

REPUBLIC OF KENYA



*Enhancing Accountability*

PARLIAMENT  
OF KENYA  
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

KATHIANI GIRLS' HIGH SCHOOL

FOR THE YEAR ENDED  
30 JUNE, 2023

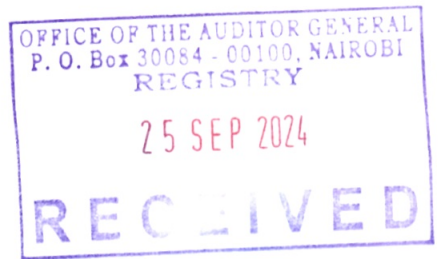
 MACHAKOS COUNTY

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 20 NOV 2024 DAY.

TABLED BY: Deputy Leader of Majority Party

CLERK-AT-THE-TABLE: WILLYS OBIENO



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***KATHIANI GIRLS' HIGH SCHOOL***  
**PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> June 2023**

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**Prepared in accordance with the Cash Basis of Accounting Method**

**KATHIANI GIRLS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2023**

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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 Machakos County, Kathiani Sub-County

The school was registered on 18/07/2017 under registration number 1653000287 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 1378 number of students as at 30 June 2023. It has 20 streams as tabulated below;

| <b>S/NO.</b> | <b>FORM</b>  | <b>NO. OF STREAMS</b> |
|--------------|--------------|-----------------------|
| 1            | 4            | 4                     |
| 2            | 3            | 6                     |
| 3            | 2            | 5                     |
| 4            | 1            | 5                     |
|              | <b>TOTAL</b> | <b>20</b>             |

And 43 teachers of which 13 teachers are employed by the School Board of Management.

## **BRIEF HISTORY**

### **1.0 OVERVIEW**

Kathiani Girls' High School was conceived by the local leaders led by the Late Rtd. General J. K. Mulinge in the Mid 1990's with the objective of expanding the opportunities of the girl-child in Kathiani and Kenya as a whole.

Due to sustained development in all key performance indicators such as academic, discipline, management style and availability of space for expansion, the school was in 2011 earmarked by Ministry of Education for elevation to National School status representing a Girls' School in Machakos County. This has since been actualized in 2015.

### **2.0 VISION**

"To be the leading centre of academic excellence that produces an all-round citizen."

### **2.1 MISSION**

"To provide quality and relevant education by imparting knowledge for service and better lives."

### **2.2 CORE VALUES**

The BOM, P.A, staff and students are committed to the following set of core values:

- i. Discipline
- ii. Teamwork
- iii. Self-drive
- iv. Neatness
- v. Excellence

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### 2.3 MOTTO

Enter to learn, leave to serve.

### 3.0 CURRENT PHYSICAL FACILITIES

The construction of the physical facilities for the school commenced in 1995 initially through community efforts (Harambee) with significant contributions from Community Development Trust Fund – European Union, DANIDA, Safaricom Foundation and Constituency Development Fund Kathiani Constituency. After elevation to National School status the National Government through the Ministry of Education Science and Technology has supported the school through the School Infrastructure funds.

The Board of Management in conjunction with the local community and well-wishers have put up the current physical facilities. In addition, Parents Association contributions and ordinary school revenue has been used to acquire the current facilities as listed below:-

|                         |   |  |
|-------------------------|---|--|
| Classrooms              | - | 19 No. 12 more required  |
| Administration block    | - | 1 No. (with the principal's office, Deputy Principal Secretary, Accounts and Senior Teacher offices)                                   |
| Staffroom               | - | 1 No. Furnished. More Departmental offices required.   |
| Dormitories             | - | 5 No. A dormitory of 436 bed capacity required   |
| Science lab             | - | 3 No. Equipped, 2 more required  |
| Library                 | - | 1 No. 250 chairs, 27 work tables, 20 double Shelving units, 6 computer tables. More chairs and tables required                         |
| Dining Hall             | - | 1 No. 504 chairs, 51 tables more tables and Chairs required  |
| Kitchen                 | - | 1 No. Equipped   |
| Matrons house           | - | 1 No. A separate store required  |
| Staff Quarters          | - | 2 unit hosting 4 teachers, 10 more units required  |
| Computer Lab            | - | Preparation rooms and stores for 2nd Science lab are currently used as the Computer Laboratory (Computer Laboratory required urgently) |
| Home Science Lab        | - | Required urgently  |
| Students Desks & Chairs | - | 815 Desks, 815 chairs  |
| Water Tank              | - | 1 No. Masonry, 5No. plastic, more plastic tanks needed   |
| School Bus              | - | 1 No. (51 seater Isuzu) Scania bus and a Van Needed  |
| 30KVA Generator         | - | 1 No. Adequate to light the whole school   |
| 90,000 Septic Tank      | - | 1 No. Adequate   |

### 4.0 ENROLMENT

The school admitted the first two (2) streams of 80 students in 1999 and has grown to 1378 students in 2023. The school is five (5) streams in forms 1 & 2 and six (6) streams in form 3 and five (5) in form 4.

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**The most critical areas are as follows;**

- a) There is need for an additional 436 bed capacity dormitory in view of the 6<sup>th</sup> stream given that the existing ones are overcrowded.
- b) An additional 6 classrooms in readiness for sixth stream
- c) An extra Science Laboratory is also needed.
- d) A Computer Laboratory is required.
- e) A Home Science Laboratory is required.
- f) 10 units Staff houses.

**5.0 PRIORITY SCHOOL NEEDS**

The Board of Management has identified priority needs which have a direct impact on learning and student welfare as per the attached brief. In view of this, we request support from Ministry of Education for the following:

| S/No. | Item  | Cost Kshs            |
|-------|---|----------------------|
| 1     | A 436 bed capacity dormitory  | 12,794,561.00        |
| 2     | 6 (six) classrooms  | 8,327,240.00         |
| 3     | 1 Modern furnished computer laboratory & 1 Home Science and equipped Laboratory | 19,037,315.00        |
|       | <b>TOTAL</b>  | <b>40,159,116.00</b> |

**6.0 MANAGEMENT**

The school has been managed by a dedicated Board of Management team led by Amb. Rtd. Maj. Gen. J. M. Mulinge since inception upto 27th February, 2009. Mr. John N. Kithete, took over the leadership up to June 2019. The current BOM Chairman is Mr. Daniel M. Yumbya. The School Principal is Mrs. Damaris M. Munyao. It has a teaching staff of 43 and 29 support staff.

**6.1 Under Staffing Challenges**

The school Board of Management is grateful to the Commission for the continued support in staffing. The school has a Curriculum Based Establishment of 42. The current number of Teachers Service Commission employed teachers is 29 and thus an understaffing of 12 as detailed below.

| S/NO. | SUBJECT COMBINATION     | NO. REQUIRED |
|-------|-------------------------|--------------|
| 1     | Geography / Kiswahili   | 1            |
| 2     | Mathematics/Chemistry   | 1            |
| 3     | Physics / Mathematics   | 1            |
| 4     | Biology / Agriculture   | 1            |
| 5     | Chemistry / Mathematics | 1            |

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|    |   |           |
|----|---|-----------|
| 6  | Chemistry / Biology                       | 2         |
| 7  | Kiswahili / History                       | 1         |
| 8  | English / Literature                      | 1         |
| 9  | History / Christian Religious Education   | 1         |
| 10 | Geography / Christian Religious Education | 1         |
| 11 | Physics / Chemistry                       | 1         |
| 12 | French                                    | 1         |
|    | <b>Total</b>                              | <b>13</b> |

In view of the above, the Board of Management is requesting for consideration for more teachers in order to uplift the academic standard of the school.

**7.0 ACADEMIC PERFORMANCE - KENYA CERTIFICATE OF SECONDARY EDUCATION**

7.1 Performance summary 2017 – 2022

| YEAR | ENTRY | A | A | B+ | B  | B- | C+ | C  | C- | D+ | D | D- | E | X | P | Y | MEAN   | GRADE |
|------|-------|---|---|----|----|----|----|----|----|----|---|----|---|---|---|---|--------|-------|
| 2022 | 170   | 1 | 9 | 38 | 82 | 20 | 14 | 5  | 0  | 1  | 0 | 0  | 0 | 0 | 0 | 0 | 9.1235 | B     |
| 2021 | 159   | 0 | 3 | 23 | 36 | 34 | 35 | 20 | 5  | 2  | 1 | 0  | 0 | 0 | 0 | 0 | 7.9240 | B-    |
| 2020 | 175   | 1 | 4 | 25 | 41 | 51 | 28 | 17 | 7  | 0  | 0 | 1  | 0 | 0 | 0 | 0 | 8.1029 | B-    |
| 2019 | 178   | 0 | 1 | 7  | 15 | 32 | 36 | 38 | 37 | 7  | 5 | 0  | 0 | 0 | 0 | 0 | 6.6347 | C+    |
| 2018 | 121   | 0 | 0 | 4  | 14 | 20 | 17 | 29 | 26 | 10 | 0 | 1  | 0 | 0 | 0 | 0 | 6.5300 | C+    |
| 2017 | 109   | 0 | 0 | 0  | 2  | 16 | 15 | 25 | 32 | 17 | 1 | 1  | 0 | 0 | 0 | 0 | 5.8165 | C     |

**X – Absentee Y – Irregularity P - Pending**

7.2 Minimum university entry

| YEAR | NO. OF STUDENTS | PERCENTAGE |
|------|-----------------|------------|
| 2022 | 170             | 96.47%     |
| 2021 | 159             | 82.39%     |
| 2020 | 175             | 86%        |
| 2019 | 90              | 51%        |
| 2018 | 53              | 44%        |
| 2017 | 33              | 30%        |

7.3 KENYA CERTIFICATE OF SECONDARY EDUCATION - PERFORMANCE

As indicated in the table above, the School achieved a mean score of 9.1235 in the 2022 Kenya Certificate of Secondary Education results. From this performance, 96.47% of the candidates (164) achieved the minimum University entry grade of C+ and above.

### **8.0 CO-CURRICULAR ACTIVITIES**

The school is very active in co-curricular activities. For example, students have reached the national level in Music festivals, Drama, Rugby, National level in Science Congress and district level in ball games. The school is also quite active in athletics.

### **9.0 CLUBS AND SOCIETIES**

|                              |                         |
|------------------------------|-------------------------|
| Wildlife                     | Red Cross               |
| Journalism                   | Muslim Society          |
| Drama                        | Seventh Day Adventist   |
| Integrity                    | Scouts Movement         |
| Science                      | Young Christian Society |
| Creative Arts (Talanta Club) | Christian Union         |
| English & Debating           | Mathematics             |
| Entrepreneurship             |                         |

### **10.0 CURRICULUM OFFERED FOR KENYA CERTIFICATE OF SECONDARY EDUCATION**

|                          |                                   |
|--------------------------|-----------------------------------|
| 101 English              | 312 Geography                     |
| 102 Kiswahili            | 313 Christian Religious Education |
| 121 Mathematics          | 443 Agriculture                   |
| 231 Biology              | 451 Computer Studies              |
| 232 Physics              | 501 French                        |
| 233 Chemistry            | 565 Business Studies              |
| 311 History & Government | 451 Home Science                  |

### **11.0 CONCLUSION**

The School intends to be a premier and model academic institution producing all round citizens able to cope with the requirements of a modern society in an ambient environment. For this to be achieved we request support from all the stakeholders to assist the school realize its aspirations and vision.

We specifically request the Ministry of Education to fund the school in infrastructure because we are over 100% transition rates. The Teachers Service Commission to provide more teachers to the school this being the only Girls National School in Machakos County.

#### **(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:

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| Ref: | Name of Board Member       | Designation           | Date of appointment |
|------|----------------------------|-----------------------|---------------------|
| 1    | Mr. Daniel Yumbya          | Chairman              | May 2022            |
| 2    | Mrs. Damaris Munyao        | Secretary - Principal | May 2022            |
| 3    | Mr. Jones Masila           | Member                | May 2022            |
| 4    | Mr. Onesmus Ituo           | Member                | May 2022            |
| 5    | Mrs. Grace Wanjiku Njoroge | Member                | May 2022            |
| 6    | Ms Ruth Mutanu             | Member Rep Teachers   | May 2022            |
| 7    | Ms. Hellen Jonathan        | Sponsor               | May 2022            |
| 8    | Mr. Steve Kivuva           | Sponsor               | May 2022            |
| 9    | Mr. Victor Mwiu            | Sponsor               | May 2022            |
| 10   | Mr. John Nzioka            | MemberSpecial Needs   | May 2022            |
| 11   | Grace Wanjiku Gachie       | Rep Students          | May 2022            |
| 12   | Mrs. Beth Kitheka          | Member                | May 2022            |
| 13   | Mrs. Diana Mutisya         | Member                | May 2022            |
| 14   | Adv. Mark Makau            | Member                | May 2022            |
| 15   | Dr. Grace Muluki Munguti   | Member                | May 2022            |

**The functions of the School Board of Management include:**

- 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 County Education Board.
- Prepare comprehensive termly report on all areas of its mandate and submit the report to County Education Board.
- 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.

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**(c) Committees of the Board**

| <b>Ref</b> | <b>Name of Committee</b>                            | <b>Names of Members</b>  | <b>Designation</b>  | <b>Number of meetings attended during the year</b> |
|------------|---|--|---|--|
| 1          | Executive Committee                                 | Mr. Daniel Yumbya<br>Mrs. Beth Kitheka<br>Mr. Jones Masila<br>Mr. Victor Kimweli<br>Mrs. Damaris Munyao            | Chairman<br>Member<br>Member<br>Member<br>Secretary           | 4 out of 6   |
| 2          | Audit Committee                                     | Mrs. Diana Musembi<br>Mrs. Grace Njoroge<br>Mr. Onesmus Ituo<br>Mrs. Beth Kitheka                                  | Chairperson<br>Member<br>Member<br>Member                     | 4 out of 6   |
| 3          | Finance, procurement and general purposes Committee | Mr. Victor Mwiu<br>Adv Mutua Makau<br>Eng. Eric Nzola<br>Mr. Steve Kivuva<br>Dr. Grace Munguti                     | Chairman<br>Member<br>Member<br>Member<br>Member              | 5 out of 6   |
| 4          | Academic Committee                                  | Ms. Hellen Jonathan<br>Eng. Eric Nzola<br>Mr. Onesmus Ituo<br>Ms Ruth Mutanu<br>Mr. Victor Mwiu<br>Mr. John Nzioka | Chairperson<br>Member<br>Member<br>Member<br>Member<br>Member | 4 out of 6   |
| 5          | School Infrastructure committee                     | Mr. Steve Kivuva<br>Mr. Daniel Yumbya<br>Ms Grace Munguti<br>Eng. Eric Nzola                                       | Chairman<br>BOM Chairman<br>Member<br>Member                  | 4 out of 6   |
| 6          | Discipline and welfare Committee                    | Adv. Mutua Makau<br>Ms Ruth Mutanu<br>Mrs. Grace Njoroge<br>Mr. John Nzioka<br>Mrs. Diana Mutisya                  | Chairman<br>Member<br>Member<br>Member<br>Member              | 3 out of 6   |
| 7          | Adhoc Committee (if any during the year)            | None   |   |  |

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**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2023 the School day-to-day management was under the following persons:

| Ref: | Designation                    | Name             | TSC Number |
|------|--------------------------------|------------------|------------|
| 1    | Chief Principal                | Damaris Nzoka    | 335335     |
| 2    | Deputy Principal-Adminstration | Josphine M Mutua | 335336     |
| 3    | Deputy principal -academics    | Inoti Lucy Gakii | 255174     |
| 4    | School Bursar                  | Caroline Ndaka   |            |

**(e) Schools contacts**

Post Office Box: 168- 90105 Kathiani  
Telephone: 0728393218  
E-mail: [kathianigirlshigh@gmail.com](mailto:kathianigirlshigh@gmail.com)  
Website: [kathianigirls.sc.ke](http://kathianigirls.sc.ke)

**(f) School Bankers**

The following school operated 7 number of bank accounts in the following banks:

- 1 Name of Bank : Kenya Commercial Bank  
Branch: Machakos  
Account Number: 1108310826
- 2 Name of Bank: Kenya Commercial Bank  
Branch: Machakos  
Account Number 1106283937
- 3 Name of Bank: Kenya Commercial Bank  
Branch: Machakos  
Account Number: 1106285425
- 4 Name of Bank: Kenya Commercial Bank  
Branch: Machakos  
Account Number: 1106408276
- 5 Name of Bank: Kenya Commercial Bank  
Branch: Machakos  
Account Number: 1161228551
- 6 Name of bank Equity bank  
Branch Machakos  
Account Number 0600263556330

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LIPA KARO Pay Bill No.522123 40154K attached to Kenya Commercial Bank  
account 1108310826

- g) Independent Auditors**  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

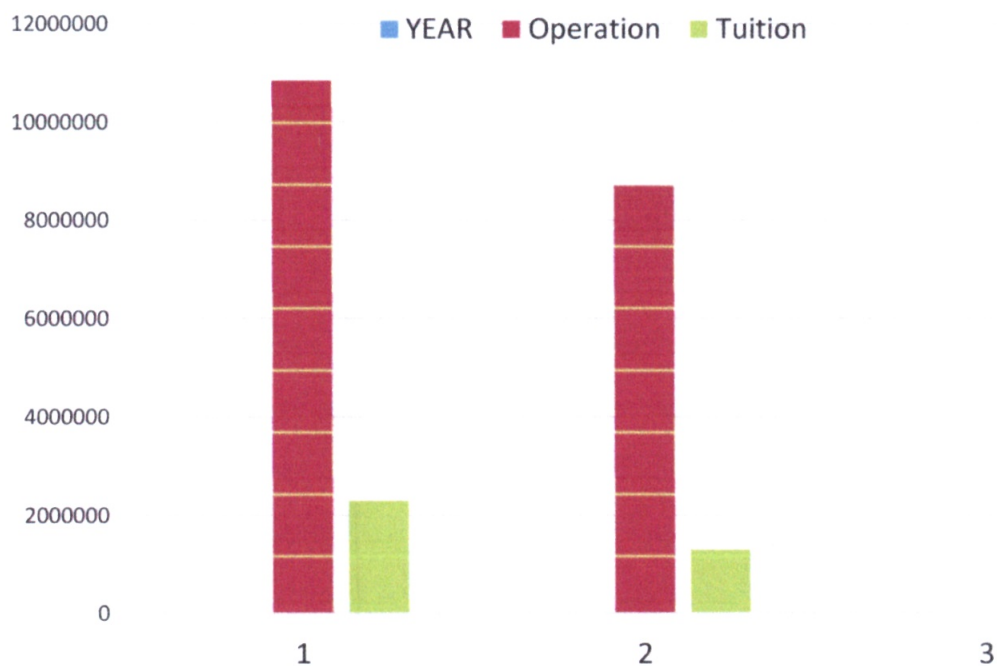
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**II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**  
**a) Financial Performance**

**NON FINANCIAL INFORMATION**

**CAPITATION FOR THE LAST THREE YEARS**

| <b>YEAR</b> | <b>2020</b>   | <b>2021</b>  | <b>2022</b>  |
|-------------|---------------|--------------|--------------|
| Operation   | 10,843,781.00 | 8,710,600.00 | 7,252,084.00 |
| Tuition     | 2,301,149.00  | 1,302,400.00 | 3,489,954.75 |



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**RATIO OF CAPITATION GRANT PER STUDENT**

| <b>YEAR</b>      | <b>2020</b>          | <b>2021</b>          | <b>2022</b>          |
|------------------|----------------------|----------------------|----------------------|
| <b>Tuition</b>   | 2,301,149.00         | 1,302,400.00         | 3,489,954.75         |
| <b>Operation</b> | 10,843,781.00        | 8,710,600.00         | 7,252,084.00         |
| <b>Total</b>     | <b>13,144,930.00</b> | <b>10,013,000.00</b> | <b>10,742,038.75</b> |

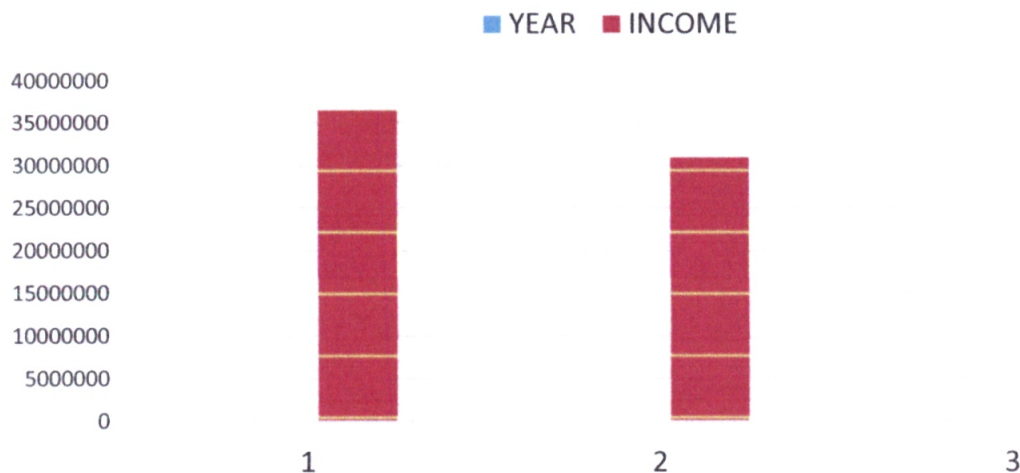
|                           |                    |                   |                   |
|---------------------------|--------------------|-------------------|-------------------|
| <b>Student population</b> | 1,029              | 1,215             | 1,378             |
|                           | 12,774.47          | 8,241.15          | 7,795.38          |
| <b>RATIO</b>              | <b>1:12,774.47</b> | <b>1.8,241.15</b> | <b>1:6,072.75</b> |

**THREE YEAR OF GROWTH OF OTHER INCOMES**

**SCHOOL FUND A/C**

| <b>YEAR</b> | <b>INCOME</b> |
|-------------|---------------|
| 2019        | 36,502,828.00 |
| 2020        | 30,931,477.00 |
| 2021        | 24,545,794.00 |

**SCHOOL FUND INCOME**

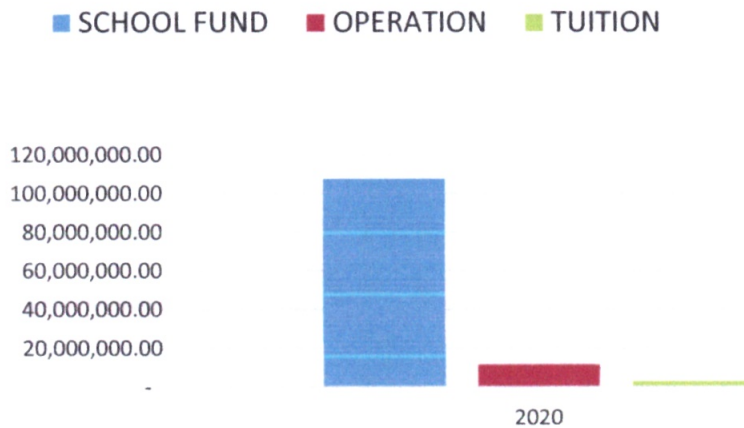


**THREE YEAR OVERVIEW OF EXPENDITURE FOR THE LAST THREE YEARS**

**EXPENDITURE**

|              | <b>2020</b>          | <b>2021</b>           | <b>2022</b>           |
|--------------|----------------------|-----------------------|-----------------------|
| SCHOOL FUND  | 35,850,908.00        | 93,459,655.35         | 107,553,135.32        |
| OPERATION    | 8,345,503.00         | 16,364,940.10         | 11,539,007.00         |
| TUITION      | 2,255,855.00         | 3,600,076.00          | 2,886,067.00          |
| <b>TOTAL</b> | <b>46,452,266.00</b> | <b>113,424,671.45</b> | <b>121,978,209.32</b> |

**EXPENDITURE FOR THE LAST THREE YEARS**



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**THREE OVERVIEW OF MOVEMENT OF DEBTORS AND CREDITORS**

|           | DEBTORS/CREDITORS |               |               |
|-----------|-------------------|---------------|---------------|
|           | 2020              | 2021          | 2022          |
| DEBTORS   | 9,099,105.00      | 6,879,110.00  | 7,899,649.00  |
| CREDITORS | 9,629,338.00      | 11,858,615.00 | 10,032,398.00 |

**MOVEMENT OF DEBTORS AND CREDITORS**

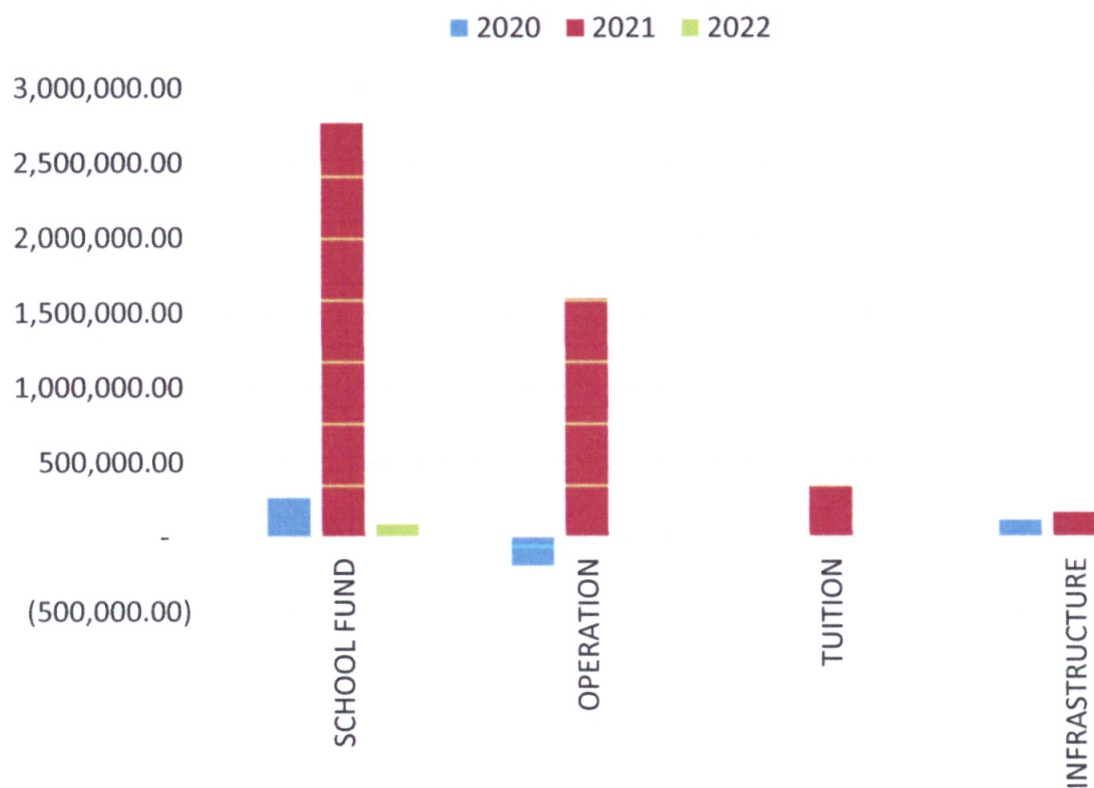


**MOVEMENT OF CASH AND BANK BALANCES FOR THE LAST THREE YEARS**

**CASH AND BANK BALANCES**

|                | 2020      | 2021         | 2022         |
|----------------|-----------|--------------|--------------|
| SCHOOL FUND    | 87,560.00 | 266,680.00   | 2,766,580.24 |
| OPERATION      | 1,159.00  | (192,600.00) | 1,597,570.00 |
| TUITION        | -         | 6,642.00     | 346,578.15   |
| INFRASTRUCTURE | 3,726.05  | 111,444.00   | 163,068.52   |

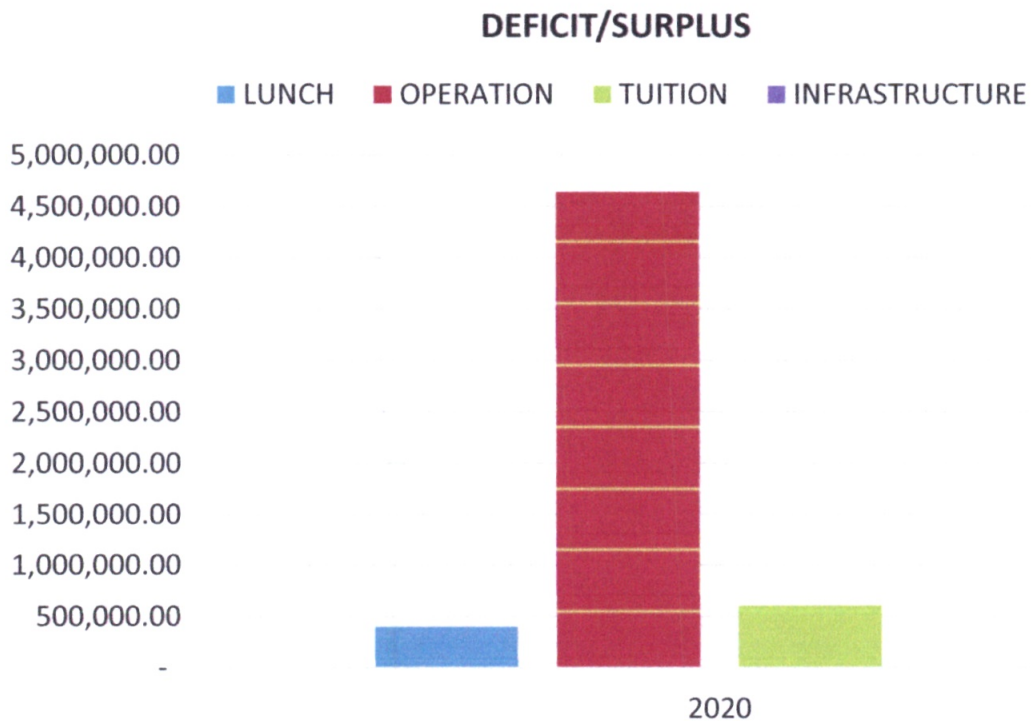
**MOVEMENT OF CASH AND BANK BALANCES**



**NON FINANCIAL INFORMATION**

**DEFICIT/SURPLUS FOR THE YEAR AND FOR THE LAST THREE YEARS**

|                       | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  |
|-----------------------|--------------|--------------|--------------|
| <b>LUNCH</b>          | 38,877.34    | 8,824.25     | 401,351.68   |
| <b>OPERATION</b>      | 203,024.15   | (141,187.55) | 4,640,108.50 |
| <b>TUITION</b>        | (198,339.75) | (32,074.55)  | 603,887.75   |
| <b>INFRASTRUCTURE</b> |              | -            |              |



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**KATHIANI GIRLS' HIGH SCHOOL**

**Reports and Financial Statements**

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**III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY**

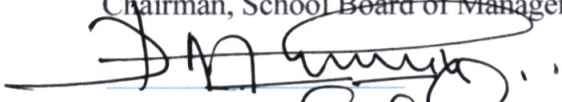
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant 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.

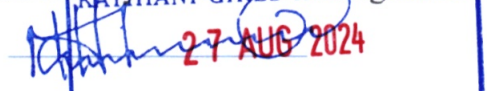
The Board of Management of Kathiani Girls' High School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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 30<sup>th</sup> June, 2023, and of the school's financial position as at that date.

**Name:** DR. DANIEL YUMBYA EBS  
**Designation:** Chairman, School Board of Management

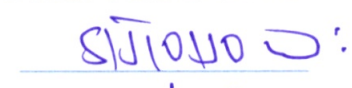
**Sign:**   
**Date:** 27 Feb 2024

**Name:** DAMARIS MUNYAO (MRS.)  
**Designation:** School Principal & Secretary to Board of Management

**Sign:**   
**Date:** 27 Aug 2024

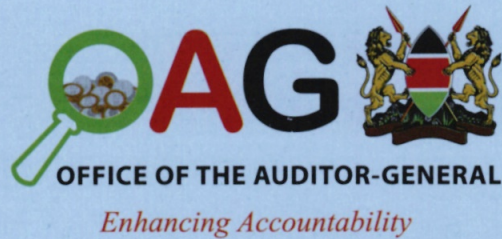
**Stamp:** THE SECRETARY  
BOARD OF MANAGEMENT  
KATHIANI GIRLS' HIGH SCHOOL  
P. O. Box 168-90105, KATHIANI.

**Name:** SAMSON KIOKO (CPA)  
**Designation:** Bursar/ Finance Officer

**Sign:**   
**Date:** 27/8/2024

# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON KATHIANI GIRLS' HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - MACHAKOS COUNTY

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### 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 Government achieves value for money and that such funds are applied for the intended purpose.
- 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, the risk management environment and the 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 Kathiani Girls' High School - Machakos County set out on pages 3 to 24, which comprise of the statement of financial

assets and financial liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows, and statement of 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 Kathiani Girls' High School - Machakos County as at 30 June, 2023, and of its financial performance and its cash flows for the year 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. Inaccuracies of the Financial Statements**

The statement of receipts and payments reflects school fund income from parents' contributions of Kshs.107,864,214 as disclosed in Note 3 to the financial statements. However, the amount includes rent income of Kshs.28,000 which is other receipts that should be reflected in Note 4 to the financial statements.

In the circumstances, the accuracy and completeness of school fund income-parents' contribution amount of Kshs.10,032,398 cannot be confirmed.

### **2. Variances in Accounts Payables**

The statement of financial assets and financial liabilities reflects payables balance of Kshs.10,032,398 as disclosed in Note 12 to the financial statements. Included in the balance is trade creditors of Kshs.6,833,619. However, the balance varies with Annex 1 to the financial statements which reflects trade creditors of Kshs.806,626 resulting to an unexplained variance of Kshs.6,026,993.

In the circumstances, the accuracy and completeness of the accounts payables of Kshs.10,032,398 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kathiani Girls' 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 qualified opinion.

## **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.

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2023.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Late Submission of Financial Statements**

During the year under review, Management submitted the financial statements on 18 December, 2022 instead of the statutory deadline of 30 September, 2023. This was contrary to Section 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 Section 84(3) and any other legislation, shall be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

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

#### **2. Outstanding Account Payables**

The statement of financial assets and financial liabilities reflect an account payable balance of Kshs.10,032,398, which had not been settled by the end of the financial year under review. Failure to settle bills during the year to which they relate adversely affects the provisions of the subsequent year to which they have to be first charged as required by Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 and Treasury Circular No. 10-2020 of 16 June, 2020 on prioritization of pending bills.

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

### **3. Unconfirmed Student Enrollment Data**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations grants totalling Kshs.19,669,070. Review of the records revealed that the NEMIS reported eight hundred and ninety-seven (897) students did not provide enrolment record of students numbers and whether the School was under/over funded for the period ended 30 June, 2023 could or be established. This is contrary to the Ministry of Education Circular No. MOE.HQs/3/10/18/ (46) dated 7 February, 2022 and Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) that requires that all learners to be registered in NEMIS and the principals to ensure their records are accurate.

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

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, based on the audit procedures performed, except for 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 overall governance were not effective.

### **Basis for Conclusion**

#### **1. Incomplete Fixed Assets Register**

Annex 2 to the financial statements reflects a summary of the fixed assets register. However, the assets register does not have essential details such as dates of acquisition, historical costs, current values, remaining useful life, additions/disposals during the year and salvage value where applicable. This is contrary to Regulation 143(1) of the Public Finance Regulations, 2015 on asset management and Section 162(2) of Public Procurement and Disposal Act, 2015 on management of inventory, stores and assets.

In the circumstances, the adequacy of the internal controls on assets management cannot be ascertained.

## **2. Excess Board Members Representation**

During the year under review the Board of Management that is supposed to direct the school in achieving its strategic objectives had twenty-one (21) board members against the required number of fourteen (14) board members contrary to Section 56 of the Basic Education Act 14, 2013 on composition of board members and requirement for appointment to the board.

In the circumstances, the adequacy of internal controls to provide assurance on Board of Management composition could not be confirmed.

## **3. Lack of Internal Audit Function and Audit Committee**

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

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

## **4. Lack of Land Ownership Document**

Annex 2 to the financial statements reflects a summary of the fixed assets register. Review of the land documents revealed that 4.1 hectares of land is under Machakos County Government who are the trustees. Additionally, the School was given a letter of allotment on 27 June, 1995 referenced file No.172496 for 4.1 hectares. Although there has been effort to obtain the title, the transfer of ownership has not been finalized. Additionally, the same piece of land is also occupied by other government entities including the Sub County Headquarters, the Kenya Police, and the Ministry of Education among others.

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 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 Government**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards

(Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and 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 terminate the School or to cease its 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 are in compliance 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 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 controls may not prevent or detect misstatements and instances of noncompliance. 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 policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment 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 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 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 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**

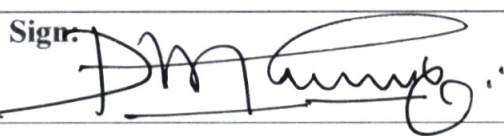
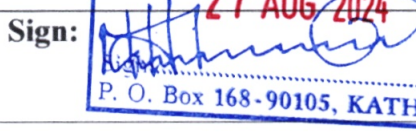
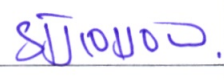
**18 October, 2024**

**KATHIANI GIRLS' HIGH SCHOOL**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2023**

**V. STATEMENTS OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDING 30<sup>TH</sup> JUNE 2023**

**KATHIANI GIRLS HIGH SCHOOL**

**STATEMENT OF RECEIPTS AND PAYMENTS**  
**FOR THE PERIOD ENDING 30TH JUNE 2023**

| DESCRIPTION OF VOTE HEAD   | Note  | 2022-2023  | 2021-2022          |
|--|---|--|--------------------|
|  |   |  | Kshs               |
| <b>RECEIPTS</b>  |   |  |                    |
| Capitation grants for tuition  | <b>1</b>  | 3,489,955  | 3,588,692          |
| Capitation grants for operations   | <b>2</b>  | 16,179,115   | 15,698,451         |
| School Fund Income- Parents' Contributions/fees  | <b>3</b>  | 107,864,214  | 91,956,522         |
| Proceeds from borrowings   |   | -  | -                  |
| <b>TOTAL RECEIPTS</b>  |   | <b>127,533,283</b>   | <b>111,243,665</b> |
| <b>PAYMENTS</b>  |   |  |                    |
| Payments for Tuition   | <b>5</b>  | 2,886,067  | 3,600,076          |
| Payments for operations  | <b>6</b>  | 11,539,007   | 16,364,940         |
| Boarding and school fund payments  | <b>7</b>  | 107,553,135  | 93,459,655         |
| <b>TOTAL PAYMENTS</b>  |   | <b>121,978,209</b>   | <b>113,424,671</b> |
| <b>SURPLUS/DEFICIT</b>   |   | <b>5,555,074</b>   | <b>(2,181,006)</b> |
| <b>Name: DR. DANIEL YUMBYA EBS</b>   | <b>Name: DAMARIS MUNYAO (MRS.)</b>  | <b>Name: SAMSON KIOKO (CPA)</b>  |                    |
| <i>Chairman, BoM</i>   | <i>School Principal/Secretary to BoM</i>  | <i>Bursar/Finance</i>  |                    |
| <b>Sign:</b>  | <b>Sign:</b>  | <b>Sign:</b>  |                    |
| <b>Date:</b> <i>27/8/2024</i>  | <b>Date:</b> <i>27.08.2024</i>  | <b>Date:</b> <i>27/08/2024</i>   |                    |

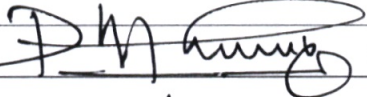

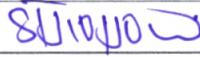
**THE SECRETARY**  
**BOARD/SECRETARIAT**  
**KATHIANI GIRLS HIGH SCHOOL**  
**27 AUG 2024**  
P. O. Box 168-90105, KATHIANI.

**KATHIANI GIRLS' HIGH SCHOOL**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2023**

**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2023**

**KATHIANI GIRLS HIGH SCHOOL**

**STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>th</sup> JUNE 2023**

|   | Note  | Kshs  | Kshs              |
|---|---|---|-------------------|
| FINANCIAL ASSETS  |   | 2022-2023   | 2021-2022         |
| <b>Cash and Cash Equivalents</b>  |   |   |                   |
| Bank Balances   | 8   | 15,300,393  | 7,667,134         |
| Cash Balances   | 9   | 228,230   | 5,060             |
| Short term Investment   | 10  | -   | -                 |
| <b>Total Cash and Cash Equivalents</b>  |   | <b>15,528,623</b>   | <b>7,672,194</b>  |
| Account's receivables   | 11  | 7,899,649   | 6,879,110         |
| <b>TOTAL FINANCIAL ASSETS</b>   |   | <b>23,428,272</b>   | <b>14,551,304</b> |
| <b>FINANCIAL LIABILITIES</b>  |   |   |                   |
| Accounts Payable  | 12  | 10,032,398  | 11,858,615        |
| <b>NET FINANCIAL SSETS</b>  |   | <b>13,395,874</b>   | <b>2,692,689</b>  |
| <b>REPRESENTED BY</b>   |   |   |                   |
| Fund balance b/fwd 1st July...  | 13  | 7,840,799   | 4,873,697         |
| Surplus/Defict for the year   |   | 5,555,074   | (2,181,006)       |
| <b>NET FINANCIAL POSITION</b>   |   | <b>13,395,873</b>   | <b>2,692,691</b>  |
| <b>Name: DR. DANIEL YUMBYA EBS</b>  | <b>Name: DAMARIS MUNYAO (MRS.)</b>  | <b>Name: SAMSON KIOKO</b>   |                   |
| <i>Chairman, BoM</i>  | <i>School Principal/Secretary to BoM</i>  | <i>Bursar/Finance</i>   |                   |
| Sign:  | Sign:  <b>27 AUG 2024</b> | Sign:  |                   |
| Date: 27/08/2024  | Date: 27/08/2024  | Date: 27/08/2024  |                   |

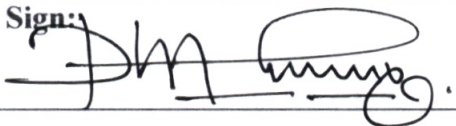
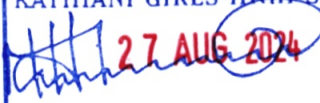

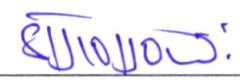
**KATHIANI GIRLS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2023**

**VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023**  
**KATHIANI GIRLS HIGH SCHOOL**

**STATEMENT OF CASH FLOW**  
**FOR THE PERIOD ENDING 30TH JUNE 2023**

|   |   | <b>2022-2023</b>   | <b>2021-2022</b>   |
|---|---|--------------------|--------------------|
|   |   | <b>Kshs</b>        | <b>Kshs</b>        |
| <b>Receipts from operating activities</b>       |   |                    |                    |
| Capitation grants for tuition                   | 1 | 3,489,955          | 3,588,692          |
| Capitation grants for operations                | 2 | 16,179,115         | 15,698,451         |
| School fund income- Parents contributions/ fees | 3 | 107,864,214        | 91,956,522         |
| Other receipts                                  | 4 | -                  | -                  |
| <b>Total receipts</b>                           |   | <b>127,533,283</b> | <b>111,243,665</b> |
| <b>Payments</b>                                 |   |                    |                    |
| Payments for Tuition                            | 5 | 2,886,067          | 3,600,076          |
| Payments for operations                         | 6 | 11,539,007         | 16,364,940         |
| Boarding and school fund payments               | 7 | 107,553,135        | 93,459,655         |
| Infrastructure                                  |   | -                  | -                  |
| <b>Total payments</b>                           |   | <b>121,978,209</b> | <b>113,424,671</b> |
| <b>Net increase in creditors/debtors</b>        |   | <b>-</b>           | <b>(1,160,905)</b> |
| <b>Net cash flow from operating activities</b>  |   | <b>5,555,074</b>   | <b>(3,341,911)</b> |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>       |   |                    |                    |
| Proceeds from Sale of Assets                    |   |                    | -                  |
| Acquisition of Assets                           |   | -                  | -                  |
| Proceeds from investments                       |   | -                  | -                  |
| <b>Net cash flows from Investing Activities</b> |   | <b>-</b>           | <b>-</b>           |
| <b>NET CASHFLOW FROM FINANCING ACTIVITIES</b>   |   |                    |                    |
| Proceeds from borrowings/ loans                 |   | -                  |                    |
| Repayment of principal borrowings               |   | -                  |                    |
| <b>Net cash flows from Investing Activities</b> |   | <b>-</b>           |                    |

**KATHIANI GIRLS' HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2023**

|   |  |   |                  |
|---|--|---|------------------|
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>   |  | <b>7,856,429</b>  |                  |
| <b>Cash and cash equivalent at BEGINNING of the year</b>  |  | <b>7,672,194</b>  | <b>270,999</b>   |
| <b>Cash and cash equivalent at END of the year</b>  |  | <b>15,528,623</b>   | <b>7,672,194</b> |
| <b>Name: DR. DANIEL YUMBYA EBS</b>  | <b>Name: DAMARIS MUNYAO (MRS.)</b>   | <b>Name: SAMSON KIOKO (CPA)</b>   |                  |
| <i>Chairman, BoM</i>  | <i>School Principal/Secretary to BoM</i>   | <i>Bursar/Finance</i>   |                  |
| <b>Sign:</b><br> | <b>Sign:</b><br><br><br>Sign:.....<br>P. O. Box 168-90105, KATHIANI. | <b>Sign:</b><br> |                  |
| <b>Date:</b> 27/8/2024  | <b>Date:</b> 27.08.2024  | <b>Date:</b> 27/08/2024   |                  |

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**VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

***KATHIANI GIRLS HIGH SCHOOL***

**PUBLIC SECONDARY SCHOOLS -**

**Reports and Financial Statements**

**For the year ended 30<sup>th</sup> June 2023**

| <b>STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2023</b> |                        |                    |                     |                                   |                                      |                         |
|---|------------------------|--------------------|---------------------|-----------------------------------|--------------------------------------|-------------------------|
| <b>Receipt/expenses Item</b>  | <b>Original Budget</b> | <b>Adjustments</b> | <b>Final Budget</b> | <b>Actual on Comparable Basis</b> | <b>Budget Utilization Difference</b> | <b>% of Utilization</b> |
|   | <b>a</b>               | <b>b</b>           | <b>c=a+b</b>        | <b>d</b>                          | <b>e=c-d</b>                         | <b>f=d/c %</b>          |
|   | <b>Kshs</b>            | <b>Kshs</b>        |                     |                                   | <b>Kshs</b>                          | <b>Kshs</b>             |
| <b>RECEIPTS</b>   |                        |                    |                     |                                   |                                      |                         |
| <b><i>(1) CAPITATION GRANT ON TUITION</i></b>   |                        |                    |                     |                                   |                                      |                         |
| <b>Textbooks and reference materials</b>  | 0                      | 0                  | 0                   | -                                 | -                                    |                         |
| <b>Exercise books</b>   | 0                      | 0                  | 0                   | -                                 | -                                    |                         |
| <b>Laboratory equipment</b>   | 0                      | 0                  | 0                   | -                                 | -                                    |                         |
| <b>Internal exams</b>   | 0                      | 0                  | 0                   | -                                 | -                                    |                         |
| <b>Teaching / learning materials</b>  | 2,937,280.00           | 0                  | 2,937,280.00        | 3,489,954.75                      |                                      | 118.8158688             |

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|  |                      |          |                 |                   |                   |             |
|--|----------------------|----------|-----------------|-------------------|-------------------|-------------|
|  |                      |          |                 |                   | (552,674.75)      |             |
| <b>Chalks</b>                              | 0                    | 0        | 0               | -                 | -                 |             |
| <b>Exams and assessment</b>                | 0                    | 0        | 0               | -                 | -                 |             |
| <b>Teachers guides</b>                     | 0                    | 0        | 0               | -                 | -                 |             |
| <b>TOTALS</b>                              | <b>2937280</b>       | <b>0</b> | <b>2937280</b>  | <b>3489954.75</b> | <b>-552674.75</b> | 118.8158688 |
| <b>(2) CAPITA TION GRANT ON OPERATIONS</b> |                      |          |                 |                   |                   |             |
| <b>Personnel emoluments</b>                |                      | 0        | 0               | 3,752,601.00      | (3,752,601.00)    |             |
| <b>Repairs and maintenance</b>             | 6,850,000.00         | 0        | 6,850,000.00    | 3,690,000.00      | 3,160,000.00      | 53.86861314 |
| <b>Local transport / travelling</b>        | -                    | 0        | 0               | -                 | -                 |             |
| <b>Electricity and water</b>               | -                    | 0        | 0.00            | -                 | -                 |             |
| <b>Medical</b>                             | 890,500.00           | 0        | 890500          | 250,100.00        | 640,400.00        | 28.08534531 |
| <b>Other Voteheads</b>                     | 12,878,000.00        | 0        | 12,878,000.00   | 5,970,201.00      | 6,907,799.00      | 46.35969095 |
| <b>Activity</b>                            | 2,055,000.00         | 0        | 2055000         | 1,146,212.00      | 908,788.00        | 55.77673966 |
| <b>RMI</b>                                 | -                    | 0        | 0               | 1,370,000.00      | (1,370,000.00)    |             |
| <b>SMASSE</b>                              | -                    | 0        | 0               |                   | -                 |             |
| <b>TOTALS</b>                              | <b>22,673,500.00</b> | <b>0</b> | <b>22673500</b> | <b>16179114</b>   | <b>6494386</b>    | 71.3569321  |

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|   |                        |                    |                     |                                   |                                      |                         |
|---|------------------------|--------------------|---------------------|-----------------------------------|--------------------------------------|-------------------------|
| <b>KATHIANI GIRLS HIGH SCHOOL</b>                   |                        |                    |                     |                                   |                                      |                         |
| <b>PUBLIC SECONDARY SCHOOL</b>                      |                        |                    |                     |                                   |                                      |                         |
| <b>Annual Report and Financial Statements</b>       |                        |                    |                     |                                   |                                      |                         |
| <b>For the year ended 30<sup>th</sup> June 2022</b> |                        |                    |                     |                                   |                                      |                         |
| <b>Receipt/expenses Item</b>                        | <b>Original Budget</b> | <b>Adjustments</b> | <b>Final Budget</b> | <b>Actual on Comparable Basis</b> | <b>Budget Utilization Difference</b> | <b>% of Utilization</b> |
|   | <b>a</b>               | <b>b</b>           | <b>c=a+b</b>        | <b>d</b>                          | <b>e=c-d</b>                         | <b>f=d/c %</b>          |
|   | <b>Kshs</b>            | <b>Kshs</b>        |                     |                                   | <b>Kshs</b>                          | <b>Kshs</b>             |
| <b>(3) FEES CHARGED ON PARENTS</b>                  |                        |                    |                     |                                   |                                      |                         |
| <b>Personnel emoluments</b>                         | 10,200,000.00          | 0                  | 10,200,000.00       | 11,731,535.00                     | (1,531,535.00)                       | 115.02                  |
| <b>Repairs and maintenance</b>                      | 2,704,000.00           | 0                  | 2,704,000.00        | 4,075,815.00                      | (1,371,815.00)                       | 150.73                  |
| <b>BES</b>  | 41,627,450.00          | 0                  | 41,627,450.00       | 56,482,398.00                     | (14,854,948.00)                      | 135.69                  |
| <b>Electricity and water</b>                        | 12,708,000.00          | 0                  | 12708000            | 11,187,207.00                     | 1,520,793.00                         | 88.03                   |
| <b>Medical</b>                                      | -                      | 0                  | 0                   | -                                 | -                                    |                         |
| <b>Other Voteheads</b>                              | 15,200,270.00          | 0                  | 15200270            | 11,581,120.00                     | 3,619,150.00                         | 76.19                   |
| <b>Activity</b>                                     | 1,093,260.00           | 0                  | 1093260             | 1,315,523.00                      | (222,263.00)                         | 120.33                  |
| <b>SMASSE</b>                                       | -                      | 0                  | 0                   | -                                 | -                                    | -                       |

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|                                       |                     |             |                     |                     |                  |                    |
|---------------------------------------|---------------------|-------------|---------------------|---------------------|------------------|--------------------|
| <b>OTHER INCOME</b>                   | -                   | <b>0</b>    | <b>0</b>            | -                   | -                | <b>0</b>           |
| Rent income                           | -                   | 0           | 0                   | -                   | -                | 0                  |
| Fee for hire of ground and equipment  | -                   | 0           | 0                   | -                   | -                | 0                  |
| Interest income                       | -                   | 0           | 0                   | -                   | -                | 0                  |
| Income from any other investment      | 0                   | 0           | 0                   | -                   | -                | 0                  |
| <b>TOTAL INCOME</b>                   | <b>83532980</b>     | <b>0</b>    | <b>83532980</b>     | <b>96373598</b>     | <b>-12840618</b> | <b>685.9866271</b> |
| <b>(1) EXPENDITURE FOR TUITION</b>    |                     |             |                     |                     |                  |                    |
| T/L materials                         | 2,935,256.00        | 0           | 408,147.00          | 356,000.00          | 52,147.00        | 87.22              |
| Exams and assessment                  | 0                   | 0           | 923,250.00          | 923,250.00          | -                | 100.00             |
| Laboratory equipment                  | 0                   | 0           | 1,125,895.00        | 1,125,895.00        | -                | 100.00             |
| Exercise books                        | 0                   | 0           | 477,964.00          | 477,964.00          | -                | 100.00             |
| Bank Charges                          | 0                   | 0           | -                   | -                   | -                | -                  |
| <b>TOTALS</b>                         | <b>2,935,256.00</b> | <b>0.00</b> | <b>2,935,256.00</b> | <b>2,883,109.00</b> | <b>52,147.00</b> | <b>387.22</b>      |
| <b>(2) EXPENDITURE FOR OPERATIONS</b> |                     |             |                     |                     |                  |                    |

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|   |                        |                    |                      |                                   |                                      |                         |
|---|------------------------|--------------------|----------------------|-----------------------------------|--------------------------------------|-------------------------|
| <b>Personnel emoluments</b>               | 9,600,000.00           | 0                  | 9,600,000.00         | 2,138,363.00                      | -                                    | 22.27                   |
| <b>maintenance &amp; improvements</b>     | 6,850,000.00           | 0                  | 6,850,000.00         | 3,667,348.00                      | 3,182,652.00                         | 53.54                   |
| <b>Local transport / travelling</b>       | -                      | 0                  | 0                    | -                                 | -                                    | -                       |
| <b>Electricity, water and conservancy</b> | -                      | 0                  | 0                    | -                                 | -                                    | -                       |
| <b>Medical</b>                            | 890,500.00             | 0                  | 890,500.00           | -                                 | 890,500.00                           | -                       |
| <b>Other Voteheads</b>                    | 2,681,100.00           | 0                  | 2,681,100.00         | 4,365,386.00                      | (1,684,286.00)                       | 162.82                  |
| <b>Activity Expenses</b>                  | 1,842,650.00           | 0                  | 1,842,650.00         | 734,030.00                        | 1,108,620.00                         | 39.84                   |
| <b>RMI</b>                                | -                      | 0                  | -                    | 632,410.00                        | -                                    |                         |
| <b>SMASSE</b>                             | -                      | 0                  | -                    | -                                 | -                                    | -                       |
| <b>TOTALS</b>                             | <b>21,864,250.00</b>   | <b>0</b>           | <b>21,864,250.00</b> | <b>11537537</b>                   | <b>3497486</b>                       | <b>278.4688124</b>      |
| <b>(3) EXPENDITURE FOR SCHOOL FUND</b>    |                        |                    |                      |                                   |                                      |                         |
| <b>Receipt/expenses Item</b>              | <b>Original Budget</b> | <b>Adjustments</b> | <b>Final Budget</b>  | <b>Actual on Comparable Basis</b> | <b>Budget Utilization Difference</b> | <b>% of Utilization</b> |
|   | <b>a</b>               | <b>b</b>           | <b>c=a+b</b>         | <b>d</b>                          | <b>e=c-d</b>                         | <b>f=d/c %</b>          |

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|  | Kshs                 | Kshs     |                 |                 | Kshs            | Kshs          |
|--|----------------------|----------|-----------------|-----------------|-----------------|---------------|
| Repairs, maintenance and improvements    | 2,740,000.00         | 0        | 2,740,000.00    | 4755711         | -               | 173.57        |
| Local transport / travelling             | -                    | 0        | -               | 0               | -               |               |
| Electricity, water and conservancy-OTHER | 23,881,344.00        | 0        | 23,881,344.00   | 14392287        | 9,489,057.00    | 60.27         |
| Medical Expenses                         | -                    | 0        | -               | 0               | -               |               |
| Administration costs                     | -                    | 0        | -               | 0               | -               |               |
| Activity                                 | 1,093,260.00         | 0        | 1,093,260.00    | 2841864         | -               | 259.94        |
|  | -                    | 0        | -               | 0               | -               |               |
| Lunch programme                          | -                    | 0        | -               | -               | -               |               |
| Boarding Equipment and Stores            | 46,465,650.00        | 0        | 46,465,650.00   | 56,628,948.00   | -               | 121.87        |
| Personal emoluments                      | -                    | 0        | -               |                 | -               |               |
| Bank Charges                             | -                    | 0        | -               | -               | -               |               |
| <b>TOTALS</b>                            | <b>74,180,254.00</b> | <b>0</b> | <b>74180254</b> | <b>78618810</b> | <b>-4438556</b> | <b>105.98</b> |

**IX. 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.

**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 30<sup>th</sup> June 2023

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**X. NOTES TO THE FINANCIAL STATEMENTS**

| <b>1</b> | <b>CAPITATION GRANT FOR TUITION</b>                    |                      |                      |
|----------|--|----------------------|----------------------|
|          |  | <b>2022-2023</b>     | <b>2021-2022</b>     |
|          |  | <b>Kshs</b>          | <b>Kshs</b>          |
|          | Textbooks  | -                    |                      |
|          | Exercise books   | -                    |                      |
|          | Laboratory equipment                                   | -                    |                      |
|          | Internal exams   | -                    |                      |
|          | Teaching / learning materials                          | 3,489,954.75         | 3,588,692.00         |
|          | Chalks   | -                    |                      |
|          | Exams and assessment                                   | -                    |                      |
|          | Teachers guides  |                      |                      |
|          | Reference books  | -                    |                      |
|          | <b>Total</b>   | <b>3,489,954.75</b>  | <b>3,588,692.00</b>  |
| <b>2</b> | <b>CAPITATION GRANT FOR OPERATIONS</b>                 |                      |                      |
|          |  | <b>2022-2023</b>     | <b>2021-2022</b>     |
|          |  | <b>Kshs</b>          | <b>Kshs</b>          |
|          | Personnel emoluments                                   | 3,752,601.70         | 6,279,379.10         |
|          | Other voteheads  | 5,970,201.00         | -                    |
|          | Infrastructural A/c                                    | 3,690,000.00         |                      |
|          | Medical and insurance                                  | 250,100.00           |                      |
|          | L T T  |                      | 3,139,691.00         |
|          | E.W.C  |                      | 2,609,520.00         |
|          | Administration costs                                   |                      | 3,669,861.00         |
|          | RMI  | 1,370,000.00         |                      |
|          | Activity   | 1,146,212.00         |                      |
|          | <b>Total</b>   | <b>16,179,114.70</b> | <b>15,698,451.10</b> |
| <b>3</b> | <b>PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT</b> |                      |                      |
|          |  | <b>2022-2023</b>     | <b>2021-2022</b>     |
|          |  | <b>Kshs</b>          | <b>Kshs</b>          |

**KATHIANI GIRLS' HIGH SCHOOL**  
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|   |                       |                      |
|---|-----------------------|----------------------|
| Boarding Equipment Stores(BES)                | 56,482,398            | 42,773,203           |
| Repairs and maintenance                       | 4,075,815.00          | 3,571,829.00         |
| Other Voteheads                               | 11,581,120.00         | 24,163,443.00        |
| Bus fund                                      |                       |                      |
| Student id                                    |                       |                      |
| EWC   | 11,187,207.00         |                      |
| Rental income                                 |                       |                      |
| Bursary                                       |                       |                      |
| Personnel emoluments                          | 11,731,535.00         |                      |
| Activity                                      | 1,315,523.00          | 1,421,004.00         |
| Development Fee                               | 4,378,572.00          | 13,324,909.00        |
| Rent income                                   | 28,000.00             | 18,000.00            |
| Uniform                                       | 7,041,344.00          | 6,591,642.00         |
| University Registration                       |                       | 86,492.00            |
| KNEC  | 42,700.00             | 6,000.00             |
| <b>Total</b>                                  | <b>107,864,214.00</b> | <b>91,956,522.00</b> |
| <b>4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT</b> |                       |                      |
|   | <b>2022-2023</b>      | <b>2021-2022</b>     |
|   | <b>Kshs</b>           | <b>Kshs</b>          |
|   |                       |                      |
|   |                       |                      |
| <b>5 PAYMENTS FOR TUITION</b>                 |                       |                      |
|   | <b>2022-2023</b>      | <b>2021-2022</b>     |
|   | <b>Kshs</b>           | <b>Kshs</b>          |
| Textbooks                                     |                       |                      |
| Exercise books                                | 477,964.00            |                      |
| Laboratory chem/ equip.                       | 1,125,895.00          | 1,316,970.00         |
| Internal exams                                |                       |                      |
| Teaching / learning materials                 | 356,000.00            | 1,283,106.00         |
| Chalks  |                       |                      |
|   |                       |                      |

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|          |  |                      |                      |
|----------|--|----------------------|----------------------|
|          | Reference books                          |                      | 1,000,000.00         |
|          | Exams and assessment                     | 923,250.00           |                      |
|          | Teachers guides                          |                      |                      |
|          | Administration Costs                     |                      |                      |
|          | Bank Charges                             | 2,958.00             |                      |
|          | <b>Total</b>                             | <b>2,886,067.00</b>  | <b>3,600,076.00</b>  |
| <b>6</b> | <b>PAYMENTS FOR OPERATIONS</b>           |                      |                      |
|          |  | <b>2022-2023</b>     | <b>2021-2022</b>     |
|          |  | <b>Kshs</b>          | <b>Kshs</b>          |
|          | Activity fees                            | 734,030.00           | 860,800.00           |
|          | RMI                                      | 632,410.00           | 454,611.00           |
|          | Personnel emoluments                     | 2,138,363.00         | 1,773,442.10         |
|          | Insurance                                |                      | 693,727.00           |
|          | Administration Costs                     |                      | 3,271,750.00         |
|          | EWC                                      |                      | 2,811,430.00         |
|          | Bank Charges                             | 1,470.00             | 9,980.00             |
|          | Infrastructure Account                   | 3,667,348.00         | 6,244,000.00         |
|          | L.T.T                                    |                      | 245,200.00           |
|          | Other Voteheads                          | 4,365,386.00         |                      |
|          | <b>TOTAL</b>                             | <b>11,539,007.00</b> | <b>16,364,940.10</b> |
| <b>7</b> | <b>BOARDING AND SCHOOL FUND PAYMENTS</b> |                      |                      |
|          |  | <b>2022-2023</b>     | <b>2021-2022</b>     |
|          |  | <b>Kshs</b>          | <b>Kshs</b>          |
|          | Personnel emoluments                     | 6,713,219.00         |                      |
|          | RMI                                      | 4,755,711.00         | 7,324,277.00         |
|          | Other Voteheads                          | 14,392,287.32        | 17,562,117.35        |
|          | EWC                                      | 4,739,840.00         |                      |
|          | Uniform                                  | 8,191,593.00         | 8,301,050.00         |
|          | Development Fee                          | 9,199,400.00         | 21,982,175.00        |

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|           |                                      |                            |                      |
|-----------|--------------------------------------|----------------------------|----------------------|
|           |                                      |                            |                      |
|           | Activity                             | 2,841,864.00               | 468,450.00           |
|           | University Registration              |                            | 110,000.00           |
|           | Bank Charges                         | 90,273.00                  |                      |
|           | Boarding Equipment Stores(BES)       | 56,628,948.00              | 37,680,686.00        |
|           | KNEC                                 |                            | 30,900.00            |
|           | <b>TOTAL</b>                         | <b>107,553,135.32</b>      | <b>93,459,655.35</b> |
| <b>8</b>  | <b>BANK BALANCES</b>                 |                            |                      |
|           | <b>BANK ACCOUNTS</b>                 | <b>Bank Account Number</b> | <b>2022-2023</b>     |
|           |                                      |                            | <b>2021-2022</b>     |
|           |                                      |                            | <b>Kshs</b>          |
|           |                                      |                            | <b>Kshs</b>          |
|           | Tuition Account                      | 1106283937                 | 616,006.00           |
|           | Operations Account                   | 1106285425                 | 4,356,271.60         |
|           | School Fund Account/Boarding         | 1108310826                 | 10,224,328.18        |
|           | Development account                  | 1106408276                 | 78,579.21            |
|           | Income generating activities Account |                            | -                    |
|           | Infrastructural Account              | 1161228551                 | 25,207.52            |
|           | Total                                |                            | <b>15,300,392.51</b> |
|           |                                      |                            | <b>7,667,133.82</b>  |
| <b>9</b>  | <b>CASH IN HAND</b>                  |                            | <b>2022-2023</b>     |
|           | <b>Description</b>                   |                            | <b>2021-2022</b>     |
|           |                                      |                            | <b>Kshs</b>          |
|           |                                      |                            | <b>Kshs</b>          |
|           | Tuition Account                      |                            | -                    |
|           | Operation Account                    |                            | -                    |
|           | Infrastructure Account               |                            | -                    |
|           | School Fund account                  |                            | 228,230.15           |
|           | <b>Total</b>                         |                            | <b>228,230.15</b>    |
|           |                                      |                            | <b>5,060.00</b>      |
| <b>10</b> | <b>SHORT TERM INVESTMENTS</b>        |                            | <b>2022-2023</b>     |
|           | <b>Description</b>                   |                            | <b>2021-2022</b>     |
|           |                                      |                            | <b>Kshs</b>          |
|           |                                      |                            | <b>Kshs</b>          |

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|                    |  |   |   |
|--------------------|--|---|---|
|                    |  | - | - |
| Cooperative shares |  | - | - |
| Treasury Bills     |  | - | - |
| Fixed deposit      |  | - | - |
| Equity stock       |  | - | - |
| Other investments  |  | - | - |
| <b>Total</b>       |  |   |   |

11

**ACCOUNTS RECEIVABLE**

|  | 2022-2023           | 2021-2022           |
|--|---------------------|---------------------|
| Description  | Kshs                | Kshs                |
| Fees arrears   | 7,419,649.00        | 6,638,610.00        |
| Other non-fees receivables                               | 480,000.00          |                     |
| Salary advances/suspence account                         |                     | 240,500.00          |
| Imprest  |                     |                     |
| <b>Total</b>   | <b>7,899,649.00</b> | <b>6,879,110.00</b> |
| [Include an ageing of the fees / non fees arrears below] |                     |                     |
|  | 2022-2023           | 2021-2022           |
| Description  | Kshs                | Kshs                |
| Fees arrears for current year                            | 7,419,649.00        | 4,596,009.00        |
| Fees arrears for the previous year                       | 480,000.00          | 2,042,601.00        |
| Fees arrears for prior periods (over two years)          | -                   |                     |
| Non fees arrears for current year                        |                     |                     |
| Non fees arrears for previous year                       |                     | 240,500.00          |
| Non fees arrears for prior periods                       |                     |                     |

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|           |   |                      |                      |                  |
|-----------|---|----------------------|----------------------|------------------|
|           | <b>Total</b>  | <b>7,899,649.00</b>  | <b>6,879,110.00</b>  |                  |
| <b>12</b> | <b>ACCOUNTS PAYABLE</b>                             |                      |                      |                  |
|           | <b>Description</b>                                  | <b>2022-2023</b>     | <b>2021-2022</b>     |                  |
|           |   | <b>Kshs</b>          | <b>Kshs</b>          |                  |
|           | Trade creditors (See ageing below and appendix 1)   | 6,833,619.00         | 8,526,661.00         |                  |
|           | Prepaid fees  | 3,198,779.00         | 3,331,954.00         |                  |
|           | Retention monies                                    |                      |                      |                  |
|           | <b>Total</b>  | <b>10,032,398.00</b> | <b>11,858,615.00</b> |                  |
|           | [Include an ageing of the creditor's arrears below] |                      |                      |                  |
|           |   | <b>2022-2023</b>     | <b>2021-2022</b>     |                  |
|           | <b>Description</b>                                  | <b>Kshs</b>          | <b>Kshs</b>          |                  |
|           | Trade creditors for current year                    | 10,032,398.00        | 4,012,762.00         |                  |
|           | Trade creditors for the previous year               | -                    | 7,845,853.00         |                  |
|           | Trade creditors for prior periods (over two years)  | -                    |                      |                  |
|           | <b>Total</b>  | <b>10,032,398.00</b> | <b>11,858,615.00</b> |                  |
| <b>13</b> | <b>FUND BALANCE BROUGHT FORWARD</b>                 |                      |                      |                  |
|           |   | <b>2022-2023</b>     | <b>2021-2022</b>     |                  |
|           | <b>Description</b>                                  | <b>Kshs</b>          | <b>Kshs</b>          |                  |
|           | Bank balances                                       | 7,835,739.03         | 4,862,435.01         |                  |
|           | Cash balances                                       | 5,060.00             | 11,262.00            |                  |
|           | Short Term Investments                              | -                    |                      |                  |
|           | Receivables   |                      |                      |                  |
|           | Payables  |                      |                      |                  |
|           | <b>Total</b>  | <b>7,840,799.03</b>  | <b>4,873,697.01</b>  |                  |
| <b>14</b> | <b>Other important disclosure notes</b>             |                      |                      |                  |
|           | <b>Non-current Liabilities Summary</b>              |                      |                      |                  |
|           |   | <b>2021-2022</b>     | <b>2020-2021</b>     | <b>2019-2020</b> |

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| <b>Description</b>                        |                         | <b>Kshs</b>    | <b>Kshs</b>      | <b>Kshs</b>      |
|---|-------------------------|----------------|------------------|------------------|
| Bank loan(s)                              |                         | -              | -                | -                |
| Outstanding Leases                        |                         | -              | -                | -                |
| Hire purchase                             |                         | -              | -                | -                |
| Gratuity and leave provision              |                         | -              | -                | -                |
| <b>Total</b>                              |                         | -              | -                | -                |
| <b>15</b>                                 |                         |                |                  |                  |
| <b>Biological assets</b>                  |                         |                |                  |                  |
|   |                         | <b>Numbers</b> | <b>Numbers</b>   |                  |
| <b>Description</b>                        |                         |                | <b>Kshs</b>      | <b>KShs</b>      |
| Cattle                                    |                         | 0              | -                |                  |
| Pigs                                      |                         | 0              | -                | -                |
| Trees(blue gum)                           |                         | 0              | -                | -                |
| Coffee or tea plantation                  |                         | 0              | -                | -                |
| Poultry                                   |                         | 0              | -                | -                |
| <b>Total</b>                              |                         | <b>0</b>       | -                |                  |
| <b>16</b>                                 |                         |                |                  |                  |
| <b>Borrowings</b>                         |                         |                |                  |                  |
|   |                         |                | <b>2021-2022</b> | <b>2020-2021</b> |
| <b>Description</b>                        |                         |                | <b>KShs</b>      | <b>KShs</b>      |
| <b>a) Borrowings</b>                      |                         |                |                  |                  |
| Borrowing at beginning of the year        |                         |                | -                | -                |
| Borrowings during the year                |                         |                | -                | -                |
| Repayments of during the year             |                         |                | -                | -                |
| <b>Balance at end of the year</b>         |                         |                | -                | -                |
| <b>17</b>                                 | <b>Stock/ Inventory</b> |                | <b>2020-2021</b> |                  |
| <b>Description</b>                        |                         |                | <b>KShs</b>      |                  |
| <b>Stock/Inventory</b>                    |                         |                |                  |                  |
| Stock/ inventory at beginning of the year |                         |                |                  | -                |

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|  |  |   |
|--|--|---|
| Stock/ inventory purchased during the year |  | - |
| Stock/ inventory issued during the year    |  | - |
| <b>Balance at end of the year</b>          |  | - |

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**Other important disclosure notes**

**1 Stock/ Inventory**

| Description                                | 2022-2023           | 2021-2022         |
|--|---------------------|-------------------|
|  | KShs                | KShs              |
| <b>a) Borrowings</b>                       | ksh                 |                   |
| Stock/ inventory at beginning of the year  | 330,510.00          | 391,040.00        |
| Stock/ inventory purchased during the year | 1,950,085.00        | 1,240,864.00      |
| Stock/ inventory issued during the year    | (1,040,555.00)      | (1,301,394.00)    |
| <b>Balance at end of the year</b>          | <b>1,240,040.00</b> | <b>330,510.00</b> |

**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.

| <b>Ref No.</b> | <b>Issue / Observations from Auditor</b> | <b>Management comments</b> | <b>Status:<br/>(Resolved / Not Resolved)</b> | <b>Timeframe:<br/>(Put a date when you expect the issue to be resolved)</b> |
|----------------|--|----------------------------|--|---|
|                |  |                            |  |   |
|                |  |                            |  |   |
|                |  |                            |  |   |
|                |  |                            |  |   |
|                |  |                            |  |   |
|                |  |                            |  |   |
|                |  |                            |  |   |

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**XI. ANNEXES**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

| Supplier of Goods or Services    | Original Amount | Date Contracted  | Amount Paid To-Date                 | Outstanding Balance 2021 | Outstanding Balance 2021 | Comments |
|----------------------------------|-----------------|--|-------------------------------------|--------------------------|--------------------------|----------|
|                                  | a               | b  | c                                   | d=a-c                    |                          |          |
|                                  | Kshs            | Kshs   | Kshs                                | Kshs                     | Kshs                     |          |
| <b>Construction of buildings</b> |                 |  |                                     |                          |                          |          |
| 1.                               |                 |  |                                     |                          |                          |          |
|                                  |                 |  |                                     |                          |                          |          |
|                                  |                 |  |                                     |                          |                          |          |
| <b>Sub-Total</b>                 |                 |  |                                     |                          |                          |          |
| <b>Supply of goods</b>           |                 |  |                                     |                          |                          |          |
| 2. Charles Makau                 | 37660.00        | (Pv 290 ) 15/09 2021   | 37660.00                            | nil                      |                          |          |
| 3. Machakos Ranching             | 212350.00       | Pv 408 22/10/2021  | 212350.00                           | nil                      |                          |          |
| 4. Beta Bakers                   | 330094.00       | (Pv245) 20/08/2021   | 244738.00                           | 85356.00                 |                          |          |
| 7 Dajopet enterprises            | 32448.00        | (Pv243 )1908/2021  | 324485.00                           | nil                      |                          |          |
| 8 Umiisyo shop                   | 387160.00       | (Pv 6 )07/12/2021  | 100000.00                           | 287160.00                |                          |          |
| 9 David Nzau                     | 54000.00        | (Pv238) 19/08.2021   | 54000.00                            | nil                      |                          |          |
| 10 Jit Investment                | 364285.00       | (Pv243)/ 19/8 /2021<br>(Pv 59_) 24/01/2022                     | 364285.00                           | nil                      |                          |          |
| 11 Blanche Ndolo                 | 75000.00        | (Pv 335( 16/09/2021  | 75000.00                            | nil                      |                          |          |
| 12 New times                     | 30000.00        |  | -                                   | 30000.00                 |                          |          |
| 13Genesis Rosso                  | 599000.00       | 29/10 2021(Pv407/)<br>19/08 2021( pv/247)<br>20/09/202(1Pv312) | 268000.00<br>230000.00<br>200000.00 | nil                      |                          |          |
| 14Eastern flour mills            | 352000.00       | (Pv 306) 6/09/23021  | 352000.00                           | nil                      |                          |          |
| <b>Sub-Total</b>                 |                 |  |                                     |                          |                          |          |
| <b>Supply of services</b>        |                 |  |                                     |                          |                          |          |