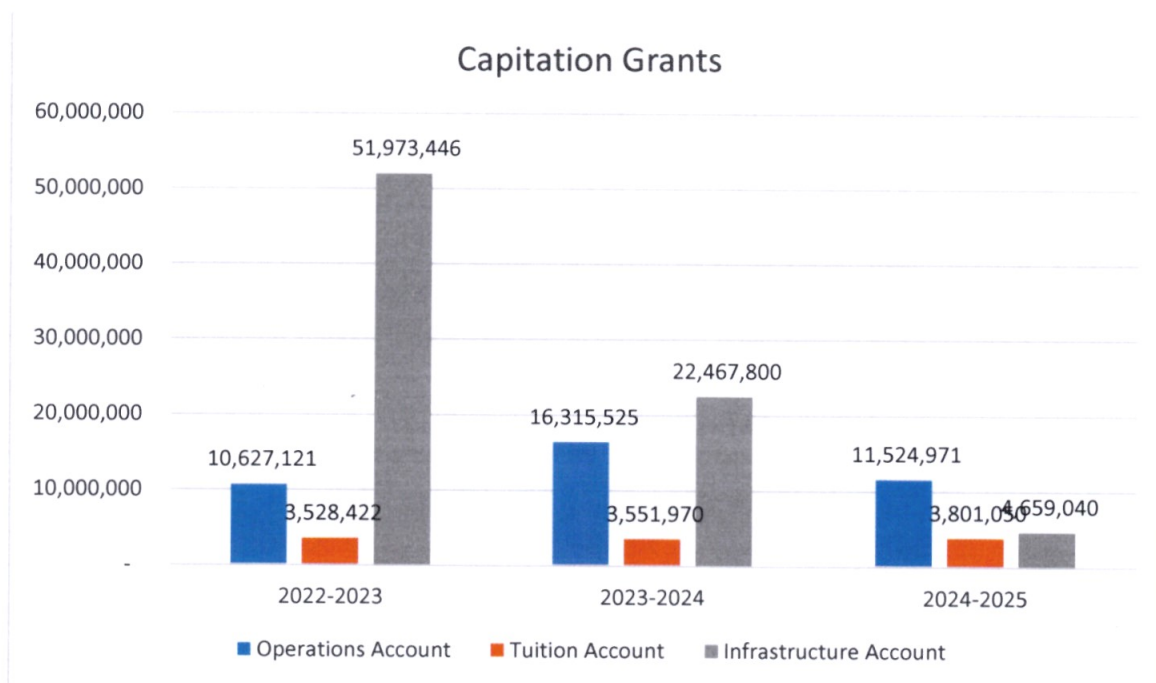
recognises income and expenditure items. In the year 2022-2023 a Transitional Infrastructure Grant (TIG) of Ksh. 45,000,000 was received by the school for construction works of the tuition /admin block complex. Another kshs.20,000,000 was received in 2023-2024 for the same project. This resulted in the school recording a more than proportional surplus of ksh.51,573,612 because the amount was not utilized within the same year. In the two successive financial periods the amount was expended resulting in a less than proportional deficit because there was no matching income compared to the expenditure.

The graphical representation below gives a better illustration



ii) Capitation Grants

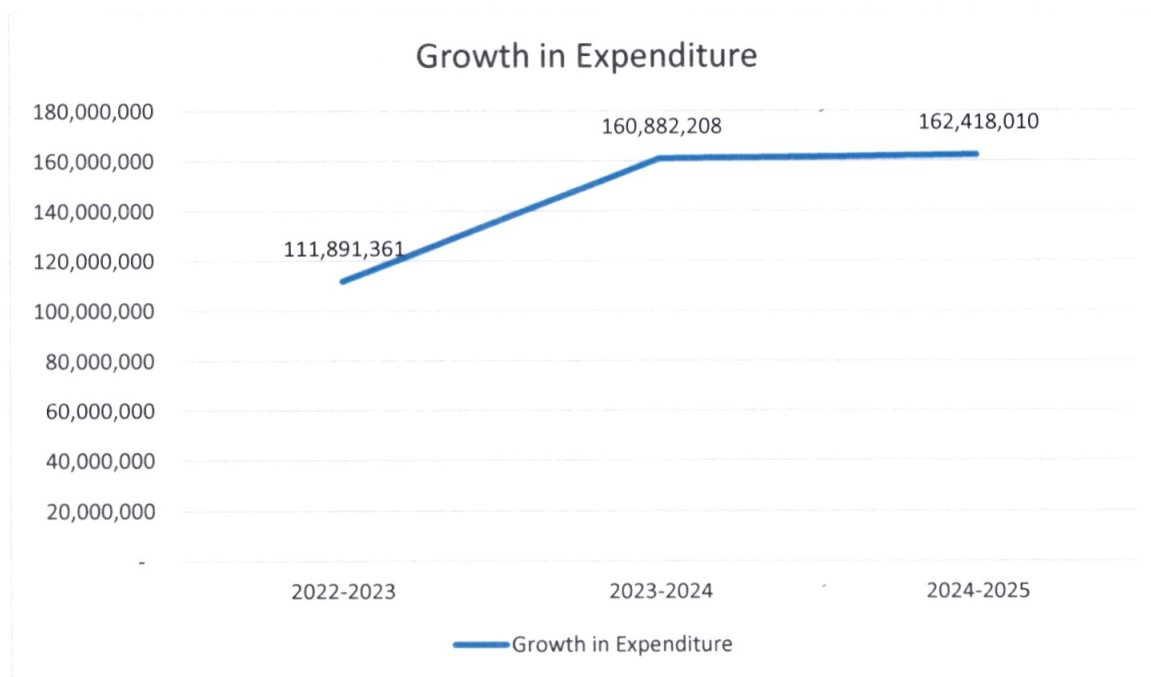
The graph below indicates that there were reduced capitation in 2024-2025 when compared to the funding in 2023-2024. Failure by the Ministry of Education to remit the total sum per learner of 22,244 and instead disburse 16,052, like the case in the year under review, poses serious budgetary constraints because the drop represents a 30% reduction. This is quite significant and has an adverse impact on service delivery.



iii) Growth in Expenditure

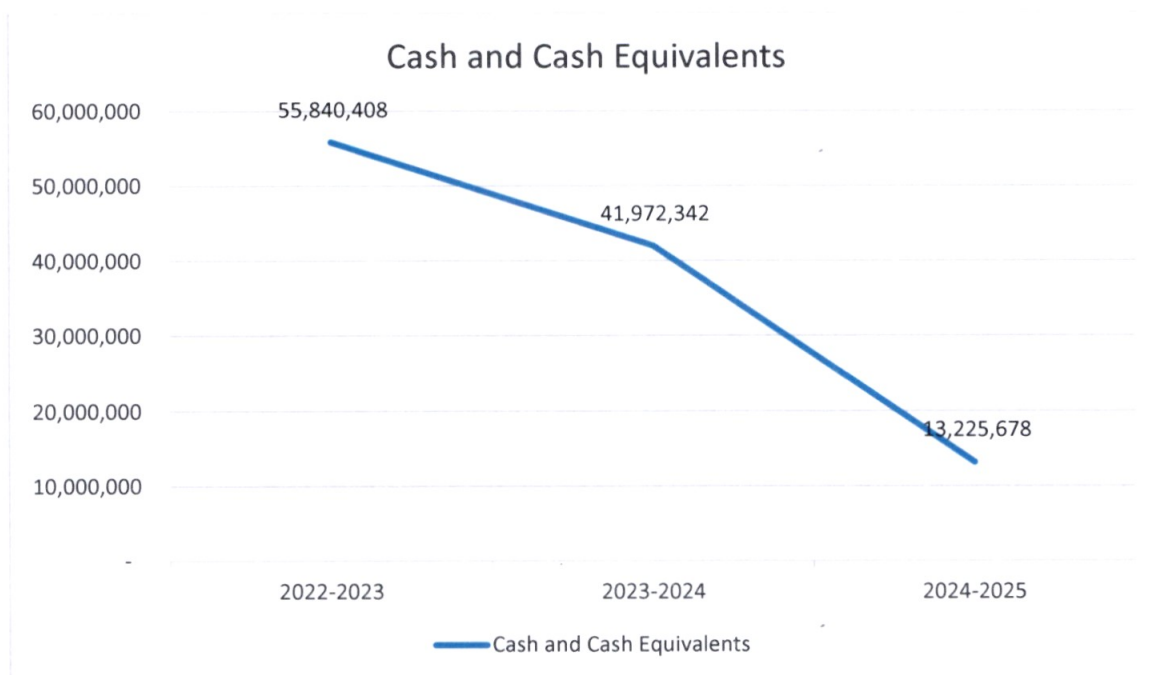
Total expenditure grew to Ksh.162,418,010 from Ksh.160,882,208 recorded in the previous financial year. The main driver in expenditure has been inflation and the expenses for construction works of on-going projects. TIG grants received in 2022-2023 was expended in the last 2 financial periods, pushing total expenditure up by 40% margins, from 111,891,361 in 2022-2023 to 160,882,208 and 162,418,010 spending in 2023-2024 and 2024-2025 respectively.

The graph below summarizes the trend.



iv) Movement of Cash and Bank Balances

The cash and bank balances has been on a decline due to utilization of TIG funds received in previous years and expended in the preceding and in the year under review.



b) Teacher Student ratio:

The school had 72 teachers as at 30th June 2025 out of whom 3 were employed by the board of management, while 69 were posted by TSC. The teacher-to-student ratio was 1:17.

c) The mean score in the 2024 KCSE:

Year	No. of Candidates	Mean	Transition to institutions of higher learning	%age Transition	School Target Mean	Comment
2024	323	7.2919				Positive deviation of 0.4359
2023	257	6.856	135	52.5	9.0	Negative deviation of 0.2192 from mean of previous year
2022	267	7.0752	166	62.17	9.1	Negative deviation of 0.1552 from mean of previous year
2021	230	7.2304	210	91	10.8	Negative deviation of 3.5696 from the target mean

d) Number of Candidates in the 2024 KCSE:

Year	2024	2023	2022	2021
No. of candidates	323	257	267	230

e) The capacity of the school:

No. of Students	Dormitories	Dining Hall	Laboratories	Toilets	Libraries
1245	11	1	3	45	1

Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
1	Tuition Cum Administration Block	On- Going	36,858,355	18,178,220	End of 2026
2	Renovation of Hall	Completed	1,697,412	-	End of 2024
3	Construction Bathrooms/Toilets	On-Going		4,981,370	End of 2025
4	Construction of 6 storeyed classrooms at Emsilies Secondary School	On-Going		8,807,016	End of 2026



.....
Albert Kosgei

Chief Principal



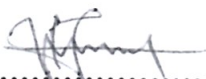
4. Statement of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (PSASB) of Kenya from time to time.

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to keep all proper books and records of accounts of the income, expenditure, and assets of the institution.

The Board of Management of A.I.C Chebisaas Boys High accepts responsibility for the school's financial statements, which have been prepared on the transitional exemption accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2025, and of the school's financial position as at that date.



.....
Name: Abraham Mutai

Designation: Chairman, School Board of Management

Date: 9/03/2026



.....
Name: Albert K. Kosgei

Designation: School Principal & Secretary to Board of Management

Date: 9/03/2026



.....
Name: Obadiah Kimaru

Designation: Bursar/ Finance Officer

Date: 9/03/2026



REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON A.I.C CHEBISAAS BOYS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – UASIN GISHU COUNTY

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that 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

Opinion

I have audited the accompanying transitional IPSAS financial statements of A.I.C Chebisaas Boys High School set out on pages 1 to 30, which comprise of the statement of assets and liabilities as at 30 June, 2025, and the statement of financial performance, statement of cash flows and statement of budgeted versus actual amounts, for the year

Report of the Auditor-General on A.I.C Chebisaas Boys High School for the year ended 30 June, 2025 - Uasin Gishu County

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, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of A.I.C Chebisaas Boys High School 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 including the transitional provisions permitted under IPSAS 33 and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the A.I.C Chebisaas Boys High School 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 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.124,364,711 and Kshs.107,672,611 respectively, resulting in an under-funding of Kshs.16,692,100 or 13% of the budget. The School spent Kshs.109,765,701 out of total receipts of Kshs.107,672,611 resulting in over-utilization of Kshs.2,093,090 or 2% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

1. Significant Exemptions by PSASB in the Financial Reporting Template

The financial statements have been prepared using the FY 2024/25 reporting template issued by the Public Sector Accounting Standards Board (PSASB). As communicated by

PSASB on 25 February, 2026, the template was designed to facilitate a phased transition to accrual-based IPSAS for public secondary schools and, therefore, does not include certain statements and disclosures required under the full IPSAS transition. These omissions include the Opening Statement of Financial Position, the Statement of Changes in Net Assets/Equity, detailed disclosures of transitional provisions under IPSAS 33, and a reconciliation of budgeted amounts to actual accrual amounts. The absence of these elements arises from limitations inherent in the prescribed template and does not constitute non-compliance on the part of the School.

2. Unresolved Prior Year Audit Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively that remained unresolved as at 30 June, 2025 detailed below:

Financial Year	Audit Issues
2023/2024	1. Long Outstanding Students Accounts Receivable 2. Budgetary Control and Performance 3. Transfer of Funds to Kenya Secondary Schools Heads Association 4. Ownership of Land and Motor Vehicle 5. Weakness in Management of Textbooks

Other Information

Management is responsible for the Other Information set out on page iii to xiii which comprise of Acronyms and Definition of Key Terms, Key School Information and Management, Summary Report of Performance of The School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I

confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Deduction of Procurement Capacity Building Levy

The statement of financial performance reflects infrastructure payments amount of Kshs.36,611,525 as disclosed in Note 8 to the financial statements, in respect of procurement contracts signed with the school's suppliers. Review of payments for infrastructure revealed that there was no deduction of the public procurement capacity building levy of 0.03% on the contracts, contrary to the Levy Order 2023 issued by the Public Procurement Regulatory Authority.

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

2. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of financial performance reflects boarding and school fund payments amount of Kshs.104,317,396 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.459,600 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.459,600 could not be confirmed.

3. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of statement of financial performance reflects operations grants from the Ministry of Education of Kshs.11,524,971 as disclosed in Note 2 to the financial statements. Included in the amount is Kshs.4,658,250 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, an amount of Kshs.1,257,000 was transferred on 13/05/2025 or 60 days after receipt. Although management indicates that the late transfer of funds was occasioned by delay by the Ministry of Education to issue a circular or instructions on the received funds were to be allocated, the delayed transfer was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds be transferred to the school infrastructure account within fifteen (15) days upon receipt of the funds in the operations account.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Long Outstanding Accounts Receivables Balance

The statement of assets and liabilities reflects accounts receivable balance of Kshs.20,689,812 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance is accounts receivable balance of Kshs.6,615,333 which had been outstanding for more than one (1) year. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance. Management indicated that it was engaging with the Ministry of Education to develop a debt management policy including guidelines on ageing and assessment of debts for impairment, but had not been concluded at the time of the audit.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

2. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.370,397,649, which includes land with a balance of Kshs.136,000,000 and motor vehicles with a balance of Kshs.9,100,000. However, land ownership documents for the parcel of land for the School were not provided for audit. Management indicated that the title was in the School name but under the custody of the Sponsor and was in the process of acquiring it for safe custody. Further, the logbook for the School bus indicated joint ownership between the School and a local bank for a loan taken in the name of the School and which has since been fully repaid. No explanation was provided for the delayed transfer of ownership of the bus to the School.

In addition, Note 17 to the financial statements reflects a balance of Kshs.2,373,000 in respect of biological assets comprising of cattle of Kshs.1,340,000, sheep of Kshs.32,000 trees of Kshs.936,000 and avocado of Kshs.65,000. However, the School did not maintain an asset register capturing details such as asset description, unit of measurement, quantity, fair value unit cost, total value, and any relevant remarks, as required by Appendix 6 of The National Treasury Guidelines on Asset and Liability Management in the Public Sector, 2020.

In the circumstances, the existence of effective measures in the management of the School assets could not be confirmed.

3. Weaknesses in Oversight

Review of the Audit Committee minutes revealed that during the year under review, the Committee convened only once, on 18 June 2025, contrary to Regulation 179(1) of the Public Finance Management (National Government) Regulations, 2015 which requires that an audit committee shall meet at least once every three months.

In the circumstances, the existence of an effective oversight mechanisms could not be confirmed.

4. Weaknesses in Management of Textbooks

Review of textbook management records revealed that the textbooks delivered by the publishers did not indicate their monetary value, making it difficult to ascertain the total value of textbooks supplied to the School. The School was therefore unable to accurately record the inventory value in its books of account and determine the financial impact of any losses, shortages, or over-supplies.

In the circumstances, the existence of effective measures for the management of textbooks could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

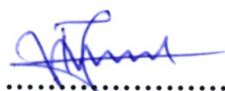
Nairobi

22 May, 2026

6. Statement of Financial Performance for the Year Ended 30th June 2025

Description Of Vote Head	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue			
Government grants for tuition	1	3,801,050	3,551,970
Government grants for operations	2	11,524,971	16,315,525
Government Grants for infrastructure	3	4,659,040	22,467,800
School fund income- parents' contributions	4	95,832,840	100,698,345
Miscellaneous incomes	5	10,123,650	3,980,501
Total Revenue		125,941,551	147,014,141
Expenditure			
Tuition	6	4,362,671	2,380,470
Operations	7	17,126,418	12,500,757
Infrastructure	8	36,611,525	38,560,649
Boarding and school fund	9	104,317,396	107,440,332
Total Expenditure		162,418,010	160,882,208
Surplus/Deficit		(36,476,459)	(13,868,067)

The school financial statements were approved on 9/03/2026 and signed by:



Name: Abraham Mutai

Chair BOM

Date: 9/03/2026



Name: Albert Kosgei
School Principal/ Secretary to
BOM

Date: 9/03/2026



Name: Obadiah Kimaru

Bursar/ Finance Officer

Date: 9/03/2026



7. Statement of Assets and Liabilities As At 30th June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	13,190,249	8,445,884
Cash balances	11	36,219	26,458
Short term investments	12		33,500,000
Total cash and cash equivalent		13,226,468	41,972,342
Account's receivables	13	20,689,812	23,234,280
Total financial assets		33,916,280	65,206,622
Financial liabilities			
Accounts payables	14	21,650,991	16,464,874
Total Financial Liabilities		21,650,991	16,464,874
Net financial assets		12,265,289	48,741,748
Represented by			
Accumulated fund b/fwd	15	48,741,748	62,609,815
Surplus/deficit for the year		(36,476,459)	(13,868,067)
Net Assets		12,265,289	48,741,748

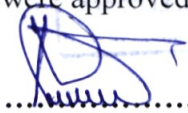
The school's financial statements were approved on 9/03/2026 and signed by:



Name: Abraham Mutai

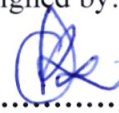
Chair BOM

Date: 9/03/2026



Name: Albert Kosgei
School Principal/ Secretary to
BOM

Date: 9/03/2026



Name: Obadiah Kimaru

Bursar/ Finance Officer

Date: 9/03/2026



8. Statement of Cash Flows for the Year Ended 30th June 2025

Description	Note	2024-2025 Kshs	2023-2024 Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	3,801,050	3,551,970
Government grants for operations	2	11,524,971	16,315,525
Government grants for infrastructure	3	4,659,040	22,467,800
School fund income- parents contributions/ fees	4(a)	101,382,837	100,698,345
Other income	5(a)	8,731,699	2,809,481
Total receipts		130,099,597	145,843,121
Payments			
Cash outflows for tuition	6(a)	5,016,900	2,380,470
Cash outflows for operations	7(a)	15,455,844	10,904,592
Cash outflows Boarding/lunch and school fund payments	9(a)	107,798,072	105,682,732
Cash outflows for Infrastructure		-	-
Total payments		128,270,816	118,967,794
Net cash inflow/outflow from operating activities		1,828,781	26,875,327
Cash flow from investing activities			
Acquisition of assets	8(a)	(31,966,606)	(41,914,414)
Interest Income	5(b)	1,391,951	1,171,020
Net cash inflow/outflows from investing activities		(30,574,655)	(40,743,394)
Cash flow from Financing activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		(28,745,874)	(13,868,067)
Cash and cash equivalent at beginning of the FY		41,972,342	55,840,408
Cash and cash equivalent at end of the FY		13,226,468	41,972,341

The school's financial statements were approved on 9/03/2026 and signed by:



Name: Abraham Mutai

Chair BOM

Date:

9/03/26

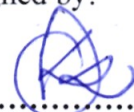


Name: Albert Kosgei
School Principal/ Secretary to
BOM

Date:

9/03/26





Name: Obadiah Kimaru

Bursar/ Finance Officer

Date:

9/03/2026

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2025

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	A	B	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	5,453,571		5,453,571	3,801,050	70
Exams And Assessment					
(2) Capitation Grant on Operations					
Personnel Emoluments	6,186,141		6,186,141	4,219,309	68
Repairs And Maintenance					
Local Transport / Travelling	1,850,580		1,850,580	1,262,203	68
Electricity And Water	1,850,580		1,850,580	1,262,203	68
Medical	2,726,400		2,726,400	1,385,711	51
Administration Costs	1,464,540		1,464,540	998,902	68
Activity	1,967,910		1,967,910	913,961	46
Gratuity					
3) FDSE for infrastructure					

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	A	B	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Maintenance & Improvement MoE	5,443,799		5,443,799	4,658,250	86
(4) Fees Charged on Parents					
Personnel Emoluments					
Repairs And Maintenance	2,842,200		2,842,200	2,806,326	
Other Vote heads	28,949,228		28,949,228	24,649,889	85
PA Levies	21,315,600		21,315,600	15,618,611	73
Activity	1,134,037		1,134,037	981,402	87
Fee On Boarding Equipment and Stores	43,180,125		43,180,125	34,991,144	81
5) Miscellaneous Income					
Loans / Borrowing					
Bakery income				687,400	
Income From Farming Activities					
Tender				112,000	
Fee For Hire of Ground and Equipment				7,932,299	
Interest Income				1,391,951	
Income From Any Other Investment					
Total Income	124,364,711	-	124,364,711	107,672,611	87
(6) Expenditure For Tuition					
Textbooks					
Reference Materials	250,000		250,000	100,000	
Exercise Books	900,000		900,000	870,405	97
Laboratory Equipment	3,000,000		3,000,000	2,841,760	95

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	A	B	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Internal Exams					
Teaching / Learning Materials	2,303,571		2,303,571	2,148,571	93
Bank Charges				1,420	
(7) Expenditure For Operations					
Personnel Emoluments	6,186,141		6,186,141	5,356,161	87
Repairs, Maintenance & Improvements					
Local Transport / Travelling					
Electricity, Water and Conservancy	1,850,580		1,850,580	1,801,531	97
Medical					
Administration Costs					
Activity Expenses	1,653,909		1,653,909	200,000	12
Gratuity					
SMASSE					
(8) Expenditure For infrastructure					
Construction of classrooms	10,000,000		10,000,000	7,998,600	80
(9) Expenditure For school fund/lunch/boarding					
Other Vote Heads	27,746,179		27,746,179	27,316,227	98
Repairs, Maintenance and Improvements	2,542,200		2,542,200	2,183,540	86
Medical Expenses	1,203,049		1,203,049	999,952	83
Activity	3,134,037		3,134,037	2,989,040	95

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	A	B	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Boarding Equipment and Stores	57,568,805		57,568,805	49,486,794	86
Academic Support	6,026,240		6,026,240	5,471,700	91
Bank Charges					
Total Expenditure	124,364,711		124,364,711	109,765,701	88

Note on Variance Analysis for Receipts and Expenditure

1. Capitation Grants (Tuition and Operations) were realized at 69% of the budget. The shortfall resulted from reduced and partial capitation disbursements per learner by the Ministry of Education.
2. Operational Vote Heads funded through Capitation (Local Transport/Travelling, Electricity and Water, Medical, Administration Costs, and Activity) recorded 59% budget realization due to lower operational capitation transfers and phased releases from the Ministry.
3. FDSE Infrastructure (Maintenance and Improvement) achieved 86% realization, reflecting phased disbursement of infrastructure funds.
4. Fees Charged on Parents (Repairs and Maintenance, Other Vote Heads, Activity, and Boarding Equipment and Stores) recorded 83% realization, mainly due to phased fee payments and outstanding arrears.
5. PA Levies recorded 73% realization, largely attributable to fee arrears and partial remissions granted to parents.
6. Miscellaneous Income exceeded expectations as revenue was generated from bakery operations, farming activities, hire of school facilities, and interest earned, despite no initial budget allocation.
7. Total Income was realized at 87% of the approved budget, mainly due to under-collection of parental fees and partial capitation disbursements, partially offset by additional miscellaneous income.

10. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

Statement of Compliance

The financial statements have been prepared in accordance with the provisions of the Public Finance Management (PFM) Act, 2012, the Basic Education Act, 2013, and the applicable International Public Sector Accounting Standards (IPSAS) as adopted by the Public Sector Accounting Standards Board (PSASB) of Kenya.

In line with Treasury Circular No.03/2025 and the Cash-to-Accrual Accounting Transition Roadmap approved by the National Steering Committee, the entity has taken advantage of the transitional provisions under IPSAS 33: First-time Adoption of Accrual Basis IPSAS. Accordingly, these financial statements for the year ended 30th June 2025 represent the first transitional accrual financial statements, incorporating financial assets (cash and cash equivalents, receivables, prepayments) and financial liabilities (payables and third-party deposits). Other non-financial assets and inventories will be progressively onboarded in subsequent years as per the roadmap. Other non-financial assets and inventories have been disclosed but not recognized in these financial statements, consistent with Year 1 transitional requirements. Their formal recognition will follow the roadmap progression:

- Year 2 (FY 2025/2026): Inventories and identified non-financial assets will be onboarded into the Statement of Financial Position.
- Year 3 (FY 2026/2027): Full IPSAS accrual compliance will be achieved, with recognition of all assets (including property, plant and equipment, biological assets, heritage assets, and intangible assets) and all liabilities.

Basis of Preparation

These financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, statement of cash flow). Under an accrual basis, revenues are recognized when rights to assets are earned or levied rather than when cash is received, and expenses are

recognized when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of revenue and expenditure

The school recognizes all revenue from various sources when earned and all expenses when incurred.

The capitation grants include recurrent and development grants. Recurrent capitation are recognised in the statement of financial performance while development grants are recognised in the statement of financial position after meeting the revenue recognition criteria. The conditional grants will be recognised as revenue upon fulfilment of the set conditions.

3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment, or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of financial performance both as revenue and as expenditure in equal and opposite amounts; otherwise, the contribution is not recorded.

4. 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 an insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

For the purposes of these financial statements, imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits, and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

In line with the Public Finance Management Act, 2012, IPSAS 33: First-time Adoption of Accrual Basis IPSAS, and the transitional guidance provided under Treasury Circular No.03/2025, the school has adopted a phased approach to the recognition and reporting of non-current assets.

- **Transitional Treatment (FY 2024/2025 – Year 1):** Non-current assets are expensed at the time of acquisition, while disposal proceeds are recognized as receipts at the time of disposal. Acquisitions and disposals are reflected in the school's fixed asset register, a summary of which is provided as a memorandum to these financial statements.
- **Progression under IPSAS 33 Roadmap:**
 - i. **Year 1 (FY 2024/2025):** Disclosure of financial assets and liabilities only. Non-current assets are maintained in the fixed asset register but not recognized in the Statement of Financial Position.
 - ii. **Year 2 (FY 2025/2026):** Inventories will be onboarded into the Statement of Financial Position.
 - iii. **Year 3 (FY 2026/2027):** Full IPSAS accrual compliance will be achieved, with recognition of all non-current assets (including land, buildings, motor vehicles, office equipment, ICT equipment, textbooks, tools and apparatus, other machinery, heritage and cultural assets, and intangible assets) and application of depreciation, revaluation, and impairment policies in line with IPSAS requirements.
- Historical cost is used as the primary measurement basis during the transitional phase. Revaluations and depreciation will be introduced progressively as required under IPSAS accrual standards.

This policy ensures transparency during the transition period and demonstrates the school's preparedness for full IPSAS accrual compliance by **30th June 2027**, as directed by the National Treasury.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *School's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

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

10. 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 30th June 2025.

11. Notes To the Financial Statements**1 Government Grants for Tuition**

Description	2024-2025	2023-2024
	Kshs	Kshs
Teaching / Learning Materials	3,801,050	3,551,970
Total	3,801,050	3,551,970

2 Government Grants for Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	-	-
CBC Classrooms	-	-
Repairs and Maintenance		3,340,864
Electricity And Water	-	-
Medical	1,385,711	669,000
Administration Costs	-	-
Activity	913,961	1,349,834
Other Vote Heads	9,225,299	10,955,827
Total	11,524,971	16,315,525

3 Government Grants for infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance & Improvement	4,658,250	2,467,800
Interest earned	-	-
Emsilies Sec	-	-
Infrastructure acc	-	20,000,000
Other (Bank Charges).	-	-
Total	4,658,250	22,467,800

4 School Fund Income - Parents Contribution/Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Repairs and maintenance	2,842,200	2,803,642
Other Vote heads	27,316,227	29,070,247
Prepaid Fees	-	4,141,426
Bursary	-	3,431,680
Administration costs	-	-
Activity	1,134,037	1,117,736
Fee on Boarding Equipment and stores	43,180,125	42,471,589
Damages	44,651	-
PA Levies*	21,315,600	17,662,025
Total	95,832,840	100,698,345

*Includes all levies charged by the school outside the fees structure but by mutual agreement with the parents.

4(a) Reconciliation of Statement of Financial Performance to Statement of Cashflows

Description	Amount as per statement of financial performance	Adjustments for receivables & Prepayments	Amount as per statement of cashflows
	Kshs.	Kshs.	Kshs.
Repairs and maintenance	2,842,200	35,874	2,806,326
Other Vote heads	27,316,227	-	27,316,227
Prepaid Fees	-	3,005,529	3,005,529
Bursary	-	-	-
Arrears	-	-	16,618,947
Activity	1,134,037	152,635	981,402
Fee on Boarding Equipment and stores	43,180,125	8,188,981	34,991,144
Damages	44,651	-	44,651
PA Levies*	21,315,600	5,696,989	15,618,611
Total	95,832,840	17,080,008	101,382,837

5 Miscellaneous Incomes

Description	2024-2025	2023-2024
	Kshs	Kshs
Damages	-	99,281
Income From Farming Activities	-	-
Tender	-	128,200
Income From Bakery	173,200	1,460,450
Income From Bus Hire	-	353,850
Fee For Hire of Ground and Equipment under farm	7,529,099	767,700
Income From Facility Hire*	-	-
Interest Income	1,391,951	1,171,020
Bakery sale of bread	514,200	-
Facility hire	403,200	-
Sale of tenders	112,000	-
Total	10,123,650	3,980,501

* Facility hire income relates to revenue earned from hosting the national music festivals held at the School during the year for a period of one week. During this period, the school provided facilities as well as meals and accommodation for the festival participants.

5(a) Miscellaneous Incomes Reconciliation of Statement of Financial Performance to Statement of Cashflows

Interest income earned from bank deposits and other investments is presented as cash flows from investing activities in the statement of cash flows in accordance with IPSAS 2. Comparative figures have been reclassified to ensure consistency of presentation as shown below.

Description	2024-2025	2023-2024
	Kshs	Kshs
Miscellaneous income reported under cash from operating activities	8,731,699	2,809,481
Miscellaneous income reported under investing activities - Interest Income	1,391,951	1,171,020
Total income	10,123,650	3,980,501

6 Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Exercise Books	205,000	1,007,036
Textbooks	-	-
Reference materials	100,000	265,000
Laboratory Equipment	300,000	-
Teaching / Learning Materials	3,756,251	1,107,964
Exams And Assessment	-	-
Teachers Guides	-	-
Bank Charges	1,420	470
Others	-	-
Total	4,362,671	2,380,470

6(a) Reconciliation of Statement of Financial Performance to Statement of Cashflows

Description	<i>Amount as per statement of financial performance</i>	<i>Adjustments for accruals</i>	<i>Amount as per statement of cashflows</i>
	Kshs.	Kshs.	Kshs.
Exercise Books	205,000	-	205,000
Textbooks	-	-	-
Reference materials	100,000	-	100,000
Laboratory Equipment	300,000	-	300,000
Teaching / Learning Materials	3,756,251	737,275	3,018,976
Creditors	-	1,391,504	1,391,504
Teachers Guides	-	-	-
Bank Charges	1,420	-	1,420
Others	-	-	-
Total	4,362,671	737,275	5,016,900

7 Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	5,496,612	5,447,471
CBC Classrooms		1,596,165
Administration Cost	6,782,124	4,051,820
Repairs And Maintenance & Improvements	-	-
Creditors	-	-
Electricity And Water	1,801,531	1,111,291
Medical	-	283,990
Activity Expenses	200,000	-
Lab Chemicals & Equipment	2,841,760	-
Bank charges	4,391	10,020
Total	17,126,418	12,500,757
Operations Payments Reported in the Statement of Receipts and Payments	-	12,500,757
Less: Acquisition CBC Classrooms- Acquisition of Assets	-	1,596,165
Total	17,126,418	12,500,757

7(a) Reconciliation of Statement of Financial Performance to Statement of Cashflows

Description	<i>Amount as per statement of financial performance</i>	<i>Adjustments for accruals</i>	<i>Amount as per statement of cashflows</i>
	Kshs.	Kshs.	Kshs.
Personnel Emoluments	5,496,612	-	5,496,612
CBC Classrooms	-	-	-
Administration Cost	6,782,124	1,606,900	5,175,224
Repairs And Maintenance & Improvements	-	-	-
Electricity And Water	1,801,531	-	1,801,531
Creditors	-	1,261,376	1,261,376
Activity Expenses	200,000	-	200,000
Lab Chemicals & Equipment	2,841,760	1,325,050	1,516,710
Bank charges	4,391	-	4,391
Total	17,126,418	2,931,950	15,455,844

8 Infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Renovation of Hall		1,697,412
Construction of Tuition/Admn Complex	21,945,945	36,858,356
Construction of Bathrooms/ Toilets	4,981,370	-
EWC	873,130	-
Construction of Classrooms - Emsilies Secondary School*	8,807,016	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Bank Charges	4,064	4,881
Total	36,611,525	38,560,649

**The amount relating to the construction of six classrooms at Emsilies Secondary School represents funds provided by the Ministry to the school to facilitate the implementation of the project. Emsilies Secondary School is an institution mentored by the School, and the funds were administered through the school to support infrastructure development at the mentored institution.*

8(a) Reconciliation of Statement of Financial Performance to Statement of Cashflows

Description	Amount as per statement of financial performance	Adjustments for accruals	Amount as per statement of cashflows
	Kshs.	Kshs.	Kshs.
Construction of Tuition/Admn Complex	21,945,945	4,644,919	17,301,026
Construction of Bathrooms/ Toilets	4,981,370	-	4,981,370
EWC	873,130	-	873,130
Construction of Classrooms - Emsilies Secondary School	8,807,016	-	8,807,016
Bank Charges	4,064	-	4,064
Total	36,611,525	4,644,919	31,966,606

9 Boarding And School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	5,943,911	6,765,232
Service Gratuity	124,310	299,972
Repairs And Maintenance & Improvements	3,693,567	4,069,357
Local Transport / Travelling	3,626,100	3,342,847
Electricity And Water	1,883,400	2,479,789
Medical Expenses	1,007,952	649,100
Administration Costs	12,976,292	11,872,835
Activity	3,201,540	2,956,415
Bank Charges	115	11,007
Expenses On Income Generating Activities**	1,289,610	2,353,100
Fee On Boarding Equipment and Stores	56,885,817	63,800,898
Gratuity paid***	412,691	-
Bank Charges on gratuity acc	2,556	3,431,680
Expenses On Facility Hire under farm acc	7,435,895	-
Expenses on Farming Activities (Farm)	327,240	-
Academic Support	5,506,400	5,408,100
Total	104,317,396	107,440,332
Bakery Equip -Acquisition of Assets	-	(1,757,600)
Reported in the Cash flow	104,317,396	105,682,732

9(a) Reconciliation of Statement of Financial Performance to Statement of Cashflows

Description	Amount as per statement of financial performance	Adjustments for accruals & Prepayments	Amount as per statement of cashflows
	Kshs.	Kshs.	Kshs.
Personnel Emoluments	5,943,911	-	5,943,911
Service Gratuity	124,310	124,310	-
Repairs And Maintenance & Improvements	3,693,567	1,625,105	2,068,462
Local Transport / Travelling	3,626,100	443,260	3,182,840
Electricity And Water	1,883,400	276,000	1,607,400

Description	Amount as per statement of financial performance	Adjustments for accruals & Prepayments	Amount as per statement of cashflows
	Kshs.	Kshs.	Kshs.
Medical Expenses	1,007,952	-	1,007,952
Administration Costs	12,976,292	784,920	12,191,372
Activity	3,201,540	-	3,201,540
Bank Charges	2,671	-	2,671
Expenses On Income Generating Activities	1,289,610	-	1,289,610
Prepaid fees		4,141,426	4,141,426
Fee On Boarding Equipment and Stores	56,885,817	7,045,023	49,840,794
Gratuity paid	412,691	-	412,691
Expenses On Facility Hire under farm account	7,435,895	-	7,435,895
Creditors			9,670,568
Expenses on Farming Activities (Farm)	327,240	-	327,240
Academic Support	5,506,400	32,700	5,473,700
Total	104,317,396	14,472,744	107,798,072

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
			Kshs	Kshs
Tuition Account	Active	01139046690500	22,223	1,238,073
Operations Account	Active	01139046690501	1,793,318	6,485,241
School Fund Account/Boarding	Active	1102419990	2,428,111	124,385
Gratuity	Active	1297887425	102,765	18,012
Emsilies Account	Active	1335624228	1,193,774	-
Income Generating Activities Account	Active	1102422363	55,314	137,090
Infrastructural Account	Active	1271170086	7,594,744	443,083
Total			13,190,249	8,445,884

11 Cash In Hand

Description	2024-2025	2023-2024
	Kshs	Kshs
Notes and Coins	35,429	26,458
Total	35,429	26,458

12 Short Term Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	33,500,000
Other Investments	-	-
Total	-	33,500,000

13 Accounts Receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees Arrears	20,689,812	23,234,280
Other Non-Fees Receivables	-	-
Salary Advances	-	-
Imprest	-	-
Rent arrears	-	-
Total	20,689,812	23,234,280

13 b) Ageing Analysis of Accounts Receivable

Description	2024-2025		2023-2024	
	Kshs.	% of the total	Kshs.	% of the total
Less than 1 year	14,074,479	68%	17,445,494	75%
Between 1- 2 years	3,560,000	17%	2,275,128	10%
Between 2-3 years	2,068,500	10%	1,304,172	6%
Over 3 years	986,833	5%	2,209,486	9%
Total	20,689,812	100%	23,234,280	100%

14 Accounts Payable

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Annex 1)	14,000,543	12,323,448
Prepaid Fees	3,005,529	4,141,426
Retention Monies	4,644,919	
Gratuity	-	-
Caution money	-	-
Other payables	-	-
Total	21,650,991	16,464,874

14a. Ageing Analysis of Accounts Payable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	17,079,651	78%	16,464,874	100%
Between 1- 2 years	4,644,919	22%	-	0%
Between 2-3 years	-	%	-	0%
Over 3 years	-	%	-	0%
Total	21,724,570	%	16,464,874	100%

15 Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Balances	8,445,884	643,803
Cash Balances	26,458	79,358
Short Term Investments	33,500,000	-
Receivables	23,234,280	17,358,113
Payables	(16,464,874)	(11,587,540)
Total	48,741,748	6,493,734

Other important disclosure notes

IPSAS Cash Standard encourages an entity to disclose accrual-related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non-financial assets and liabilities.

16 Non-current Liabilities Summary

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2024-2025	2023-2024
		Kshs	Kshs
Cattle	21	1,340,000	1,560,000
Sheep	2	32,000	32,000
Trees	1112	936,000	962,000
Avocado	65	65,000	60,000
Poultry		-	-
Others (specify)		-	-
Total		2,373,000	2,614,000

In line with National Treasury Circular No. 03/2025 and the phased transition from cash to accrual accounting, the school has identified biological assets under its management. These include agricultural projects, livestock, and tree plantations maintained for educational, nutritional, and environmental purposes. In accordance with IPSAS 33 (First-time Adoption of Accrual Basis IPSAS), these biological assets are disclosed for transparency but have not yet been recognized in the financial statements for the year ended 30 June 2025. The recognition and valuation of biological assets at fair value less costs to sell will be implemented in Year 3 (FY 2026/2027) when full accrual accounting requirements take effect. This disclosure is intended to inform stakeholders of the existence and management of these assets during the transition period.

18 Borrowings

Description	2024-2025	2023-2024
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
Balance at the end of the year	-	-

19 Stock/ Inventory

Description	2024-2025	2023-2024
	Kshs	Kshs
Food stuffs/Stationery	7,141,525	2,658,946
Lab consumables	4,165,500	2,985,480
Farm produce	143,000	
Medication	89,600	109,087
Construction Materials	78,500	987,649
Others (specify)		-
	11,618,125	6,741,162

In line with National Treasury Circular No. 03/2025 and the Cash-to-Accrual Accounting Transition Roadmap, the school has identified and disclosed inventories held during the year. These include consumables, boarding supplies, and other operational items. In accordance with IPSAS 33 transitional provisions, these inventories are disclosed for transparency but are not yet recognized in the financial statements for FY 2024/2025. Recognition of inventories in the Statement of Financial Position will begin in FY 2025/2026, as part of the transition to full accrual accounting.

Progress On Follow Up of Auditor Recommendations

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

Ref No.	Issue / Observations from Auditor	Management comments	Status	Timeframe:
1	Long Outstanding Students Accounts Receivable of 18,356,945 not supported	Management acknowledges the concern. This arose because in earlier financial periods a manual way of record keeping was used. Management is in the process of capturing debtors' information in a digital form to ensure accuracy and ease in retrieval.	Not Resolved	30 th September, 2026
2	Unsupported accounts payables	The school has been maintaining ledgers and all records for suppliers in hard copy form. The records contain enormous amounts of data which could not be readily converted into soft copy. Fortunately, the school is now using a program that overcomes the challenge. Stores have been computerised which will make it possible for retrieval of information easily and for accuracy of supplier's records.	Not Resolved	30 th September, 2026
3	Failure to transfer Infrastructure Funds from Operations Account	Management delayed to transfer the funds but didn't failure to transfer. The delay was occasioned by late issuance of circulars with instructions on utilization of the said funds.	Not Resolved	30 th September, 2026
4	Late Submission of Financial Statements for Audit	The adoption of IPSAS cash basis of accounting posed challenges to the accounts staff in the initial stages. Now they are comfortable working with the standard.	Not Resolved	30 th September, 2026

Ref No.	Issue / Observations from Auditor	Management comments	Status	Timeframe:
5	Accuracy of Student Enrolment Data in NEMIS	NEMIS automatically deregisters all learner who turn age 18 and it also doesn't register students without birth certificates. These are challenges that need to be resolved by the ministry of Education because the management may not have a solution	Unresolved	30 th September, 2026
6	Lack of a Procurement plan and School Improvement plans	The school has ever since been preparing the documents to comply with the law.	Not Resolved	30 th September, 2026
7	Transfer of Funds to KSSHA	KESSHA is a legally constituted body which partners with other players in fostering learning in our institutions. The Ministry of Education recognizes it and fully ratifies all activities of KESSHA.	Unresolved	30 th September, 2026

Sign and Date
Albert Kosgei
Chief Principal

9/3/2026



12. Annexes**Annex I - Analysis of Pending Accounts Payable**

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024-2025	Outstanding Balance 2023-2024	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Dican Engineering		30/06/2024		200,000	200,000	
2. Yosat Ltd		30/06/2024		303,265		
3. Reany Ltd		30/06/2024		112,750		
4. Kaptarakwa		30/06/2024		-	93,300	
5. Kaptinga Quarry		30/06/2024		96,000	-	
Sub-Total				712,015	293,300	
Supply Of Goods						
6. Trinity Solutions		30/06/2024		428,920	-	
7. Mark Banners		30/06/2024		32,700	-	
8. Sharon Jepchumba		30/06/2024		65,000	-	
9. The Acts Welfare		30/06/2024		134,604	123,328	
10. Josephine Cherotich Shikami		30/06/2024		-	102,000	
11. Choronok Wholesalers		30/06/2024		1,688,846	2,348,005	
12. Vivian Kemei		30/06/2024		163,900	106,000	

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024-2025	Outstanding Balance 2023-2024	Comments
13. Titus Kipsang		30/06/2024		-	27,024	
14. Leah Kaptuya		30/06/2024		230,785	265,015	
15. Diesel Power		30/06/2024		286,260	427,575	
16. Oracle Enterprises		30/06/2024		214,500	984,900	
17. Yosat Ltd		30/06/2024		-	272,300	
18. Pishoni General Supplie		30/06/2024		276,000	244,000	
19. Hamilto Kipngetich		30/06/2024		-	229,954	
20. Samtab Electricals		30/06/2024		10,390	154,300	
21. Roda Tiony		30/06/2024		731,630	366,385	
22. George Kiplimo		30/06/2024		428,800	514,530	
23. Pauls Bakery		30/06/2024		282,100	55,309	
24. Sultan Chepchumba		30/06/2024		30,100	116,900	
25. Alfred Okonu		30/06/2024		-	10,400	
26. Haron Cheruiyot		30/06/2024		195,000	77,400	
27. Sharon Chepchumba		30/06/2024		-	78,000	
28. Climax Publishers		30/06/2024		-	18,000	
29. Charles Nyangau		30/06/2024		275,000	567,000	
30. Talent Accessories		30/06/2024		1,332,200	1,086,760	
31. Farm Sceptor		30/06/2024		-	291,250	

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024-2025	Outstanding Balance 2023-2024	Comments
32. Guideline Images		30/06/2024		-	177,500	
33. Krimir Crafts		30/06/2024		-	70,000	
34. Christopher Keter		30/06/2024		-	100,000	
35. Said Computers		30/06/2024		-	51,000	
36. Samuel Kiprono		30/06/2024		35,640	28,250	
37. Mark Limo		30/06/2024		116,000	144,000	
38. Telehelp Enterprises		30/06/2024		-	30,500	
39. Caroline Kipchumba		30/06/2024		558,520	321,979	
40. Regina Kipkorir		30/06/2024		-	10,000	
41. Shanir Wool Shop		30/06/2024		-	29,950	
42. Jackson Kweya		30/06/2024		-	26,000	
43. Fair Deal Furniture		30/06/2024		47,425	195,885	
44. Biocytes Pharmaceuticals		30/06/2024		-	55,920	
45. Scarpany Ventures		30/06/2024		-	32,000	
46. Static Distributors		30/06/2024		-	419,400	
47. Vineyard Sounds		30/06/2024		-	135,000	
48. Rael Ngisirei		30/06/2024		-	106,875	
49. Keninido Enterprises		30/06/2024		-	238,050	
50. Gurdit Sign		30/06/2024		737,275	1,391,504	

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024-2025	Outstanding Balance 2023-2024	Comments
51. Elisabeth Songok		30/06/2024		517,140	-	
52. Susan Cherotich		30/06/2024		57,950	-	
53. Royal Star		30/06/2024		202,400	-	
54. Caroline Jepkemei		30/06/2024		-	-	
55. Enivo Steel Works		30/06/2024		128,200	-	
56. Benjamin Sum		30/06/2024		101,000	-	
57. Sugar Land		30/06/2024		690,920	-	
58. Virginia Ndinda		30/06/2024		11,500	-	
59. Simatwet Holdings		30/06/2024		141,794	-	
60. Diss Ltd		30/06/2024		83,000	-	
61. Rentol Kill		30/06/2024		11,314	-	
62. Clement Kipyia		30/06/2024		800,000	-	
63. Zenith Lab		30/06/2024		155,438	-	
64. Eldo Lab		30/06/2024		564,612	-	
65. Eldoline Enterprises		30/06/2024		605,000	-	
66. Leldis General Supplies		30/06/2024		22,500	-	
67. Ogive Solutions		30/06/2024		83,655	-	
68. Negik Ventures		30/06/2024		178,960	-	
69. Home Health Education Services		30/06/2024		59,140	-	

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024-2025	Outstanding Balance 2023-2024	Comments
70. Mowtech Enterprise		30/06/2024		274,700	-	
Sub-Total				12,990,818	12,030,048	
Supply Of Services						
71. Charles Gakinya		30/06/2024		74,000	-	
72. Wilfred Yator		30/06/2024		39,400	-	
73. National Bank		30/06/2024		60,000	-	
74. Mary Monte		30/06/2024		36,028	-	
75. Electina Iminza		30/06/2024		33,078	-	
76. Ernest Alila Indeche		30/06/2024		55,204	-	
Sub-Total				2,371,446	4,141,426	
Grand Total				14,000,543	16,464,874	

A.I.C Chebisaas Boys High School
Annual Report and Financial Statements For the year ended 30th June 2025

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2024	Additions/ Revaluation during the year (Kshs)	Disposals/ Depreciation during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2025
Land	136,000,000			136,000,000
Buildings And Structures	171,096,814	36,611,525		207,708,339
Motor Vehicles	9,100,000			9,100,000
Office Equipment, Furniture and Fittings	920,000			920,000
Textbooks	5,543,710			5,543,710
ICT Equipment	5,804,000			5,804,000
Tools And Apparatus	1,862,000			1,862,000
Other Machinery and Equipment	3,154,600			3,154,600
Heritage And Cultural Assets				
Intangible Assets- Soft Ware	305,000			305,000
Total	333,786,124	36,611,525		370,397,649

In line with National Treasury Circular No. 03/2025 and the phased transition from cash to accrual accounting, the school has identified and disclosed its Property, Plant and Equipment (PPE). These assets comprise land, buildings, motor vehicles, office equipment, textbooks, ICT equipment, tools and apparatus, other machinery, and software. As at 30 June 2025, the total value of PPE recorded at historical cost amounted to Kshs. 370,397,649. In accordance with the transitional provisions of IPSAS 33 – First-time Adoption of Accrual Basis IPSAS, these assets have been disclosed for transparency purposes but have not yet been recognized in the financial statements. The recognition and depreciation of PPE will commence in FY 2026/2027, when the school fully transitions to accrual-based accounting.