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**GATHANJI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2021**

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

GATHANJI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Kiambu County, Githunguri Sub-County

The school was registered in 03/2015 under registration number 22S00300058 and is currently categorized as a Sub-County public school established, owned or operated by the Government.

The school is a day school and had 232 number of students as at 30th June 2021. It has Two streams and 15 teachers of which no teacher is 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	George Wakayu	Chairman	1st July, 2019
2	Charles Gitau Gathere	Secretary- Principal	1st July, 2019
3	John Wairumbi	Member	1st July, 2019
4	Grace Mwihaki	Member	1st July, 2019
5	Peter Ndiba	Member	1st July, 2019
6	Phillip Kimani Muturi	Member	1st July, 2019
7	Peter Mbugua Kiroko	Member – Rep CEB	1st July, 2019
8	Peter Kimani Ndungu	Member Rep Teachers	1st July, 2019
9	Philip Mwihia	3 Members - Sponsor	1st July, 2019
10	Rev. Francis Ndegwa	”	1st July, 2019
11	Anastacia Komu	Member - Community	1st July, 2019
12	Daniel Gathogo	”	1st July, 2019
13	Grace Wangari Kamau	”	1st July, 2019
14	Mary Wangari Gitiha	MemberSpecial Needs	1st July, 2019
15	Ruth Wanjiru Githinji	Rep Students	1st July, 2019

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management includes:

- 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, 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 part 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	George Wakayu Phillip Mwhia John Wairumbi Charles Gitau	Chair BOM BOM BOM Secretary BOM	
2	Audit Committee			
3	Finance, procurement and general purposes Committee	Mr Phillip Muturi Grace Wangari Phillip Mwhia Mary Wangari	BOM Member BOM Member BOM Member BOM Member	
4	Academic Committee	Peter Kiroko Phillip Kimani John Wairumbi George Wakayu	BOM Member BOM Member BOM Member BOM Member	
5	Development Committee			
6	Discipline and welfare Committee	Anastasia Komu Rev. Francis Ndegwa Peter Ndiba Grace Mwhiki	BOM Member BOM Member BOM Member BOM Member	
7	Adhoc Committee (if any during the year)			

(d) School operation Management

For the financial year ended 30th June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number	ID.NO.
1	Principal	Charles Gitau Gatherer	371640	11332263
2	Deputy Principal	Hannah Wambui Mwangi	387737	11272801
3	School Bursar	Margaret wangari Wanjiru	None	14656712

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 68 Githunguri
Telephone: 0795691488
E-mail: gathanjisec@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

Gathanji secondary school operated 4 numbers of bank accounts in the following banks:

1. Name of Bank: KCB
Branch: GITHUNGURI
Account Number: 1105023346
SCHOOL FUND ACCOUNT
2. Name of Bank: KCB
Branch: GITHUNGURI
Account Number: 1105030598
OPERATIONS ACCOUNT
3. Name of Bank: KCB
Branch: GITHUNGURI
Account Number: 1105032027
TUITION ACCOUNT
4. Name of Bank: KCB
Branch: GITHUNGURI
Account Number: 1282875035
INFRASTRUCTURE ACCOUNT
5. MPESA Pay Bill No. 38793K attached to KCB bank account 1105023346

(g) Independent Auditors

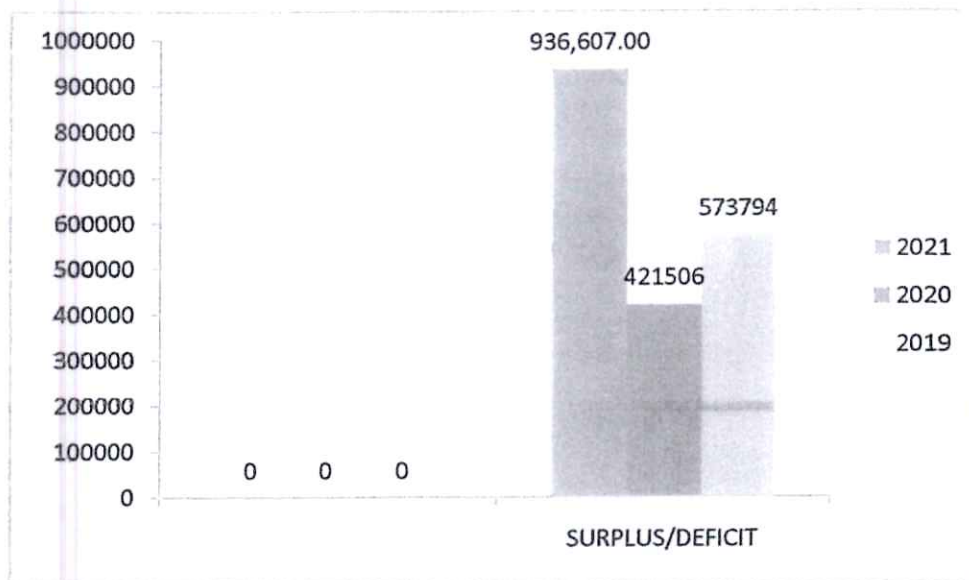
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

a) Financial performance:

- Surplus/ deficit for the year and a comparison of the same for the last three year

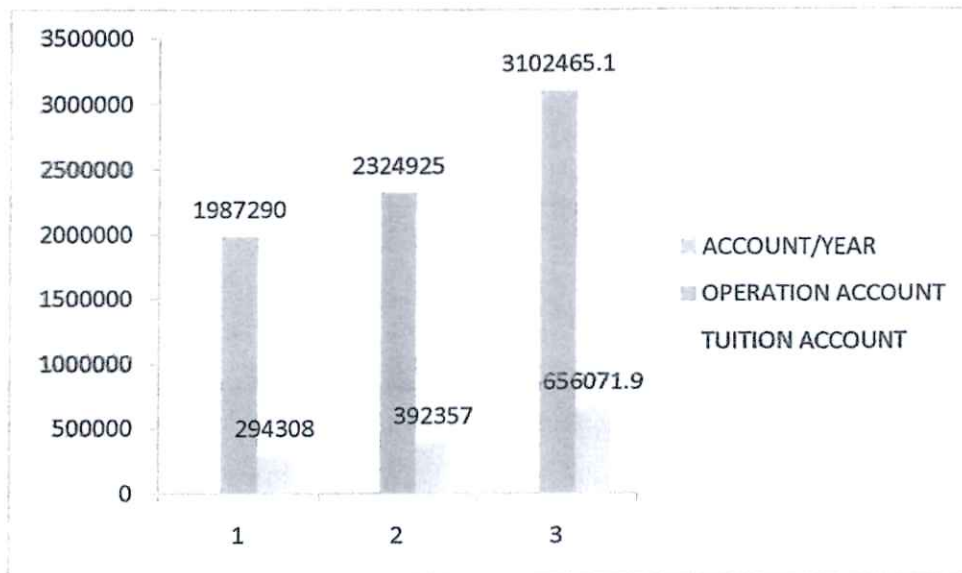
YEAR	2021 KSH.	2020 KSH.	2019 KSH.
SURPLUS/DEFICIT	936,607.00	421506.00	573794.00



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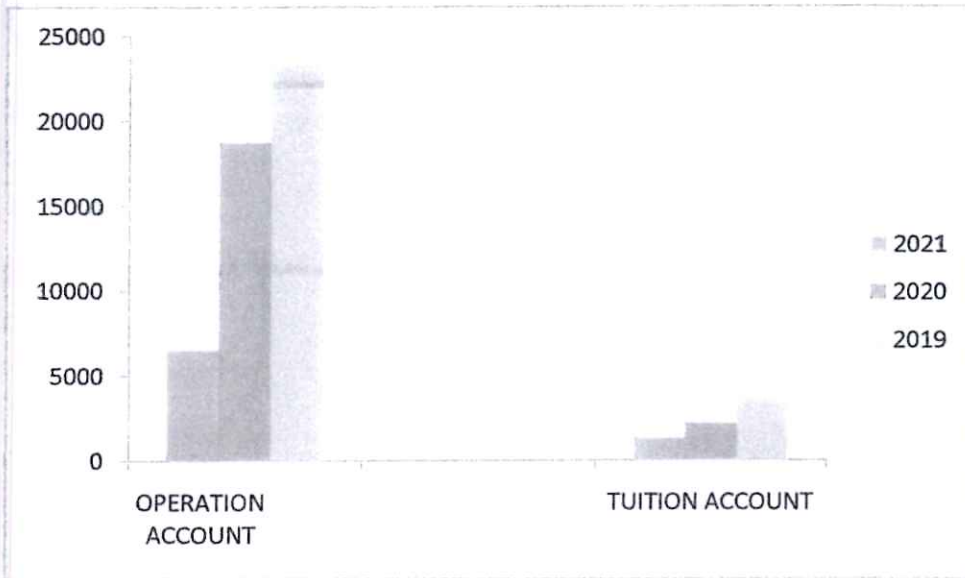
- *Capitation grants from the Ministry of Education for the last three years*

YEAR	2021 KSH.	2020 KSH.	2019 KSH.
OPERATION ACCOUNT	1987290.00	2324925.00	3102465.10
TUITION ACCOUNT	294308.00	392357.00	656071.90



-Ratio of capitation grant per student over the last three years

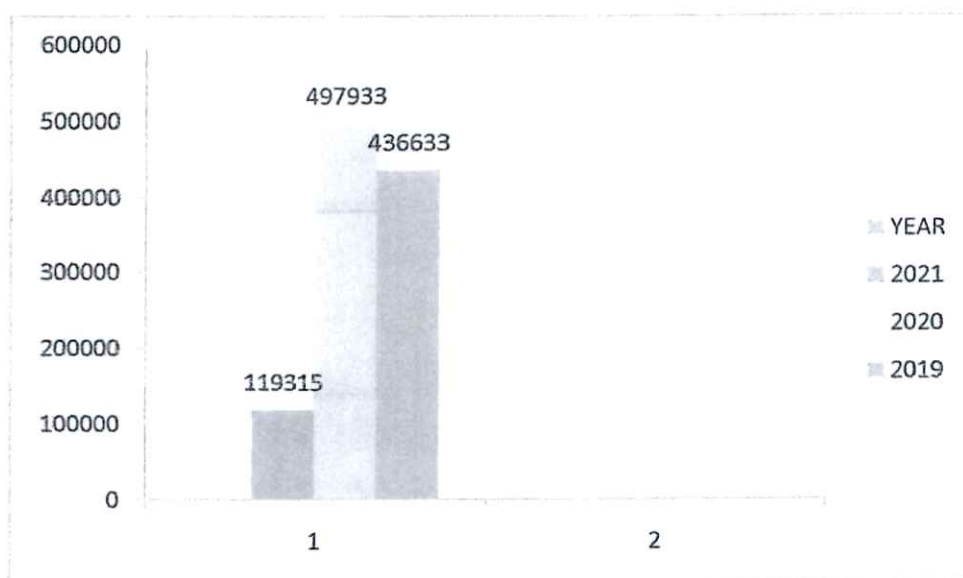
YEAR	2021 KSH.	2020 KSH.	2019 KSH.
OPERATION ACCOUNT	1: 6566.00	1: 18772.5	1 : 23418.7
TUITION ACCOUNT	1: 1312.75	1: 2197.00	1: 3686.65



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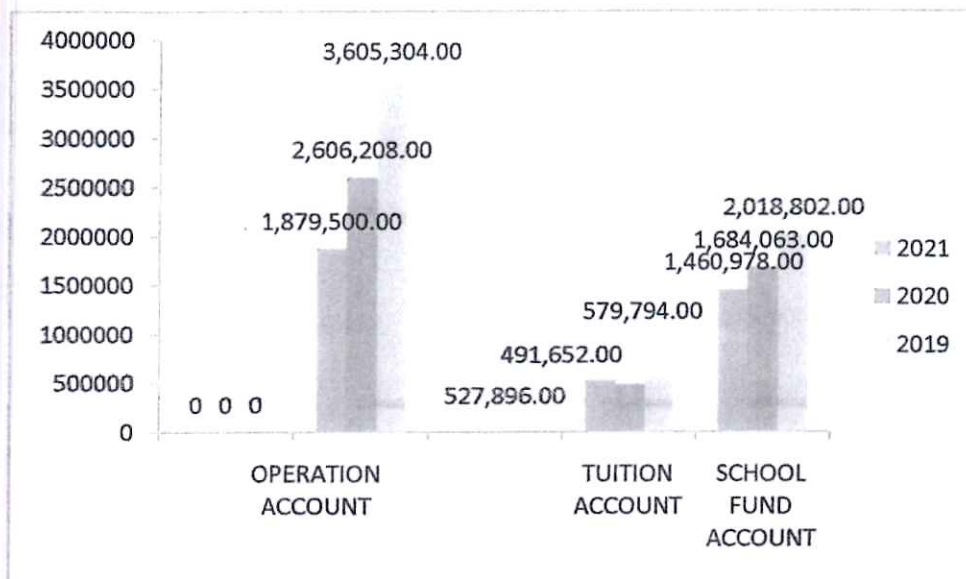
- A three-year overview of growth of other income(s) earned by the school.

YEAR	2021 KSH.	2020 KSH.	2019 KSH.
OTHER INCOME(S)	119315.00	497933.00	436633.00



- A three-year overview of growth in expenditure of the school

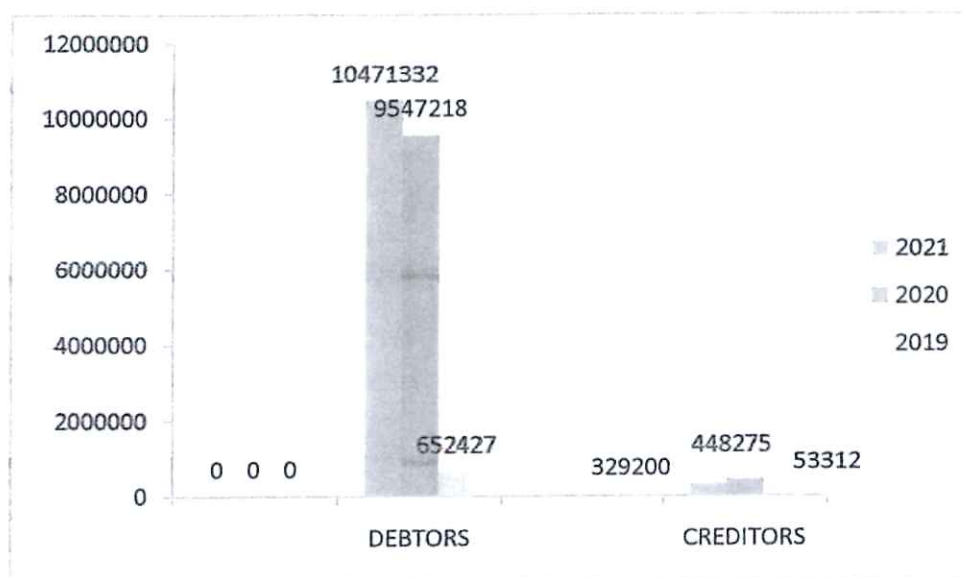
YEAR	2021 KSH.	2020 KSH.	2019 KSH.
OPERATION ACCOUNT	1,879,500.00	2,606,208.00	3,605,304.00
TUITION ACCOUNT	527,896.00	491,652.00	579,794.00
SCHOOL FUND ACCOUNT	1,460,978.00	1,684,063.00	2,018,802.00



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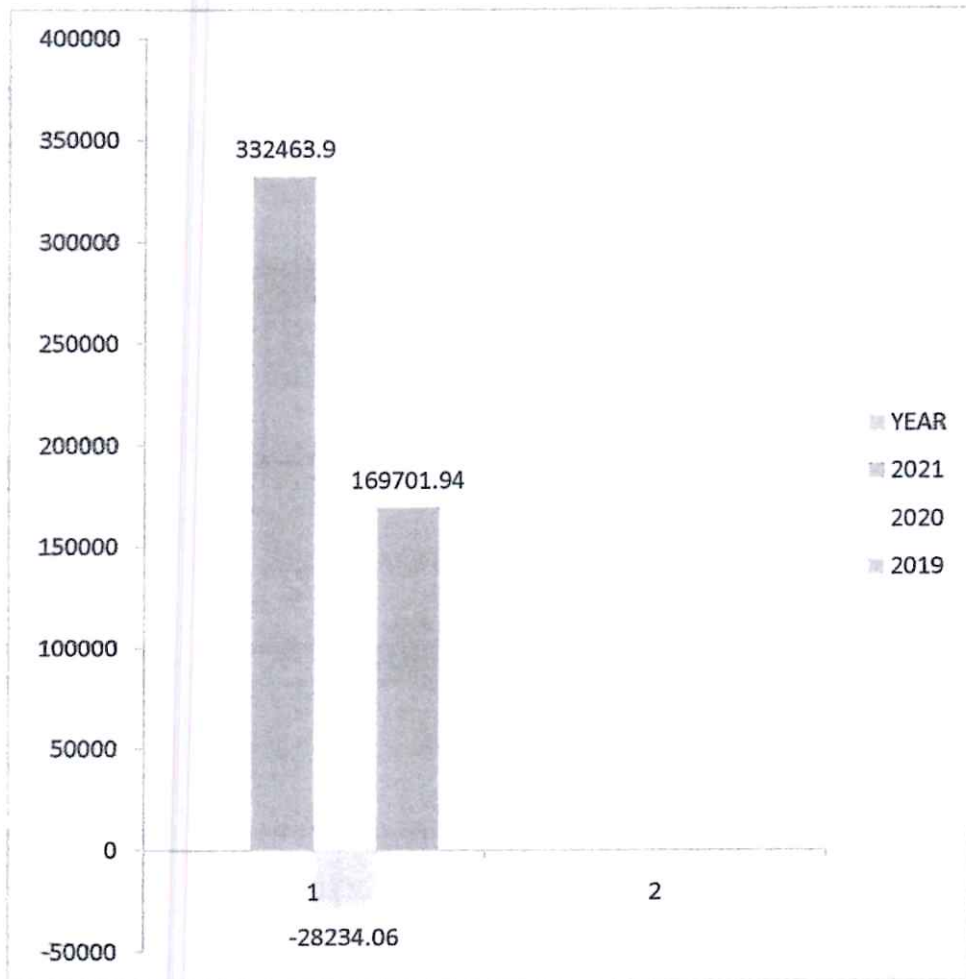
- Movement of debtors and creditors of the school over the last three years

YEAR	2021 KSH.	2020 KSH.	2019 KSH.
DEBTORS	10471332.00	9547218.00	652427.00
CREDITORS	796480.00	448275.00	53312.00



- *Movement of cash and bank balances over the last three years*

YEAR	2021	2020	2019
	KSH.	KSH.	KSH.
CASH AND BANK BALANCES	332463.90	-28234.06	169701.94



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b) Teacher Student ratio:

<i>Teacher to student ratio</i>	<i>No. Of teachers recruited</i>	<i>No. Of teachers transferred/retired</i>	<i>No. Of teachers employed by TSC</i>	<i>No. Of teachers employed by BOM</i>			
1:16	None	None	15	None			

c) Mean score in the 2021 KCSE:

Year	Year 2021	Year 2020	Year 2019
No. Of students transitioned to institutions of higher learning	0	1	2
Mean Score	2.4286	2.9130	3.0556
Set Score	3.2	3.2	3.0
Rise/Drop	-0.7714	-0.287	+0.0556

d) Number of Candidates in the 2021 KCSE:

NUMBER OF KCSE CANDIDATES OVER THE LAST THREE YEARS

Year	2021	2020	2019
No. Of candidates	56	46	55

e) Capacity of the school:

Facilities/ No. Of students	Dining hall	Laboratories	Toilets
232	1:232	1:232	1:26

f) Development projects carried out by the school:

There was no development project

Sign:
Mary Mathe
School Principal



III. 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 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 be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *Gathanji Secondary School* accepts responsibility for the school's financial statements, which have been prepared on the Cash 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, 2021, and of the school's financial position as at that date.

Name: Joel Kangethe
Designation: Chairman, School Board of Management
Sign:
Date: 31/7/2024

Name: Mary Mathe
Designation: School Principal & Secretary to Board of Management
Sign:
Date: 31/7/2024

Name: Margaret Wangari
Designation: Bursar/ Finance Officer
Sign: ~~Margaret~~
Date: 31/7/2024



REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
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P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON GATHANJI SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE 2021 - KIAMBU COUNTY

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 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.
- 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.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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 Gathanji Secondary School-Kiambu county set out on pages 17 to 36, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and

Report of the Auditor-General on Gathanji Secondary School for the six (6) months' period ended 30 June, 2021 - Kiambu County

payments, statement of cash flows and the budgeted versus 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 Gathanji Secondary School as at 30 June, 2021, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Presentation of Financial Statements

The financial statements submitted for audit had the following presentation and inaccuracies anomalies as detailed below:

- i. Header that reads Gathanji Secondary School, Annual report and financial statements has been omitted in pages 4,6,8,10,12,14,16, 18,21,23,25,27,29,31,33,35,42,44.
- ii. Accounts receivables, accounts payable and accumulated fund brought forward in the statement of financial assets and financial liabilities have been indicated as in Notes 10, 11 and 12 but are in Notes 11, 12 and 13.
- iii. Capitation grant for operation in the cashflow statement amounts to Kshs.2,212,506 has wrongfully included Kshs.225,216 borrowed from school fund account.
- iv. The statement of cashflow reflects other receipts of Kshs.Nil, while statement of receipts and payments has the same balance as Kshs.119,315. The resultant variance was not explained or reconciled.
- v. The cashflow statement reflects payment for operations and boarding and school fund payments of Kshs.1,987,300 and Kshs.1,859,894 respectively while the statement of receipts and payments has payments for operation of Kshs.1,879,500 and boarding and school fund payment of Kshs.1,460,978. The resultant variances were not explained or reconciled.
- vi. The statement of budget versus actual reflects total incomes of Kshs.3,388,668 while that statement of receipts and payments has the same as Kshs.4,804,981 leading to unexplained variance of Kshs.1,416,313.
- vii. Statement of budget versus actual reflects total actual expenses of Kshs.3,508,239 while statement of receipts and payment has this amount as Kshs.3,868,374 leading to unexplained variance of Kshs.360,135.

- viii. The budget utilization difference for lunch programme under fee charged on parents is indicated as Kshs.780,755 while the recalculated amount is Kshs.1,082,245 leading to unexplained variance of Kshs.301,490.

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

2. Accounts Receivable

2.1 Unsupported Accounts Receivable

The statement of financial assets and financial liabilities indicates accounts receivables amounting to Kshs.10,471,332 as disclosed in Note 11(wrongly indicated as note 10) being fee arrears. However, Management did not provide the student details of name, admission dates, amount owed and the students debtors aging analysis.

In the circumstances, the accuracy and completeness of the current receivables of Kshs.10,471,332 could not be confirmed.

2.2 Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs10,416,313 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs8,343,479 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs10,416,313 could not be confirmed.

3. Unsupported Pending Bills

The statement of financial assets and liabilities reflect accounts payable amounting to Kshs.796,480 as disclosed in Note 12 to the financial statements, which include trade creditors of Kshs.777,475. However, the supporting schedule indicated the amount as Kshs.329,200, resulting to an unexplained variance of Kshs.448,275.

Further, Management did not provide detailed list of trade creditors indicating the supplier's name, contract date, contract sum, description of the goods supplied/service offered, order number, date service or good were supplied and the payables aging analysis for audit review. Management did not provide procurement files containing records such as budgets, procurement plan, requisitions, tender advertisement/request for quotation, appointment of tender opening and evaluation committees, committees' minutes, professional opinions, award, acceptance and regret letters, contract agreement.

In the circumstances, the authenticity, accuracy and completeness of the pending bills of Kshs.777,475 could not be confirmed.

4. Unsupported Payments

The statement of receipts and payments for the year ended 30 June, 2021 reflects payments for operations balance of Kshs.1,879,500 as disclosed in Note 6 of the financial statements. Examination of sampled payment vouchers amounting to Kshs.627,675 revealed that the payments were not supported by relevant documentation that includes;

- i. Requisitions for the purchased goods, services and travels.
- ii. Payments orders, invoices, delivery notes and inspection and acceptance committee report.
- iii. Payment vouchers signed by the preparer.
- iv. Procurement files and tender documents.
- v. Payment voucher supported by evidence of travel which includes; bus tickets/ taxi receipts/ work tickets to and from the destination.
- vi. School list of registered suppliers.

In the circumstances, the accuracy and validity of Kshs.627,675 incurred under operations expenditure could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Gathanji Secondary 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 revenue budget and actual on comparable basis of Kshs.7,175,825 and Kshs.3,388,668 respectively, resulting to under-collection of Kshs.3,787,157, or 53% of the budget. Similarly, the final budgeted and actual expenditure incurred in the year were Kshs.7,159,955 and Kshs.3,508,239 respectively resulting to an under absorption of Kshs.3,651,716, or 51% of the budget.

Further, the School realized actual revenue of Kshs.4,804,981 against actual expenditure of Kshs.3,868,374 resulting to an under absorption of Kshs.936,607, or 19% of the actual receipts.

The under-collection and under absorption imply that the School did not undertake some of the planned activities for the year thereby impacting negatively on its operations and its strategic objectives.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matters described in the Basis for Conclusion on 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. Reallocation of Funds from School Fund Account to Operations Account

The statement of receipts and payments reflects capitation grants for operations of Kshs.2,212,506 as disclosed in Note 2 to the financial statements. Examination of the receipts revealed that an amount of Kshs.225,216 intended for School fund activities was irregularly transferred to operation account. At the time of audit, an amount of Kshs.117,416 was yet to be refunded to school fund account.

In the circumstances, regularity and accountability of the transfers could not be confirmed.

2. Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments and Note 6 reflects payment for operation amounting to Kshs.1,879,500, which include payment for co-curricular funds totalling Kshs.265,950 paid to Kenya Secondary School Heads Association. 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 Kshs265,950 could not be confirmed. .

3. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The statement of receipts and payments reflects capitation for operation of Kshs.1,987,290 which include Kshs.995,000 that was supposed to be transferred to the infrastructure account. However, only Kshs.100,000 was transferred to the infrastructure account resulting to an unexplained variance of Kshs.895,000. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which

Report of the Auditor-General on Gathanji Secondary School for the six (6) months period ended 30 June, 2021 - Kiambu County

directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

4. Lack of School Improvement Plan

The School lacks a school improvement plan. The absence poses significant risk to the School's ability to set strategic goals, allocate resources effectively, and implement initiatives aimed at enhancing educational outcomes. Further, without a structured plan in place, the School may struggle to address key areas for improvement, respond to challenges and fulfil its mission effectively.

In the circumstances, the effectiveness of the School's improvement and strategic planning could not be confirmed

5. Lack of a Procurement Plan

The statement of receipts and payments reflects an amount of Kshs4,804,981 and Kshs3,868,374 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

6. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 14 April 2023 instead of the statutory deadline of 30 September 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements

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

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

Review of the financial statements revealed that the cover page and page headers incorrectly indicates that the Annual Report and financial statements for the year ended 30 June 2021 instead of "For the Six (6) Months ended 30 June, 2021" contrary to the Public Sector Accounting Standards Board reporting requirements

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack relevant information may affect users' reliance on the financial statements for decision making.

The audit was conducted in accordance with ISSAI 4000. The Standard requires 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 are in compliance, 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 and based on the audit procedures performed, except for the matter 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. Failure to Establish Mandatory Board Committees

Examination of the board of management meeting minutes provided for audit and discussion with Management revealed that the board of management failed to establish audit committee and the Discipline and Welfare committee were merged into a single committee rather than separate committees. This violates section 61(2) of the Basic Education Act, 2013, which requires mandatory establishment and distinction of committees.

In the circumstances, the School will not achieve its strategic objectives.

2. Unsupported Qualifications of Board of Management Members

Included in the Key school information and management are fifteen (15) board members. Examination of the thirteen out of the fifteen board of management members personal files revealed that necessary academic certificates required to meet the minimum qualifications for the Chairman and Board members were not attached. The qualifications include a degree from a university recognized in Kenya for the Chairman and KCSE certificates for members, as outlined by Regulation 6 of the Basic Education Regulations, 2015.

In the circumstances, the School will not achieve its strategic objectives.

3. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register which includes land with an estimated area of 4.2 acres. However, land ownership documents were not provided for audit. In addition, the register has no values reflected, fixed assets register has not been prepared and the fixed assets were not been tagged.

In the circumstances, the ownership and safe custody of the fixed assets 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 Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the School's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 January, 2025

**GATHANJI SECONDARY SCHOOL
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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	294,308.00	392,357.00
Capitation grants for operations	2	1,987,290.00	2,324,925.00
School Fund Income- Parents' Contributions	3	2,404,068.00	1,988,214.00
School Fund Income- Other receipts	4	119,315.00	497,933.00
Proceeds from borrowings		0.00	0.00
TOTAL RECEIPTS		4,804,981.00	5,203,429.00
PAYMENTS			
Payments for Tuition	5	527,896.00	491,652.00
Payments for operations	6	1,879,500.00	2,606,208.00
Boarding and school fund payments	7	1,460,978.00	1,684,063.00
TOTAL PAYMENTS		3,868,374.00	4,781,923.00
SURPLUS/DEFICIT		936,607.00	421,506.00

The school financial statements were approved on 14th March, 2022 and signed by:

Sign: 

Name Joel Kangethe

Chair BOM

Date: 

Sign: 

Name Mary Mathe

School Principal/
Secretary to BOM

Date: 

Sign: 

Name Margaret Wangari

Bursar/
Finance Officer

Date: 31/7/2024

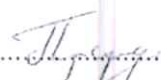


VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021

	Note	2020-2021 Kshs	2019-2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	333,235.04	(21,345.96)
Cash Balances	9	(771.10)	(6,888.10)
Short term Investment	10	0.00	0.00
Total Cash and cash equivalent		332,463.94	(28,234.06)
Accounts receivables	10	10,471,332.00	9,547,218.00
TOTAL FINANCIAL ASSETS		10,803,795.94	9,518,983.94
FINANCIAL LIABILITIES			
Accounts Payables	11	796,480.00	448,275.00
NET FINANCIAL ASSETS		10,007,315.94	9,070,708.94
REPRESENTED BY			
Accumulated Fund b/fwd	12	9,070,708.94	8,649,202.94
Surplus/Deficit for the year		936,607.00	421,506.00
NET FINANCIAL POSSITION		10,007,315.94	9,070,708.94

The School's financial statements were approved on 14th March, 2022 and signed by:

Name: Joel Kangethe
Chairman, BoM

Sign: 

Date: 3/7/2024

Name: Mary Mathe
School Principal/Secretary
to BoM

Sign: 

Date: 3/7/2024

Name: Margaret Wangari
Bursar/Finance

Sign: 

Date: 3/7/2024



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VII STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		2020-2021	2019-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	294,308.00	392,357.00
Capitation grants for operations	2	2,212,506.00	2,324,925.00
School fund income- Parents contributions/ fees	3	1,976,574.00	1,988,214.00
School fund income- other receipts	4	0.00	497,933.00
Total receipts		4,483,388.00	5,203,429.00
Payments			
Payments for Tuition	5	275,496.00	491,652.00
Payments for operations	6	1,987,300.00	2,606,208.00
Boarding and school fund payments	7	1,859,894.00	1,684,063.00
Total payments		4,122,690.00	4,781,923.00
Net cash flow from operating activities		360,698.00	421,506.00
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		360,698.00	421,506.00
Cash and cash equivalent at BEGINNING of the year		(28,234.06)	(449,740.06)
Cash and cash equivalent at END of the year		332,463.94	(28,234.06)

VII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c%
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	0.00		0.00	0.00	0.00	
Exercise books	158,700.00		158,700.00	51,035.00	107,665.00	32.2%
Laboratory equipment	63,480.00		63,480.00	103,460.00	-39,980.00	163.0%
Internal exams	31,740.00		31,740.00	37,555.00	-5,815.00	118.3%
Teaching / learning materials	31,740.00		31,740.00	68,497.00	-36,757.00	215.8%
Chalks	15,870.00		15,870.00	21,569.00	-5,699.00	135.9%
REF/Library	15,870.00		15,870.00	12,192.00	3,678.00	76.8%
Exams and assessment						
Teachers guides						
TOTAL				294,308.00		
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	1,562,850.00		1,562,850.00	558,503.00	1,004,347.00	35.7%
Repairs and maintenance	1,150,000.00		1,150,000.00	882,000.00	268,000.00	76.7%
Local transport / travelling	625,140.00		625,140.00	214,223.00	410,917.00	34.3%
Electricity and water	312,570.00		312,570.00	138,652.00	173,918.00	44.4%
Medical	0.00		0.00			
Administration costs	625,140.00		625,140.00	193,912.00	431,228.00	31.0%
Activity						
Gratuity						
TOTAL				1,987,290.00		

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(3) FEES CHARGED ON PARENTS						
Lunch Programme	2,070,000.00		2,070,000.00	987,755.00	780,755.00	47.7 %
Uniforms	512,725.00		512,725.00	113,215.00	399,510.00	22.1 %
KNEC Repeater				6,100.00	(6,100.00)	
Repairs and maintenance						
Local transport / travelling						
Electricity and water						
Administration costs						
SMASSE						
TOTAL				1,107,070.00		
OTHER INCOME						
Rent income						
Income from farming activities						
Insurance compensation						
Income from Posho mill						
Income from Bus Hire						
Fee for hire of ground and equipment						
Interest income						
Income from any other investment						
TOTAL INCOME				3,388,668.00		

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials						
Exercise books	158,700.00		158,700.00	41,240.00	117,460.00	26.0 %
Laboratory equipment	63,480.00		63,480.00	186,420.00	(122,940.00)	293 %
Internal exams	31,740.00		31,740.00	0.00	31,740.00	
Teaching / learning materials	31,740.00		31,740.00	47,836.00	(16,096.00)	150 %
Chalks	15,870.00		15,870.00	0.00	15,870.00	
Administration costs						
Bank Charges						
TOTAL				275,496.00		
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	1,562,850.00		1,562,850.00	620,667.00	942,183.00	39.7%
Repairs, maintenance & improvements	1,150,000.00		1,150,000.00	11,500.00	1,138,500.00	1%
Local transport / travelling	625,140.00		625,140.00	286,330.00	338,810.00	45.8%
Electricity, water and conservancy	312,570.00		312,570.00	248,250.00	64,320.00	79.4%
Medical				650.00	(650.00)	
Administration costs	625,140.00		625,140.00	582,393.00	42,747.00	93.1%
Activity Expenses				128,500.00	(128,500)	
TOTAL				1,878,290.00		

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c%
	Kshs	Kshs			Kshs	Kshs
(3) EXPENDITURE FOR SCHOOL FUND						
Lunch programme	2,070,000.00		2,070,000.00	1,204,453.00		
Uniform	512,725.00		512,725.00	150,000.00	865547.00	58%
Repairs, maintenance and improvements					362,725.00	29.3%
Local transport / travelling						
Electricity, water and conservancy						
Medical Expenses						
Administration costs						
Activity						
Gratuity						
Insurance costs						
Acquisition of Assets						
TOTALS				1,354,453.00		

The overutilization above 100% on laboratory Equipments and Teaching and Learning materials is due to the increased cost on lab chemical and equipments & increase on cost of teaching and learning materials compared to the government funding for Tuition. The under utilization below 90% is due to the use previous stock of exercise books that we had in the store

VIII. 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

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *school* and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs and the related cash has actually been paid out by the *school*.

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 receipts and payments both as a receipt and as a payment 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 insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. **Accounts Receivable**
For the purposes of these financial statements, imprests 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. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. 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 fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.
7. **Non-current assets**
Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.
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 2021

IX. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	0.00	0.00
Exercise books	51,035.00	78,440.00
Laboratory equipment	103,460.00	117,660.00
Internal exams	0.00	0.00
Teaching / learning materials	68,497.00	78,597.00
Chalks	21,569.00	39,220.00
Exams and assessment	37,555.00	78,440.00
Library and reference	12,192.00	0.00
Total	294,308.00	392,357.00

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	558,503.00	738,137.00
others	-	-
Local transport / travelling	214,223.00	105,735.00
Electricity and water	138,652.00	171,110.00
RMI	882,000.00	926,000.00
Medical	-	42,400.00
Administration costs	193,912.00	256,743.00
Interest	-	-
Activity	-	84,800.00
Total	1,987,290.00	2,324,925.00

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	JANUARY-JUNE 2021	Year 2020
	Kshs	Kshs
other voteheads	-	-
lunch programme	2,404,068.00	1,975,214.00
Repairs and maintenance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Administration costs	-	13,000.00
infrastructure	-	-
courses	-	-
losses/damages	-	-
Activity	-	-
Total	2,404,068.00	1,988,214.00

NB: The total amount expected to be collected during the year = Fees balances during the year + Money collected for lunch during the year (1416313+987755) =2404068

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	JANUARY-JUNE 2021	Year 2020
	Kshs	Kshs
clubs and societies		-
Income from farming activities		-
exams	6,100.00	
uniform	113,215.00	497,933.00
Income from Bus and ground Hire		-
Tenders		
Total	119,315.00	497,933.00

The school received grants from the Government in the Tuition and Operations accounts.

5 PAYMENTS FOR TUITION

	JANUARY-JUNE 2021	JULY-DECEMBER 2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	41,240.00	93,330.00
Laboratory equipment	305,990.00	240,990.00
Internal exams	-	-
Teaching / learning materials	180,666.00	121,860.00
Chalks	-	5,350.00
Exams and assessment	-	29,000.00
Teachers guides	-	-
Administration Costs	-	-
Bank Charges	-	1,122.00
Total	527,896.00	491,652.00

NB: The actual amount paid during the year (186420+47836+41240)+(Tuition pending bills assuming that all were paid(46620+30000+56210+119570)=527896

Cashflow Payment for Tuition include:-

VOTEHEAD	AMOUNT
Laboratory Equipments	186,420.00
Teaching materials	47,836.00
Exercise books	41,240.00
	275,496.00

6 PAYMENTS FOR OPERATIONS

	JANUARY-JUNE 2021	year-2020
	Kshs	Kshs
Sundry Creditors	116,025.00	
Personnel emoluments	620,667.00	1,015,146.00
Service Gratuity	-	-
Administration Cost	532,583.00	339,769.00
Repairs and maintenance & improvements	11,500.00	286,673.00
Local transport / travelling	286,330.00	299,400.00
Electricity and water	182,035.00	168,705.00
Medical	650.00	2,250.00
Activity Expenses	128,500.00	494,265.00
dormitory	-	-
insurance	-	-
gratuity	-	-
INFRASTRUCTURE A/C expense	1,210.00	-
Bank Charges	-	-
Acquisition of Assets	-	-
TOTAL	1,879,500.00	2,606,208.00

NB: The infrastructure Expense was included as an expense in the operations account

Cash flow payment for Operations

OPERATION ACCOUNT	
Sundry creditors	116,025.00
Activity	128,500.00
Maintenance & Improvement	11,500.00
Administration Cost	532,583.00
E.W.C	182,035.00
Medical	650.00
L.T.T	286,330.00
Infrastructure Account	1,210.00
Personal Emolument	620,667.00
School fund account	107,800.00
	1,987,300.00

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7 BOARDING AND SCHOOL FUND PAYMENT

	JANUARY - JUNE 2021	Year 2020
	Kshs	Kshs
other voteheads	-	-
lunch programme	1,080,078.00	1,076,363.00
Sundry Creditors	332,100.00	-
Local transport / travelling	-	-
Electricity and water	-	-
Administration costs	-	-
Activity	-	-
medical	-	-
School Farm	-	-
PA donations	-	-
Income from Posho mill	-	-
uniform	48,800.00	607,700.00
Income from grants and donations*	-	-
Interest income	-	-
loan	-	-
Bank charges	-	-
TOTAL	1,460,978.00	1,684,063.00

NB: Lunch programme expense = actual lunch payments + Prepaid fees expense + Lunch Pending bills(1022353+29725+28000)= 1080078
Uniform expense = Uniform pending bills 48800

Cashflow payments

SCHOOL FUND ACCOUNT	
Sundry Creditors	332,100.00
Prepayments	29,725.00
Operation account	225,216.00
Uniforms	0.00
Lunch programme	1,022,353.00
Bursary	250,500.00
	1,859,894.00

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	JANUARY-JUNE 2021 Kshs	YEAR 2020 Kshs
Tuition Account	1105032027	37,216.90	18404.90
Operations Account	1105030598	120,671.04	883.04
School Fund Account/Boarding	1105023346	76,557.10	-40633.90
Savings Accounts(schedule attached)			
Saving van Account			
Income generating activities Account			
Infrastructural Account	1282875035	98,790.00	
Total		333,235.04	-21345.96

9 CASH IN HAND

Description	Bank Account Number	JANUARY-JUNE 2021 Kshs	YEAR 2020 Kshs
Tuition Account	1105032027	-	0.00
Operation Account	1105030598	(332.00)	-6960.00
School Fund account	1105023346	(439.10)	71.90
Total		(771.10)	-6888.10

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10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	0.00	0.00
Treasury Bills	0.00	0.00
Fixed deposit	0.00	0.00
Equity stock	0.00	0.00
Other investments	0.00	0.00
Total	0.00	0.00

11 ACCOUNTS RECEIVABLE

Description	JANUARY-JUNE 2021	YEAR-2020
	Kshs	Kshs
Fees arrears	10,466,332.00	9,542,218.00
Other non-fees receivables	-	-
Salary advances	-	-
Imprest	5,000.00	5,000.00
Total	10,471,332.00	9,547,218.00

Description	JANUARY-JUNE 2021	YEAR-2020
	Kshs	Kshs
Fees arrears for current year	1,416,313.00	1,198,739.00
Fees arrears for the previous year	706,540.00	462,022.00
Fees arrears for prior periods (over two years)	8,343,479.00	7,881,457.00
Total	10,466,332.00	9,542,218.00

12 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	777,475.00	448,125.00
Prepaid fees	19,005.00	150.00
pocket money	-	-
Loan	-	-
Retention monies(clubs & society)	-	-
Total	796,480.00	448,275.00

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	329,200.00	448,275.00
Trade creditors for the previous year	448,275.00	-
Trade creditors for prior periods (over two years)	-	-
Total	777,475.00	448,275.00

13 FUND BALANCE BROUGHT FORWARD

Description	Jan-june 2021	2019-2020
	Kshs	Kshs
Bank balances	333,235.04	(21,345.96)
Cash balances	(771.10)	(6,888.10)
Short Term Investments	-	-
Receivables	10,471,332.00	9,547,218.00
Payables	796,480.00	448,275.00
Total	10,007,315.94	9,070,708.94

Other important disclosure notes

14 Non-current Liabilities Summary

Non-current Liabilities Summary		
Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	-	
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total		

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		0	0
Goats		0	0
Trees		0	0
Coffee or tea plantation		0	0
Poultry		0	0
Total		0	0

16 Borrowings

Description	2020-2021	2019-2020
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-

17 Stock/ Inventory

ITEM	OPENING STOCK	STOCK PURCHASED	STOCK ISSUED	CLOSING STOCK
KITCHEN ITEMS				
Bar soap	19 Bars	16 Bars	16 Bars	19 Bars
Salt	1 bale	2 bale	3 bales	0
Beans	0	19 bags	15 bags	4 bags
Maize	0	15 bags	10 bags	5 bags
Porridge flour	0	280kg	280kg	0
Maize flour	0	3 bales	3 bales	0
Rice	3 Bags	72 Bags	72 Bags	3 Bags
Sugar	0	8 Bags	6 Bags	2 Bags
Cooking fat	0	100 Ltrs	80 Ltrs	20 Ltrs
Tea leaves	0	5000gms	4500gms	500gms
STATIONERY				
Chalks	0	5 Gross	1 Gross	4 Gross
Printing papers	0	16 Cartons	12 Cartons	3 Cartons
Foolscaps	0	34 reams	24 reams	10 Reams
Pencils	0	24 Pens	20 pens	4 Pens
Counter books	0	15 Pcs	15 Pcs	0
White out	0	7Pcs	5 Pcs	2 Pcs
Chalk duster	3pcs	12 Pcs	13 pcs	2 pcs
Cell tape	0	18 Pcs	4 pcs	16 pcs
Masking tape	0	24 Pcs	12 pcs	12 pcs
Ball pens		156 pens	93pens	63 pens
Exercise books	340pcs	0	340pcs	0
Manilla paper	4 pcs	0	4 pcs	0
White board mark pens	0	12 Pens	2pens	10pens
Permanent mark pens	0	12pens	3pens	9pens
White board ink	0	33pkts	13pkts	20pkts
Spring files	13pcs	10pcs	23pcs	0
Staple pin	1pkts	5pkts	3pkts	3pkts
Class registers	2pcs	0	2pcs	0

18 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 (Responsible/ Not Resolved)	Final Status (Closed/ Pending/ Incomplete)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

APPENDIX 1						
ACCOUNT PAYABLES/ PENDING BILLS JUNE 2021						
SUPPLIER OF GOODS OR SERVICES	ORIGINAL	ADDITION	TOTAL AMOUNT	DATE CONTRACTED OR SUPPLIED	AMOUNT PAID DURING THE YEAR	OUTSTANDING BALANCE AS AT 30TH JUNE, 2021
	207700					
		1700		25.1.2021		
NJEMTEX TAILOR		19400		26.1.2021	180000	48800
KUKITECH	28000					28000
		121240		20.10.2021	171240	46620
KABWAN OFFICE EQUIPMENTS & STATIONERY SERVICES		96620		13.5.021		
KENTON ENTERPRISES	30000					30000
		169300		7.4.2021		
FICUS MEDICAL SUPPLIES		119570	288870	16.2.2021	169300	119570
PEZI PUBLISHERS		56210		7.6.2021	0	56210
TOTAL						329200

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 4.2 Acres		<i>Gathanji</i>				
Buildings and structures		<i>School compound</i>				
9 class-rooms						
1 Dining hall						
1 Administration block with staff toilets						
1 Kitchen						
A well						
2 wooden stores						
2 Staff pit latrines						
9 Student Pit latrines & 2 Urinals						
Office equipment, furniture and fittings		<i>Principal's Office</i>				
Board's room table with 15 chairs		200000				200000
Principal's Desk and chair						
2 Built in cupboards						

GATILUNI SECONDARY SCHOOL
 PUBLIC SECONDARY SCHOOL
 Annual Report and Financial Statements
 For the year ended 30th June 2021

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
1 Table						
1 cabinet						
1 computer						
		<i>Deputy Principal's Office</i>				
2 Tables						
3 chairs						
1 Built in cupboard						
		<i>Secretary's Office</i>				
3 Tables						
1 Built in cupboard						
2 Photo copiers						
1 Epson Printer						
1 Typewriter						
2 coffee tables						
1 Computer						
2 chairs						

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Dispose during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
1 Cupboard						
		<i>Staffroom</i>				
14 staff desks and chairs						
1 big table						
1 water Dispenser						
1 computer						
		<i>Dean's Office</i>				
1 Tables						
2 chairs						
1 Built in cupboard						
1 computer						
		<i>H.O.D'S Office</i>				
4 Tables						
1 Built in cupboard						
1 computer						
4 chairs						
		<i>Accounts Office</i>				
2 Tables						

PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
1 Built in cupboard						
1 computer						
1 HP Laser jet printer						
2 Plastic chairs						
1 office chair						
		<i>HOD Guidance & Counselling</i>				
2 Tables						
2 Chairs						
1 Built in cupboard						
ICT Equipment, and Other ICT Assets						
1 Projector		<i>DEAN'S office</i>				
speakers						

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
1 laptop						
Tools and apparatus		<i>Laboratory</i>				
42 Animeters						
2 Accumulators						
40 Battery holders						
500 Boiling tubes						
2 Bee Hive						
154 Burettes						
35 Burners						
100 Beakers 250ml (Plastic)						
135 Beakers 100ml (Plastic)						
70 Beakers 50ml (Plastic)						
100 Beakers 250ml (Glass)						
153 Beakers 100ml (Glass)						
2 Adaptors						
5 Beam Balance						
4 Clay Triangles						
166 conical flask						
16 Density bottles						

PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
100 Crocodile clips						
300 droppers						
5 Deflagrating spoon						
15 Evaporating dishes						
2 Electrical balance						
30 Hand lens						
10 Mortars						
1 Microscope						
100 Measuring cylinders 100ml						
50 Measuring cylinders 50ml						
30 Measuring cylinders 100ml						
50 Magnifiers						
30 Micrometer screw gauge						
2 Minimum and maximum thermometers						
69 Convex mirrors						
60 Concave mirrors						
30 Plane mirrors						

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
10 Pestle						
1 Power Packer						
60 Pipette						
3 Pipette fillers						
50 Petri dish						
104 Reagent bottles 250ml						
30 reagent bottles 60ml						
30 Resistors						
50 Tripod stands						
72 Rulers 1m						
12 Tongs						
102 Thermometers						
42 Test tube holders						
43 funnels						
2 Gas Cylinders 3kg						
1 Gas Cylinder 1kg						
5 Glass blocks 15 kg						
30 Galvanometers						
5 Gas Jars						

Annual Report and Financial Statements
For the year ended 30th June 2021


Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
46 Tiles						
40 Stop watches						
84 spatulas						
20 spirit lamps						
23 spring balances						
20 switch 1 way						
		<i>Dining hall</i>				
35 Benches						
20 Stainless steel tables						
TEXTBOOKS		<i>In store & with students</i>				
English 429 Copies						
Kiswahili 392 Copies						
Mathematics 502 Copies						
Biology 500 Copies						
Physics 268 Copies						
Chemistry 400 copies						

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Geography 300 copies						
History 400 copies						
CRE 500 copies						
Agriculture 168 Copies						
Business 400 copies						
Other Machinery and Equipment						
2 water pumps		<i>In the well & booster pumb in the old kitchen</i>				
Lawn mower		<i>Adm. store</i>				
Power saw		<i>Adm. store</i>				
1 Wheel barrow		<i>Old</i>				
1 folk jembe		<i>Kitchen</i>				
1 panga		<i>store</i>				
2 Hose pipes						
1 Hack saw						
1 Hand saw						
1 hammer						
1 pair of Pliers						

Annual Report and Financial Statements
 For the year ended 30th June 2021

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
! pair of secateurs						
1 Knapsack sprayer						
1 Mattock						
Heritage and cultural assets						
None						
Intangible Assets –Soft ware						
SCHACCS Accounting system						
Zeraki software for Timetable and Report forms						



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 04 MAR 2025	DAY.
TABLED BY:	
CLERK-AT THE-TABLE:	

Mission: To promote national unity, equity, and the elimination of all forms of ethnic discrimination by facilitating equality of opportunities, peaceful resolution of conflicts and respect for diversity among Kenyan communities.

Rev. Dr. Samuel Kobia, C.B.S. (Chairperson) Ms. Wambui Nyutu, OGW. (Vice Chairperson),

**Commissioners: Hon. Abdulaziz A. Farah, Hon. Eng. Philip O. Okundi, Hon. Dorcas L. Kedogo, Mr. Sam Kona, Dr. Danvas Makori,
Ag. Commission Secretary/CEO – Harrison Kariuki**