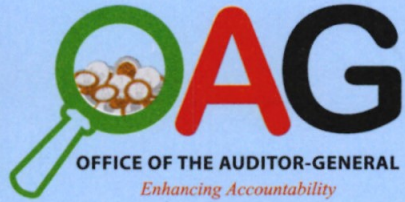


REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

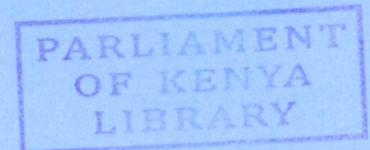
ON

STAREHE BOYS CENTRE AND SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2025

NAIROBI CITY COUNTY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 JUN 2026	DAY. Wednesday
TABLED BY:	Hon. Owen Baya (Deputy Leader of the Majority Party)
CLERK-AT THE TABLE:	Anatucia





STAREHE BOYS' CENTRE AND SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2025

Transitional Financial Statements Prepared under the International Public Sector

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STAREHE BOYS' CENTRE AND SCHOOL
Annual Report and Financial Statements For the year ended 30 June 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms.

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

B. Definition of Key Terms

Comparative Year- Means the prior period.

2. Key School Information and Management

(a) Background information

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

The school was registered in March 1998 under registration number GP/A/839/98 and is currently categorized as a national school established, owned or operated by the Government and the Starehe Board of Trustees.

The school is a boarding school and had 934 number of students as at 30 June 2025. It has 7 streams and 64 teachers of which 34 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	David Mureithi	Chairman	09/02/2020
2	Jarret Odwallo	Member	09/02/2020
3	Muratha Kinuthia	Member	09/02/2020
4	Jane Soita	Member	09/02/2020
5	Isabella M. Kamere	Member	09/02/2020
6	Evans Ligeve Njoro	Member	17/09/2023
7	Sara Ituku Njunguna	Member	09/02/2020
8	Josphat Mwaura	Member	09/02/2020
9	Mohamed Wehliye	Member	09/02/2020
10	Waheed Sheikh	Member	09/02/2020

The functions of the School Board of Management are to:

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

(c) Committees of the Board

(Provide the names of the various committees of the Board established by the Board and the names of the committee members):

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. David Mureithi 2. Josphat Mwaura 3. Muratha Kinuthia 4. Sr. Jane Soita 5. Sara Ituku Njunguna	1. Chair	
2	Audit Committee	1. Sr. Jane Soita 2. David Mureithi 3. Sara Ituku Njunguna 4. Josphat Mwaura	1. Chair	
3	Finance, procurement and general purposes Committee	1. Sara Ituku Njunguna 2. Josphat Mwaura 3. Principal 4. Fred Okono 5. Sr. Jane Soita	1. Chair	

STAREHE BOYS' CENTRE AND SCHOOL

Annual Report and Financial Statements For the year ended 30 June 2025

4	Academic Committee	1. Dr Isabella Musyoka Kamere 2. Sr. Jane Soita 3. Josphat Mwaura 4. Principal 5. Fred Okono	1. Chair	
5	Resource Mobilization	1. Muratha Kinuthia 2. Mohamed Wehluye 3. Janet Odwallo 4. Waheed Sheikh 5. Fred Okono 6. Evans Ligeve Njoro	1. Chair	
6	Human Resources	1. Fred Okono 2. Muratha Kinuthia 3. Josphat Mwaura 4. Sr. Jane Soita	1. Chair	

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Samuel Njiiri	TSC No. 309607
2	Deputy Principal	James Mwangi	TSC No. 336944
	Deputy Principal	Joseph Ndede	TSC No. 377240
3	Finance Officer	Maurice Achach	CPA(K)

(e) Schools contacts

Post Office Box: 30178-00100
Telephone: +254727531001
E-mail: info@stareheboyscentre.ac.ke
Website: www.stareheboyscentre.org
Facebook: Starehe Boys' Centre and School
X: Starehe Boys' Centre and School
Instagram: Starehe Boys' Centre and School

(f) School Bankers

Name of Bank: Kenya Commercial Bank
Branch: Moi Avenue, Nairobi
Postal Address: Po box 30081, 00100 Nairobi

Name of Bank: NCBA Bank Kenya
Branch: Mama Ngina Street, Nairobi
Postal Address: Po Box 44599-00100

Name of Bank: Absa Bank Kenya
Branch: Market Branch, Nairobi
Postal Address: Po Box 30018-00100

(g) Independent Auditors

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

3. Summary Report of Performance of the School

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

a) Financial performance:**Surplus/Deficit over the years**

Year	Surplus/Deficit
2024/2025	(4,857,977)
2023/2024	(9,898,913)
2022/2023	(8,125,985)
2021/2022	14,560,846

Capitation grants from the ministry over the years

	Tuition	Operations	Infrastructure	Science & Technology
2024/2025	2,833,120	11,966,263	-	-
2023/2024	2,834,071	10,143,328	3,651,664	-
2022/2023	3,115,773	13,726,527	-	-
2021/2022	-	15,703,177		3,072,497

Other Incomes Over the Years

Year	School Fund Income-parents contribution	Miscellaneous Incomes	Other Incomes Total
2024/2025	63,618,587	93,755,131	157,373,718
2023/2024	92,604,558	96,806,204	189,410,762
2022/2023	87,223,781	84,006,016	171,229,797

Expenditure over the years

Year	Expenditure
2024/2025	177,031,078
2023/2024	215,938,738
2022/2023	196,198,082
2021/2022	165,661,866

Debtors and Creditors Over the years

Year	Debtors	Creditors
2024/2025	9,624,740	38,243,151
2023/2024	25,412,418	55,305,512
2022/2023	21,938,527	44,941,024
2021/2022	20,470,404	97,958,424

b) Teacher Student ratio:

Teacher to student ratio: 1 to 14.6

No of teachers retired/transferred during the year were 23

TSC teachers were 30; BoM teachers were 34

c) The mean score in the 2023 to 2025 KCSE:

YEAR	CANDIDATES	SCHOOL MEAN	TRANSITION TO UNIVERSITY
2025	301	9.9750	292
2024	273	10.0989	272
2023	271	9.5018	263

d) Capacity of the School

	Facilities	Number
1	Dormitories	14
2	Dining Hall	1
3	Kitchen	1
4	Bakery	1
5	Laboratories - Science	6
6	Laboratories - Computer	5
7	Toilets for students	30

e) Development projects carried out by the school:

(Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format).

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time

.....
 School Principal

15th March 2026

4. Statement of School Management Responsibility

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

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

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

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

.....
Name: *F. Shoro*

for Designation: Chairman, School Board of Management

Date: *15/3/26*

.....
Name:

Designation: School Principal & Secretary to Board of Management

Date: *15th March 2026*

.....
Name:

Designation: Finance Officer

Date: *14th March 2026*

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON STAREHE BOYS CENTRE AND SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – NAIROBI CITY COUNTY

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of Starehe Boys Centre and School set out on pages 1 to 22, which comprise of the statement of assets

Report of the Auditor-General on Starehe Boys Centre and School for the year ended 30 June, 2025 – Nairobi City County

and liabilities as at 30 June, 2025, and the statement of financial performance, statement of cash flows and statement of budgeted versus actual amounts for the year 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the Financial position of Starehe Boys Centre and School as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Public Finance Management Act, 2012, the Basic Education Act, 2013, and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

Long Outstanding Accounts Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.9,624,740 in respect of fees arrears, salary advances, interest receivables, rent arrears and electricity income receivables as disclosed in Note 13 to the financial statements. Included in the balance is accounts receivable balance of Kshs.2,106,127 which had been outstanding for more than two (2) years. However, there was no a policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the full recoverability of the accounts receivables balance Kshs.2,106,127 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Starehe Boys Centre and 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 judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1. Significant Exemptions by PSASB in the Financial Reporting Template

The financial statements have been prepared using the FY 2024/25 reporting template issued by the Public Sector Accounting Standards Board (PSASB). As communicated by PSASB on 25 February, 2026, the template was designed to facilitate a phased transition to accrual-based IPSAS for public secondary schools and, therefore, does not include certain statements and disclosures required under the full IPSAS transition. These omissions include the Opening Statement of Financial Position, the Statement of Changes in Net Assets/Equity, detailed disclosures of transitional provisions under IPSAS 33, and a reconciliation of budgeted amounts to actual accrual amounts. The absence of these elements arises from limitations inherent in the prescribed template and does not constitute non-compliance on the part of the School.

2. Unresolved Prior Year Matters

In the prior years' audit reports, 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. Review of the status during audit of the School in the financial year 2024/2025, revealed that the issues remained unresolved as listed in **Appendix I**.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

During the year under review, the School Management submitted the financial statements to the Auditor-General on 03 March, 2026 instead of the statutory deadline of 31 August, 2025. This was contrary to The National Treasury Circular AG.3/88 Vol.VII (41) dated 04 December, 2024 which stated that the School's financial statements should be submitted to the Auditor General by 31 August, 2025.

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

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

The statement of financial performance reflects operation payments amount of Kshs.81,921,100 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.66,500 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, the value for money transferred to KESSHA amounting to Kshs.66,500 could not be confirmed.

3. Irregular Use of Direct Procurement Method

The statements of financial performance reflects boarding and School fund expenditure of Kshs.70,155,086 as disclosed in Note 9 to the financial statements. Included in the expenditure was an amount of Kshs.735,945 and Kshs.5,337,361 utilized in procurement of medicines and foodstuffs respectively using direct procurement method despite exceeding the thresholds for low value procurement. This was contrary to the provisions of Section 103(2) of the Public Procurement and Assets Disposal Act, 2015 which lays down the circumstances under which direct procurement method may be applied.

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

4. Non-compliance with Employment Requirements for Persons with Disabilities

Analysis of the payroll records revealed that the School had employed a total of ninety-eight (98) teaching and non-teaching staff during the year under review. However, review of the employee records, including personal files and statutory declarations, indicated that none of the employees were persons living with disabilities. Further review of the

recruitment records and procedures revealed that the School had not put in place deliberate measures or affirmative action strategies aimed at attracting, recruiting, and retaining persons with disabilities. In addition, the School had not established policies or frameworks to support inclusivity in employment, such as workplace accessibility adjustments or targeted outreach programs for persons with disabilities.

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

5. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of financial performance reflects operations grants amount of Kshs.11,966,263 as disclosed in Note 2 to the financial statements. The amount was from the Ministry of Education credited in the operations bank account. Included in the amount is grants in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, during the year under review, no amount was transferred to the infrastructure account. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the School infrastructure within account fifteen (15) days upon receipt of the funds in the operations account.

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

6. Irregular Prescription and Payment of Suppliers of School Uniforms

The Statement of financial performance reflects boarding and school fund payment amounting to Kshs.70,155,086, as disclosed in Note 9 to the financial statements. Included in this balance is an expenditure on clothing, shoes, and bedding totalling Kshs.1,455,364. Review of payment vouchers and supporting documents revealed that Kshs.1,331,354 was paid to a uniforms supplier while the remaining balance of Kshs.124,010 was paid to unidentified suppliers as per the schedules provided for audit. This indicates that the institution directly engaged and paid specific suppliers for uniforms and related items, contrary to Regulation 67(3) of the Basic Education Regulations, 2015, which prohibits schools from prescribing or restricting parents to particular suppliers

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

7. Failure to Update the List of Prequalified Suppliers

Notes 7, Note 8 and Note 9 to the financial statements disclose expenditures on stationery and miscellaneous amounting to Kshs.5,740,184, repairs and maintenance amounting to Kshs.8,293,709, and catering, clothing, shoes and beddings amounting to Kshs.33,653,173. Review of procurement records and discussions with Management revealed that the School has been using a supplier prequalification list last updated in April, 2019, contrary to Regulation 44(1) of the Public Procurement and Asset Disposal Regulations, 2020 which requires suppliers register to be updated at least every six (6) months.

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

8. Non-Compliance with 30% Access to Government Procurement Opportunities Requirements

Review of procurement records revealed that the School did not prepare an annual procurement plan for the year under review. As a result, procurement opportunities were not identified, structured, or aligned to statutory requirements, including reservation for youth, women and persons with disabilities under the AGPO framework. Further, there was no evidence provided for audit to confirm that at least thirty percent (30%) of procurement opportunities were reserved for and awarded to AGPO groups during the year under review. In addition, the School had not established any documented tracking or reporting mechanism to monitor compliance with AGPO requirements.

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

9. Failure to Prepare an Annual Procurement Plan

The statement of financial performance reflects amounts of Kshs.172,173,101 and Kshs.177,031,078 in respect of total receipts and payments respectively. However, during the year, Management did not prepare the annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which requires a procuring entity to prepare a procurement plan for each financial year as part of the annual budget preparation process’.

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

10. Abandoned and Unutilized Fuel Pump Station

Analysis of the project implementation status revealed that the School had constructed a fuel pump station within the School premises. The project was completed and was initially operational, with the School fueling its vehicles internally. However, it was noted during the time of audit that the facility was not in use and had been abandoned. The School has since reverted to fueling its vehicles externally from commercial fuel stations. Further, no satisfactory explanation or documentation was provided to justify the discontinuation of the use of the fuel pump station. This has rendered the investment idle despite the resources incurred in its establishment.

In the circumstances, value for money for the expenditure incurred on the installation of the fuel pump station could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure to Carry Out Annual Stock Take

The statement of financial position reflects a balance of Kshs.10,482,801 under inventories as disclosed under Note 19 to the financial statements. During the audit exercise it was observed that Management did not carry out a stock take exercise as at 30 June, 2025 to verify the existence and condition of the inventories.

In the circumstances, existence of effective mechanisms and internal controls to manage the School's inventory could not be confirmed.

2. Lack of an Approved Staff Establishment

The staff establishment for the financial year under reviewed was not availed for audit verification. This document is critical as it provides details on approved staffing levels, job classifications and personnel distribution within the institution.

In the circumstances, the internal controls surrounding management of the School's human resource matters could not be confirmed.

3. Lack of Internal Audit Function

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) Regulations, 2015 which requires, the internal audit unit of a National Government entity to assess effectiveness of the entity through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

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

4. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects a summary of fixed assets register balance of Kshs.75,715,204. However, Management did not maintain an updated fixed assets register. In addition, several assets at the School were not tagged. The register in place was not maintained in the prescribed format as it lacked key details such as historical cost, additions and serial numbers.

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

5. Weaknesses in the School's Revenue and Financial Systems

5.1 Outdated System for Revenue Collection and Accounting

Audit review revealed that the School acquired an accounting management system to enhance revenue collection processes and improve accountability. However, review of the system functionality revealed that it had limited application and could only generate a restricted range of reports. Further, the system was not integrated with the school fees collection bank account, thereby limiting its effectiveness in tracking revenue in real time.

5.2 Inadequacies in the School Financial System

The statement of financial performance reflects total expenditure of Kshs.177,031,078 under tuition, operations, infrastructure, boarding and school fund. However, the supporting ledgers had inadequate descriptions of transactions. The detailing limitation being a technical constraint of the accounting system in use by the Centre as the field could not support detailed descriptions.

In the circumstances, the effectiveness of the School's Revenue Management and Financial System could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

4 May, 2026

Appendix I: Unresolved Prior Year Matters

No.	Financial Year	Audit Issue
1	2023-2024	Overstatement of Receipts from School Fees
2	2023-2024	Variances/Inaccuracies
3	2023-2024	Bank and Cash Balances
4	2023-2024	Long Outstanding Receivables
5	2023-2024	Budgetary Control and Performance
6	2023-2024	Over- Funding of Capitation Grants
7	2023-2024	Failure to Transfer Infrastructure Funds from Operations Bank Account
8	2023-2024	Excess books in Stores
9	2023-2024	Irregular Purchase of Books
10	2023-2024	Long Outstanding Payables
11	2023-2024	Compliance on Principals, Board of Management and Committees' Terms of Services and Entitlement.
12	2023-2024	Failure to Prepare School Improvement Plan
13	2023-2024	Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements
14	2023-2024	Irregular Prescription and Payment of Suppliers of School Uniforms
15	2023-2024	Irregular Transfer of Funds to Kenya Secondary Schools Heads Association
16	2023-2024	Late Submission of the Financial Statements to the Auditor General
17	2023-2024	Under-Staffing – Teaching
18	2023-2024	Non-Compliance in Operation of Tuition and Operations Bank Accounts
19	2023-2024	Budgets and Procurement Plans
20	2023-2024	Irregular Increase of School Fees
21	2023-2024	Buildings Covered with Banned Asbestos Roofing
22	2023-2024	Failure to Update the List of Pre-qualified Suppliers
23	2023-2024	Failure to Repair Motor Vehicles
24	2023-2024	Lack of Internal Audit Function and Audit Committee
25	2023-2024	Inadequate Safeguards and Controls Over Collection of School Fees
26	2023-2024	Outdated System for Collection and Accounting for Revenue
27	2023-2024	Lack of Information Technology Strategic Plan
28	2023-2024	Lack of Risk Management Policy and Disaster Recovery Plan
29	2023-2024	Lack of Staff Establishment

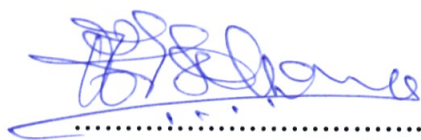
STAREHE BOYS' CENTRE AND SCHOOL

Annual Report and Financial Statements For the year ended 30 June 2025

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

		2024/2025	2023/2024
		Kshs	Kshs
Receipts			
Government grants for tuition	1	2,833,120	2,834,071
Government grants for operations	2	11,966,263	10,143,328
Government Grants for infrastructure	3	0	3,651,664
School fund income — parents' contributions	4	63,618,587	92,604,558
Miscellaneous incomes	5	93,755,131	96,806,204
Total Receipts		172,173,101	206,039,825
Payments			
Tuition	6	13,127,612	13,802,580
Operations	7	81,921,100	100,588,384
Infrastructure	8	11,827,280	14,698,370
Boarding and school fund	9	70,155,086	86,849,404
Total Payments		177,031,078	215,938,738
Surplus/Deficit		(4,857,977)	(9,898,913)

The school financial statements were approved on 03rd March 2026 and signed by:



Name:

F. O. Omondi

Chair BOM

Date:

15/3/26

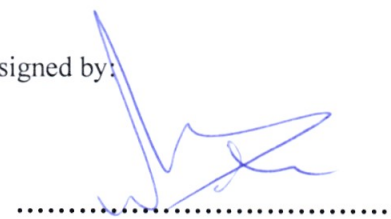


Name:

School Principal/ Secretary to BOM

Date:

15th March 2026



Name: Maurice Achach

Finance Officer

Date:

14th March 2026

STAREHE BOYS' CENTRE AND SCHOOL

Annual Report and Financial Statements For the year ended 30 June 2025

7. Statement of Assets and Liabilities as at 30th June 2025

		2024/2025	2023/2024
		Kshs	Kshs
ASSETS			
NON-CURRENT ASSETS			
Property and Equipment	22	75,715,204	78,183,144
Prepaid leases	20	4,491,712	4,496,548
		80,206,916	82,679,692
CURRENT ASSETS			
Inventories	19	10,482,801	9,173,671
Receivables and Prepayments	13	9,624,740	25,412,418
Government Securities		40,421,101	39,192,668
Short-term Deposits		20,819,706	13,124,521
Bank and Cash Deposits	10 - 11	24,173,149	37,428,460
		105,521,498	124,331,738
TOTAL ASSETS		185,728,413	207,011,430
ACCUMULATED FUND AND LIABILITIES			
ACCUMULATED FUND			
Fund Balance	15	85,899,818	90,757,796
CURRENT LIABILITIES			
SBC Agro-Horticultural Fund		60,000,000	60,000,000
Payables	14	38,243,151	55,305,512
Bank Overdraft	10	1,585,445	948,123
		99,828,596	116,253,635
TOTAL ACCUMULATED FUND AND LIABILITIES		185,728,414	207,011,431

The school's financial statements were approved on 03rd March 2026 and signed by:

Name: F. Okoro
for Chair BOM

Name: School Principal/ Secretary to BOM
15th March 2026

Name: Maurice Achach
Finance Officer 16th March 2026

Date:

Date:

Date:

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

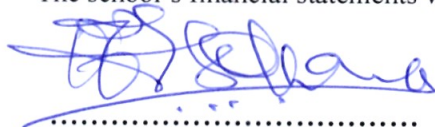
		2024/2025	2023/2024
		Kshs	Kshs
Cash from Operating Activities			
Surplus/(Loss) for the year	6	(4,857,977)	(9,898,913)
Adjustment for:			
Depreciation		3,528,735	3,799,551
Provision for bad debts		(19,615,155)	11,793,579
Amortization of leasehold land		4,836	-
Amortization of intangible assets		-	-
Operating deficit before working capital changes		(20,939,561)	5,694,217
Inventories		(1,309,130)	2,876,807
Debtors and prepayments		35,402,833	(15,267,470)
Payables		(17,062,361)	10,364,488
Net cash flows from operating activities		(3,908,219)	3,668,042
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of government securities		(1,228,433)	(39,146,640)
Purchase of property and equipment		(1,060,795)	(351,000)
Net cash flow used in investing activities		(2,289,228)	(39,497,640)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(6,197,448)	(35,829,598)
CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		49,604,858	85,434,456
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR (Note 23)		43,407,410	49,604,858

STAREHE BOYS' CENTRE AND SCHOOL

Annual Report and Financial Statements For the year ended 30 June 2025

CASH AND CASH EQUIVALENTS			
Cash and equivalent included in the cash flow statement comprise of the following balance sheet amounts:			
Short term deposits		20,819,706	13,124,521
Bank and cash balances		24,173,149	37,428,460
Bank overdraft		(1,585,445)	(948,123)
		43,407,410	49,604,858

The school's financial statements were approved on 05 March 2026 and signed by:

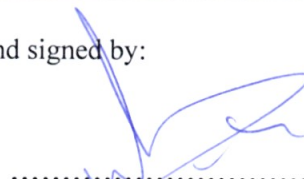


Name: F. Omondi



Name:
School Principal/ Secretary to
BOM

Date: 15th March 2026



Name: Maurice Achach

Finance Officer

Date: 14th March 2026

for Chair BOM
Date: 15/3/26

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% of Utilization
	a	b	c = a + b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
(1) Capitation Grant on Tuition					
Government grants for tuition	2,630,370	-	2,630,370	2,833,120	108%
(2) Capitation Grant on Operations					
Government grants for operations	11,025,000	-	11,025,000	11,966,263	109%
3) FDSE for infrastructure					
Government grants for infrastructure	-	-	-	-	
(4) Fees Charged on Parents					
School fund income-parents' contribution	65,000,000	-	65,000,000	63,618,587	98%
5) Miscellaneous Income					
Miscellaneous incomes	74,459,630	-	74,459,630	93,755,131	126%
Total Income	153,115,000.00	-	153,115,000.00	172,173,101	122%
(6) Expenditure For Tuition					
Educational supplies and stationery	16,153,704	-	16,153,704	12,912,002	80%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% of Utilization
	a	b	c = a + b	d	e = d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Awards-Students	100,000	-	100,000	-	0%
Farm inputs and agriculture	125,000	-	125,000	116,530	93%
Library expenses	100,000	-	100,000	99,080	99%
(7) Expenditure For Operations					
Swimming pool	300,000	-	300,000	279,403	93%
Sponsors of boys moved to other institutions	400,000	-	400,000	1,780,356	445%
Motor vehicle running	6,138,000	-	6,138,000	3,083,699	50%
Phone and postages	500,000	-	500,000	257,483	51%
Transport	2,000,000	-	2,000,000	1,989,634	99%
Stationery and miscellaneous	4,000,000	-	4,000,000	5,740,184	144%
Insurance	1,900,000	-	1,900,000	1,834,078	96%
Audit Fees	2,000,000	-	2,000,000	1,575,000	79%
Legal Fees, fines and penalties	-	-	-	760,297	
Publication and photographic	350,000	-	350,000	28,180	8%
Security	1,000,000		1,000,000	312,028	31%
Special events	17,000,000	-	17,000,000	15,543,901	91%
Bank Charges	450,000	-	450,000	415,484	92%
Provision for bad and doubtful debt				(19,615,155)	
Rent and Rates	14,000	-	14,000	13,450	96%
Fund management fees	1,000,000	-	1,000,000	1,036,368	104%
(i) Mombasa holiday camp	-	-	-	-	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% of Utilization
	a	b	c = a + b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
(ii) Kambiti farm project	400,000	-	400,000	383,600	96%
Salary	47,000,000	-	47,000,000	46,254,491	98%
Wages-Casual Workers	21,000,000	-	21,000,000	20,248,619	96%
(8) Expenditure For infrastructure					
Repairs, maintenance and cleaning	5,621,015	-	5,621,015	8,293,709	148%
Depreciation Charge for the year				3,528,735	
Amortisation: Prepaid leases				4,836	
Amortisation: Intangible assets	-	-	-	-	-
(9) Expenditure For school fund/lunch/boarding					
Catering	29,275,320	-	29,275,320	32,197,809	110%
Clothing, shoes and beddings	-	-	-	1,455,364	-
Sports, adventure activities and recreation	13,834,720	-	13,834,720	4,299,000	31%
Medical	1,715,000	-	1,715,000	2,691,639	157%
Fuel and cooking gas	4,520,000	-	4,520,000	5,301,923	117%
Electricity and water	18,500,000	-	18,500,000	17,880,762	97%
Consumables	4,469,640	-	4,469,640	6,328,589	142%
TOTAL	199,866,399			177,031,078	89%

Underutilisation

a. Educational supplies and stationery	80%	Overbudgeting
b. Awards-Students	0%	Budget item merged with education supplies
c. Motor vehicle running	50%	Lack of funds
d. Phone and postages	51%	Low budget item, hence big percentage change when absolute figure changes.
e. Audit Fees	79%	Negotiated for lower figure.
f. Publication and photographic	8%	Low budget item, hence big percentage change when absolute figure changes.
g. Security	31%	Luck of Funds
h. Sports, other activities & recreation	31%	Lack of funds

Overutilisation

a. Sponsors of boys in other institutions	445%	Donations were made available for this particular item.
b. Stationery and miscellaneous	144%	Low budgeting
c. Fund Management Fees	104%	More Investments
d. Repairs, maintenance and cleaning	148%	Low budgeting
e. Catering	110%	Inflation
f. Medical	157%	There was a special case where a student was severely injured
g. Fuel and cooking gas	117%	Inflation
h. Consumables	142%	Inflation

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Accrual Basis Financial Reporting under the Accrual 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 accrual basis of accounting has been supplemented with accounting for; a) receivables that include school fees from parents, 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

Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of payment of cash.

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 income and expenditure both as a income and as an expenditure in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

For the purposes of these financial statements, 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. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

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

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as income at the time of disposal. However, the acquisitions and disposals are reflected in the school property, plant and equipment account a summary of which is provided as a memorandum to these financial statements.

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

STAREHE BOYS' CENTRE AND SCHOOL
Annual Report and Financial Statements For the year ended 30 June 2025

11. Notes To the Financial Statements

1 Government Grants for Tuition

	2024/2025	2023/2024
	Kshs	Kshs
Government Grant for Tuition	2,833,120	2,834,071
Total	2,833,120	2,834,071

**Include others as per MOE circulars*

2 Government Grants for Operations

	2024/2025	2023/2024
	Kshs	Kshs
Government Grant for Operations	11,966,263	10,143,328
Total	11,966,263	10,143,328

**Include others as per MOE circulars*

3 Government Grants for infrastructure

	2024/2025	2023/2024
	Kshs	Kshs
Government Grant for Infrastructure		3,651,664
Total		3,651,664

4 School Fund Income - Parents Contribution/Fees

	2024/2025	2023/2024
	Kshs	Kshs
School fund income: Parents' contributions	63,618,587	92,604,558
Total	63,618,587	92,604,558

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

*STAREHE BOYS' CENTRE AND SCHOOL***Annual Report and Financial Statements For the year ended 30 June 2025****5 Miscellaneous Incomes**

	2024/2025	2023/2024
	Kshs	Kshs
Miscellaneous incomes	93,755,131	96,806,204
Total	93,755,131	96,806,204

Sources of funds

	2024/2025	2023/2024
VIVO (K) Ltd	0.00	2,000,000
Int. on Griffin Memorial Endowment Fund	15,000,000	13,800,000
Save the Children Fund of Austria	1,519,795	336,671
Starehe Boys' Centre U.K. Association	9,700,488	9,021,275
Old Boys	1,298,030	9,758,745
Private sponsors	33,601,085	27,815,480
Child Care International of Canada	-	-
Interest on fixed deposits	10,777,275	4,668,590
Kenya National Exams Council	12,994,566	15,636,976
General donations	1,115,605	2,961,455
Uniforms	59,580	6,484,760
Rent – Staff flats	591,000	901,000
Electricity - Staff flats	389,145	518,736
Miscellaneous receipts	6,708,562	2,902,516
	93,755,131	96,806,204

6 Tuition

	2024/2025	2023/2024
	Kshs	Kshs
Educational supplies and stationery	12,912,002	13,499,760
Awards - Students	0	0
Farm inputs and agriculture	116,530	236,700
Library expenses	99,080	66,120
Total	13,127,612	13,802,580

STAREHE BOYS' CENTRE AND SCHOOL

Annual Report and Financial Statements For the year ended 30 June 2025

7 Operations

	2024/2025	2023/2024
	Kshs	Kshs
Swimming pool	279,403	374,000
Sponsorship of boys moved to other institutions	1,780,356	851,317
Motor vehicle running	3,083,699	3,589,897
Phones and postages	257,483	214,873
Transport	1,989,634	380,411
Stationery and miscellaneous	5,740,184	5,128,576
Insurance	1,834,078	2,077,748
Audit fees	1,575,000	1,491,000
Legal Fees, fines & penalties	760,297	-
Publication and photographic	28,180	144,350
Security	312,028	1,835,280
Special events	15,543,901	9,105,272
Bank Charges	415,484	427,701
Provision for bad and doubtful debts	(19,615,155)	11,793,579
Rent & Rates	13,450	13,790
Fund management fees	1,036,368	917,067
(i) Mombasa holiday camp	0	0
(ii) Kambiti farm project	383,600	203,580
Salary	46,254,491	43,379,270
Wages - Casual Workers	20,248,619	18,660,673
Total	81,921,100	100,588,384

8 Infrastructure

	2024/2025	2023/2024
	Kshs	Kshs
Repairs, maintenance and cleaning	8,293,709	10,898,819
Depreciation Charge for the year	3,528,735	3,799,551
Amortisation: Prepaid leases	4,836	
Total	11,827,280	14,698,370

STAREHE BOYS' CENTRE AND SCHOOL

Annual Report and Financial Statements For the year ended 30 June 2025

9 Boarding and School Fund

	2024/2025	2023/2024
	Kshs	Kshs
Catering	32,197,809	38,592,551
Clothing, shoes and beddings	1,455,364	8,384,341
Sports, adventure activities and recreation	4,299,000	6,989,031
Medical	2,691,639	2,861,615
Fuel and cooking gas	5,301,923	5,683,864
Electricity and water	17,880,762	16,373,889
Consumables	6,328,589	7,964,113
Total	70,155,086	86,849,404

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024/2025	2023/2024
	Active/Dormant		Kshs	Kshs
Bank Balance – KCB Main Revenue Account	Active	1101595779	226,497	9,545,805
Bank Balance – NCBA Expenditure Account	Active	6489550027		
Bank Bal. – NCBA (Global Connections)	Dormant	6473470025	91,650	92,169
Bank Bal. – NCBA (Tertiary)	Active	6489550014	193,041	193,029
Min. of Educ. Infrastructure. (KCB)	Active	1123671087	47,396	47,396
Dollar-a-Month (KCB)	Active	1137598115	102,665	106,925
Ministry of Education – Operations (KCB)	Active	1107739721	2,440,515	4,485,924
Min. of Educ. Tuition (KCB)	Active	1109064233	125,979	2,701,706
Absa Bank Kambiti Farm Project	Dormant	03027780064	20,944,519	20,245,349
Total			24,172,262	37,418,303
OD	NCBA Expenditure Account	6489550027	(1,585,445)	(948,123)

11 Cash In Hand

	2024/2025	2023/2024
	Kshs	Kshs
Notes and Coins	887	10,157
Total	887	10,157

12 Short Term Investments

	2024/2025	2023/2024
	Kshs	Kshs
Cooperative Shares	0	0
Treasury Bills	40,421,101	39,192,668
Fixed Deposit accounts	20,819,706	13,124,520
Other Investments	0	0
Total	61,240,807	52,317,188

13 Accounts Receivable

	2024/2025	2023/2024
	Kshs	Kshs
Fees Arrears	7,353,756	23,631,875
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	543,020	467,711
Interest Receivable	405,851	287,734
Rent arrears (list/schedule attached)	1,031,543	776,177
Electricity Income Receivable	290,569	248,921
Total	9,624,740	25,412,418

13 b) Ageing Analysis of Accounts Receivable

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	3,841,735	40%	1,780,543.00	7%
Between 1- 2 years	3,676,878	38%	15,754,583	62%
Between 2-3 years	1,470,751	15%	5,907,969.00	23%
Over 3 years	635,376	7%	1,969,323.00	8%
Total (should tie to note 13 a)	9,624,740		25,412,418	

14 Accounts Payable

Description	2024/2025	2023/2024
	Kshs	Kshs
Creditors	21,323,651	23,422,942
Add: Negative debtors	(2,332,689)	14,452,171
Exam Fees	2,545,000	2,545,000
Exam Fees 2	7,500	854,720
Pre-Paid School Fees	-	2,500
Bank Balance - CBA	-	-
Accruals	6,696,832	4,718,109
Caution Money	6,840,500	6,834,500
Pocket Money	391,110	362,433
Round Square	-	(206,151)
Dr. Griffin Memorial Trust	500,001	200,001
Salaries Payable Account	1,622,778	1,419,461
Provision, Audit, Tax & Pe	648,468	699,826
Total	38,243,151	55,305,512

14a. Ageing Analysis of Accounts Payable

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Current	1,622,778	4%	1,719,287	3%
30 – 60 Days	6,221,735	16%	7,106,000	13%
60 – 90 Days	15,493,026	41%	7,708,604	14%
90 – 120 Days	6,696,832	18%	22,652,074	41%
Over 120	8,208,780	21%	16,119,547	29%
Total	38,243,151		55,305,512	

15 Fund Balance Brought Forward

Description	2024/2025	2023/2024
	Kshs	Kshs
Balance brought forward	90,757,796	100,656,709
Deficit for the year	(4,857,977)	(9,898,913)
Total	85,899,818	90,757,796

Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
	0	0
Total	0	0

STAREHE BOYS' CENTRE AND SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2025****17 Biological assets**

Description	Numbers	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Cattle		0	0
Goats		0	0
Trees		0	0
Coffee Or Tea Plantation		0	0
Poultry		0	0
Others (specify)		0	0
Total		0	0

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	0	0
Borrowings during the year	0	0
Repayments during the year	0	0
Balance at the end of the year	0	0

Other important disclosure notes**19 Stock/Inventory**

Description	2024/2025	2023/2024
	Kshs	Kshs
Drugs	425,219	353,594
Electricity-maintenance materials	284,430	327,709
Consumables	636,409	1,303,975
Fuel	0	0
Hardware and plumbing	125,735	775,180
Stationery	920,656	1,080,168
Uniforms	5,838,315	2,775,931
Beddings	751,845	1,712,802
Food	1,500,192	844,312
Total	10,482,801	9,173,671

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(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)

STAREHE BOYS' CENTRE AND SCHOOL

Annual Report and Financial Statements For the year ended 30 June 2025

20 Prepaid Leases

	2024/2025	2023/2024
	Kshs	Kshs
Cost:	4,612,400	4,612,400
At 1 January and 31 December		
Amortisation:		
At 1 January	115,852	111,028
Amortisation for the year:	4,836	4,824
	<u>120,688</u>	<u>115,852</u>
At 31 December	<u>4,491,712</u>	<u>4,496,548</u>

21 Progress on Follow-up of Auditor Recommendations

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Basis of Qualified Opinion				
1.	Overstatement of receipts		Resolved	
2.	Variances in government securities		Resolved	
3.	Unsupported cash and cash equivalence		Resolved	
4.	Long outstanding receivables	Cannot be resolved with the current government directives in place.	Not resolved	
Emphasis of Matter				
1.	Budgetary control & Performance		Not resolved	
Key audit matters				

STAREHE BOYS' CENTRE AND SCHOOL

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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Overfunding of capitation	Issue to be resolved by ministry which has control over NEMIS	Resolved	
2.	Failure to transfer infrastructure funds		Not resolved	2026-2027
3.	Excess book in stores	Issue being resolved.	Not resolved	2026-2027
4.	Long outstanding payables		Not resolved	2026-2027
5.	School improvement plan		Resolved	
6.	Irregular prescription and payment of suppliers of school uniform	Nature of school makes it imperative that the Centre uses one supplier.	Resolved	
7.	Irregular transfer to KESSHA.	Students are likely to be victimised if funds not transferred	Not resolved	Seeking guidance from the ministry
8.	Late submission of financial statements.		Not resolved	2025-2026
9.	Non-compliance in operation of tuition and operations bank accounts		Not resolved	
10.	Lack of approved budgets and procurement plans		Resolved	
11.	Irregular increase of school fees	If the Centre was to stick to government directive, fee-paying model may fail altogether	Not resolved	
12.	Failure to update list of pre-qualified suppliers		Not resolved	2026-2027
13.	Asbestos roofing		Not resolved	2026-2027

STAREHE BOYS' CENTRE AND SCHOOL

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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Internal Controls				
1.	Lack of internal audit function		Not resolved	2026-2027
2.	Non-adherence to frequency of board meetings		Resolved	
3.	System of collection and accounting for revenue		Not resolved	2027-2028
4.	Understaffing		Resolved	
5.	Lack of IT strategic plan		Resolved	
6.	Risk management policy and disaster recovery plan		Resolved	
7.	Lack of staff establishment		Resolved	

Sign and Date
Principal

15th March 2026.

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Supply Of Goods						
1. Ramcy Investment				2,716,710.00		
2. Albany Ventures				470,500.00		
3. Kam Kam Limited				279,500.00		
4. Diapish Agencies				2,864,935.00		
5. Cedwahn Agencies				2,368,430.00		
6. Comprehensive Tech.Providers				244,900.00		
7. Chemicals & School Supplies				224,158.00		
8. Grasim Supplies				112,190.00		
9. Mavuno Fresh				1,207,945.00		
10. Pagel General Suppliers				682,823.50		
11. Pembe Floor Mills Ltd				371,000.00		
12. Kenya National Trading Corporation				262,500.00		
13. Dawwil Enterprises Ltd				216,000.00		

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Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
14. Agro-Deliveries Kenya				184,870.00		
15. Starehe Girls Centre				162,940.00		
16. Simon P.W. Ngigi				140,700.00		
17. Michan Agencies				88,500.00		
18. Kirere Dairy Services				68,250.00		
19. Goldrick Merchants				608,610.00		
20. Elim Electricals				405,190.00		
21. Bel-Ea- Pharmacy Ltd				282,897.00		
22. Nila Pharmaceuticals Ltd				118,905.00		
23. Meds				101,594.00		
24. Medistar Supplies				47,402.00		
25. Rycedental Supplies Ltd				28,500.00		
26. Uniform Distributors Ltd				655,295.50		
27. Scarpany Ventures				75,000.00		
Sub-Total				14,990,245.00		
Supply Of Services						
1. Vivo Energy Kenya Ltd				715,820.00		
2. Minet Insurance				1,830,625.00		

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Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
3. Jamwa Engineering Service				501,450.00		
4. Telkom Kenya				304,201.00		
5. Access Kenya Group Ltd				228,636.00		
6. Isuzu East Africa				187,733.00		
7. Fortune Technologies Ltd				79,344.00		
8. Lukenya Smart Services				18,000.00		
9. Encrypt Computer Technology				15,000.00		
10. Alliance Medical Centre L				838,938.00		
11. Dr.J.K.N Kariuki				200,000.00		
12. Ngara Comprehensive Health Services				163,506.00		
13. Primecare Heart Clinic				147,400.00		
14. Prof. Elly. O. Ogutu				132,500.00		
15. St Bridgets Dispensary				106,356.00		
16. Dickson K Kariuki				104,500.00		
17. Dr. L.P Were.				80,000.00		
18. Dr Joseph M.D. Maina				55,000.00		
19. Ngara Opticians				18,500.00		
20. Wabbs Business Services				327,642.00		
21. Shian Tours & Travel				55,695.00		

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Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
22. Federation Of Kenya Employment				222,560.00		
Sub-Total				6,333,406.00		
Grand Total				21,323,651.00		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Depreciation	Historical Cost c/f (Kshs) 30 th June 2025
Buildings	64,023,391	-	-	1,600,585	62,422,806
Site developments	7,932,067	-	-	198,302	7,733,765
Sports facilities	410,095	-	-	10,252	399,842
Furniture and Equipment	4,221,174	186,795	-	1,101,992	3,305,977
Computers	1,430,504	174,000	-	401,126	1,203,378
Motor vehicles	141,284	-	-	35,321	105,963
Music equipment	24,630	700,000	-	181,157	543,472
Total					75,715,204

(The school should ensure that a detailed fixed assets register is maintained).

STAREHE BOYS' CENTRE AND SCHOOL

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22a PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2025

	Buildings	Site developments	Sports facilities	Furniture and Equipment	Computers	Motor vehicles	Music equipment	Total
	2.50%	2.50%	2.50%	25.00%	25.00%	25.00%	25.00%	
NET BOOK VALUE								
At 1 July 2024	64,023,391	7,932,067	410,095	4,221,174	1,430,504	141,284	24,630	78,183,144
Additions	-	-	-	186,795	174,000	-	700,000	1,060,795
At 30 June 2025	64,023,391	7,932,067	410,095	4,407,969	1,604,504	141,284	724,630	79,243,939
DEPRECIATION								
Charge for the year	1,600,585	198,302	10,252	1,101,992	401,126	35,321	181,157	3,528,735
At 30 June 2025	1,600,585	198,302	10,252	1,101,992	401,126	35,321	181,157	3,528,735
NET BOOK VALUE								
At 30 June 2025	62,422,806	7,733,765	399,842	3,305,977	1,203,378	105,963	543,472	75,715,204

STAREHE BOYS' CENTRE AND SCHOOL

Annual Report and Financial Statements For the year ended 30 June 2025

22b PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2024

	Buildings	Site developments	Sports facilities	Furniture and Equipment	Computers	Motor vehicles	Music equipment	Total
	2.50%	2.50%	2.50%	25.00%	25.00%	25.00%	25.00%	
NET BOOK VALUE								
At 1 July 2023	65,665,019	8,135,453	420,610	5,461,233	1,723,338	188,379	32,840	81,626,871
Additions	-	-	-	167,000	184,000	-	-	351,000
At 30 June 2024	65,665,019	8,135,453	420,610	5,628,233	1,907,338	188,379	32,840	81,977,871
DEPRECIATION								
Charge for the year	1,641,628	203,386	10,515	1,407,058	476,835	47,095	8,210	3,794,727
At 30 June 2024	1,641,628	203,386	10,515	1,407,058	476,835	47,095	8,210	3,794,727
NET BOOK VALUE								
At 30 June 2024	64,023,391	7,932,067	410,095	4,221,174	1,430,504	141,284	24,630	78,183,144

