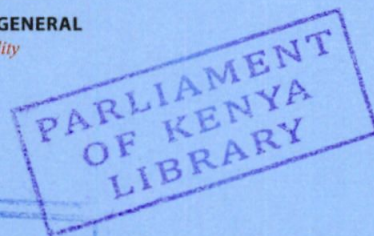
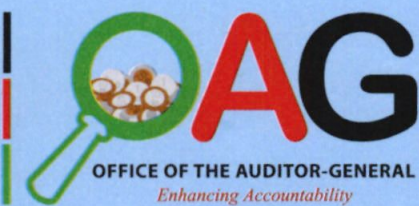


REPUBLIC OF KENYA



REPORT	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 JUL 2026	DAY: WEDNESDAY
TABLED BY:	OF - MARGARET KITANYI
CLERK-AT THE-TABLE:	ON BEHALF OF LOM ESTHER NGINYO

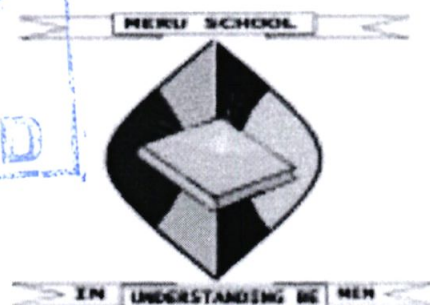
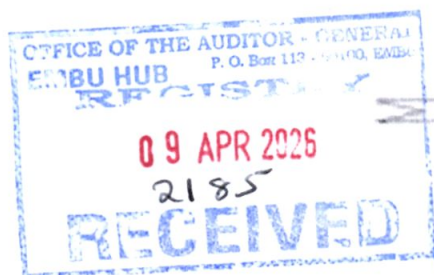
THE AUDITOR-GENERAL

ON

MERU SCHOOL

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

MERU COUNTY



MERU SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

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

1

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MERU SCHOOL
Annual Report and Financial Statements For the year ended 30th 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**MERU SCHOOL****(a) Background information**

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

The school was registered in JULY 2022 under registration number 12S00301203 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 1736 number of students as at 30th June 2025. It has 12 streams in Form 4, 11 streams in Form 3 and 12 streams in Form 2 and 92 teachers of which 5 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 whose tenure ended on 31st January 2025.

Ref:	Name of Board Member	Designation	Date of appointment
1	Eng. David N. Rukunga	Chairman - Sponsor	22 nd July 2022
2	Mr. Rutere H. Mwenda	Secretary- Principal	22 nd July 2022
3	Dr. Viona N. Ojiambo	Member - Parent Representative	22 nd July 2022
4	Ms. Mary Lichoro	Member - Parent Representative	22 nd July 2022
5	Mr. Jeremiah G. Rimberia	Member - Parent Representative	22 nd July 2022
6	Mr. Jose P. Malia	Member - Parent Representative	22 nd July 2022
7	Prof. Mutea Rukwaru	Member - Parent Representative	22 nd July 2022
8	Dr. Bundi Karau	Member – Rep CEB	22 nd July 2022
9	Mrs. Joyce W. Kamau	Member Rep Teachers	22 nd July 2022
10 11 12	Eng. David N. Rukunga Mrs. Anne K. Ntoiti Mrs. Nancy G. Gitonga	3 Members - Sponsor	22 nd July 2022
13	Mr. Manasses K. Kariuki	Member - Community	22 nd July 2022
14	Mrs. Penina K. Mutwiri	Member Special Needs	22 nd July 2022
15	Immanuel B. Mutembei	Rep Students	22 nd July 2022

During the Financial year the tenure of the old board ended and subsequently a new one was appointed as indicated below

Ref:	Name of Board Member	Designation	Date of appointment
1	Prof. Jacob Kaimenyi	Chairman - Sponsor	28 th March 2025
2	Mr. Rutere H. Mwenda	Secretary- Principal	28 th March 2025
3	Ms. Mary Lichoro	Member - Parent Representative	28 th March 2025
4	Mr. Jeremiah G. Rimberia	Member - Parent Representative	28 th March 2025
5	Mr. Jose P. Malia	Member - Parent Representative	28 th March 2025
6	Prof. Mutea Rukwaru	Member - Parent Representative	28 th March 2025
7	Dr. Noah Murby	Member - Parent Representative	28 th March 2025
8	Dr. Lilian Mukiri	Member - Parent Representative	28 th March 2025
9	Dr. Mwiti Magambo	Member – Rep CEB	28 th March 2025
10	Mrs. Joyce W. Kamau	Member Rep Teachers	28 th March 2025
11	Mr. Regan Kaberia	2 Members - Sponsor	28 th March 2025
12	Mr. James Nkoroi		
13	Mr. Michael Ngunjiri	Member - Community	28 th March 2025
14	Mr. Peter G. Nkaabu	Member Special Needs	28 th March 2025
15	Mohammed Abdalla	Rep Students	28 th March 2025

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

The various committees of the board and the names of the committee members whose term ended on 31st January 2025.

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Eng. David N. Rukunga 2. Mr. Rutere H. Mwenda 3. Rev. Joshua M. Rutere 4. Rev. Josphat Nturibi 5. Mrs. Anne K. Ntoiti	Chairman B.O.M. Secretary/Principal PA Chairman Member Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
2	Audit Committee	1. Ms. Mary Lichoro 2. Ms. Jane W. Gitimbu 3. Ms. Charity Mukiri Kamundi	Chairperson Member Member	1 out of 1 1 out of 1 1 out of 1
3	Finance, procurement and general purposes Committee	1. Mrs. Nancy G. Gitonga 2. Mr. Manasses K. Kariuki	Chairperson Member	1 out of 1 1 out of 1
4	Academic Committee	1. Mr. Jose P Malia 2. Mrs. Joyce W. Kamau 3. Dr. Bundi Karau 4. Mrs. Anne K. Ntoiti 5. Prof. Rukwaru Mutea		
5	Development Committee			
6	Discipline and welfare Committee			
7	Adhoc Committee (if any during the year)			

Pursuant to the appointment of new board members the committees were constituted as follows, however, only one committee met by the end of the financial year.

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Prof. Jacob T. Kaimenyi 2. Mr. Rutere H. Mwenda 3. Dr. Lilian Mukiri 4. Prof. Mutea Rukwaru 5. Mr. Michael Ngunjiri	Chairman B.O.M. Secretary/Principal PA Chairman Member Member	None
2	Audit Committee	1. Mr. Michael Ngunjiri 2. Prof. Mutea Rukwaru	Chairperson Member	1 out of 1 1 out of 1

MERU SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

		3. Ms. Mary Lichoro 4. Mr. Jose P. Malia 5. Dr. Esther Thuba	Member Member Member	1 out of 1 1 out of 1 0 out of 1
3	Finance, procurement and general purposes Committee	1. Mr. Michael Ngunjiri 2. Prof. Mutea Rukwaru 3. Ms. Mary Lichoro 4. Mr. Jose P. Malia 5. Dr. Esther Thuba	Chairperson Member Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 0 out of 1
4	Academic Committee	1. Dr. Lilian Mukiri 2. Mr. James Nkoro 3. Mr. Reagan Kaberia 4. Mrs. Joyce W. Kamau		None
5	Development Committee	1. Prof. Jacob T. Kaimenyi 2. Mr. Rutere H. Mwenda 3. Mr. Njamba Peter 4. Mr. Jeremiah Gaitwirie 5. Dr. Mwit Magambo		None
6	Discipline and welfare Committee	1. Ms. Jane W. Gitumbi 2. Mr. Michael Ngunjiri 3. Dr. Noah Murbiy 4. Mr. Peter G. Nkaabu		None
7	Adhoc Committee (if any during the year)			

(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	Mr. Rutere H. Mwenda	TSC No.351848
2	Deputy Principal - Academics	Mr. Mwenda P. Laibuta	TSC No. 429328
3	School Bursar	Ms. Charity Mukiri Kamundi	ID/No. 23075203
4	Other (specify)		

(e) Schools contacts

Post Office Box: 103-60200 Meru
 Telephone: 0794 338381
 E-mail: meruschool2015@gmail.com
 Website: www.meruschool.ac.ke

(f) School Bankers

The school operates **Nine** number of bank accounts in the following banks

1. School Fund Account: Equity Bank of Kenya - Makutano Branch Meru
1040298414943
2. School Fund Account: Kenya Commercial Bank - Makutano Branch Meru
1254174192
3. Operations Account: Equity Bank - Makutano Branch Meru
Account No. 1040280219529

National Bank - Meru Branch
Account No. 01021039005500
4. Tuition Account: Equity Bank - Makutano Branch Meru
Account No. 1040280219535

National Bank - Meru Branch
Account No. 01025039706600
5. Infrastructure Account: Kenya Commercial Bank - Makutano Branch Meru
Account No. 1254174214
6. Fund Account: Kenya Commercial Bank - Meru Branch
Account No. 1104161850
7. Savings Account: Kenya Commercial Bank - Meru Branch
Account No. 1102258911
8. M-PESA Pay Bill No.: Business Number 103103, attached to Equity Bank
Account No. 1040298414943
9. M-PESA Pay Bill No.: Business Number 32166K, attached to KCB Bank
Account No. 1254174192

(g) Independent Auditors

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

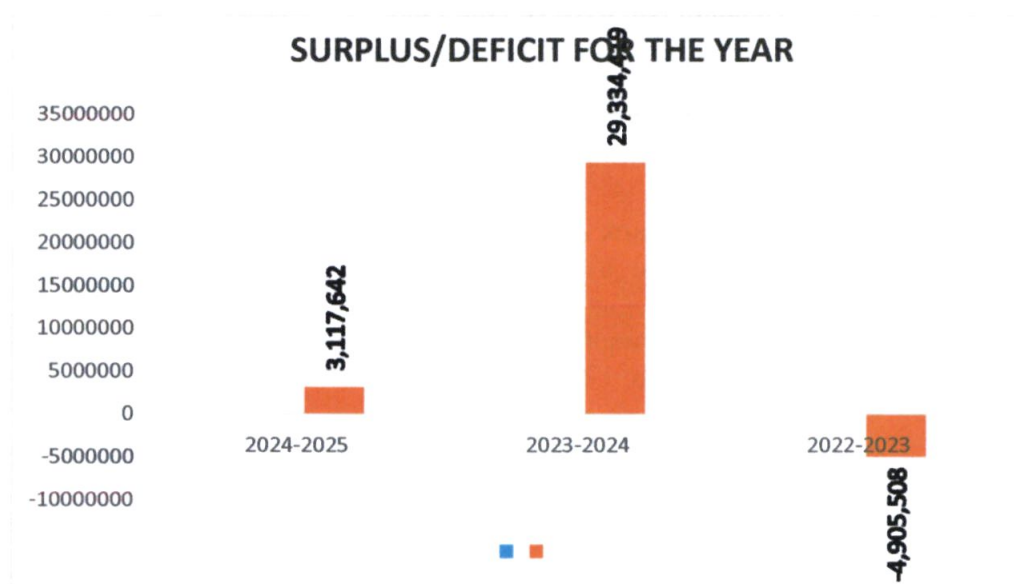
3. Summary Report of Performance of The School

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

a) Financial performance:

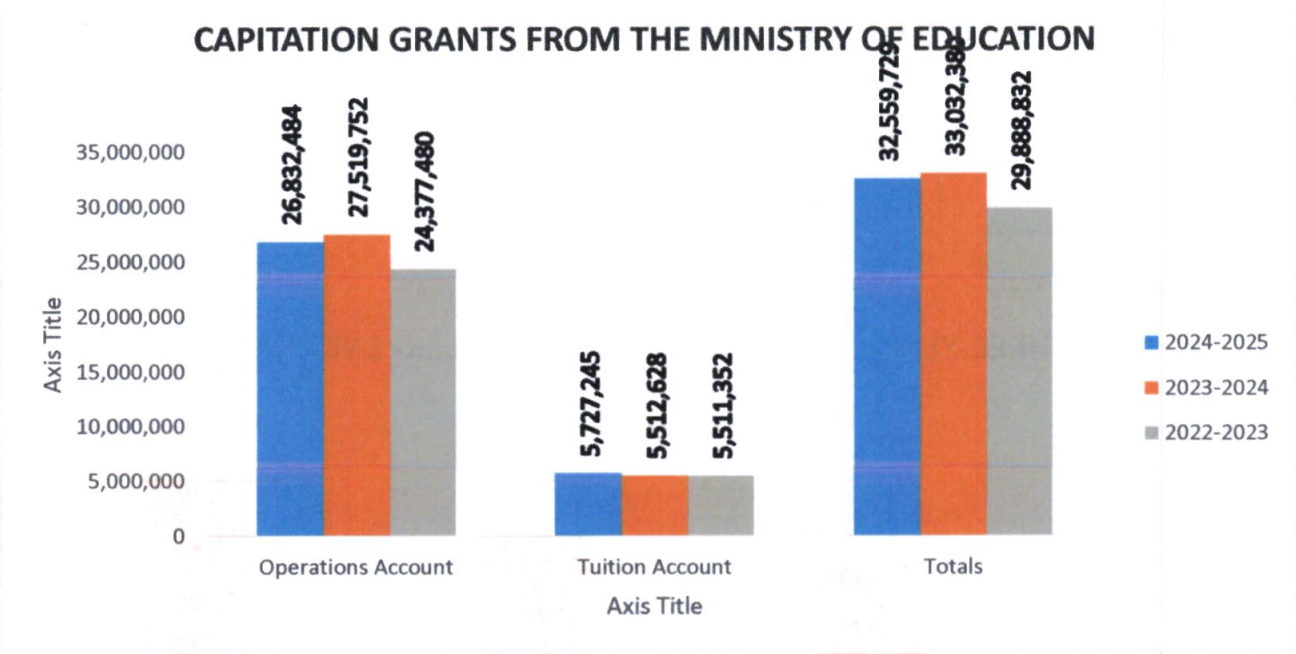
SURPLUS/ DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS

	2024-2025	2023-2024	2022-2023
	KSHS.	KSHS.	KSHS.
TOTAL	3,117,642	29,334,419	(4,905,508)



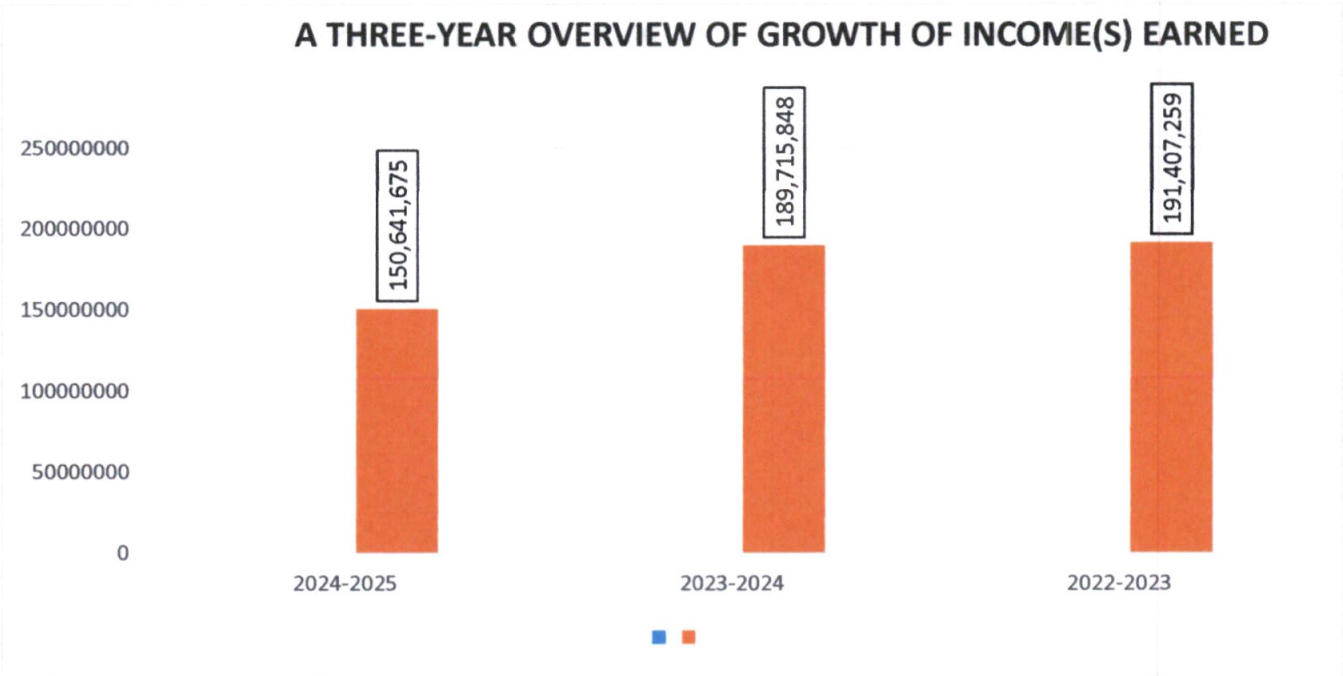
CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS

ACCOUNTS	2024-2025	2023-2024	2022-2023
	KSHS.	KSHS.	KSHS.
Operations Account	26,832,484	27,519,752	24,377,480
Tuition Account	5,727,245	5,512,628	5,511,352
Totals	32,559,729	33,032,380	29,888,832
No. of Students	1736	2409	2217
Raio per capitation per student	1 : 18756	1:13712	1:13481



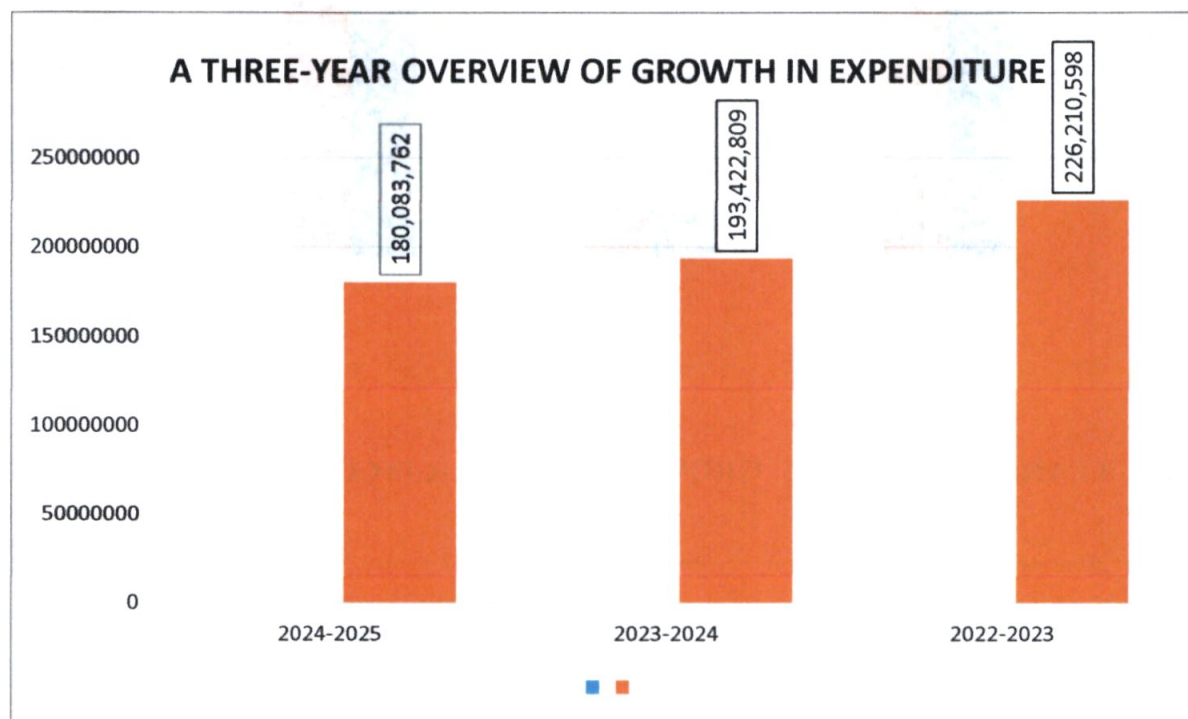
A THREE-YEAR OVERVIEW OF GROWTH OF OTHER INCOME(S) EARNED BY THE SCHOOL

	2024-2025	2023-2024	2022-2023
	KSHS.	KSHS.	KSHS.
TOTAL	150,641,675	189,715,848	191,407,259

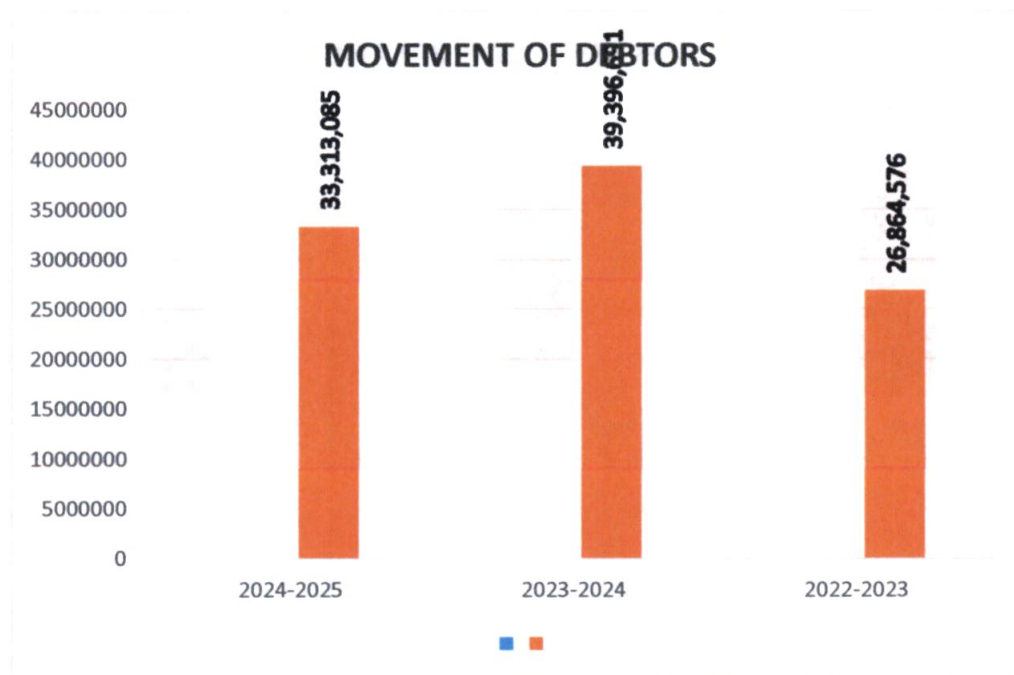


MERU SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****A THREE-YEAR OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL**

	2024-2025	2023-2024	2022-2023
	KSHS.	KSHS.	KSHS.
TOTAL	180,083,762	193,422,809	226,210,598

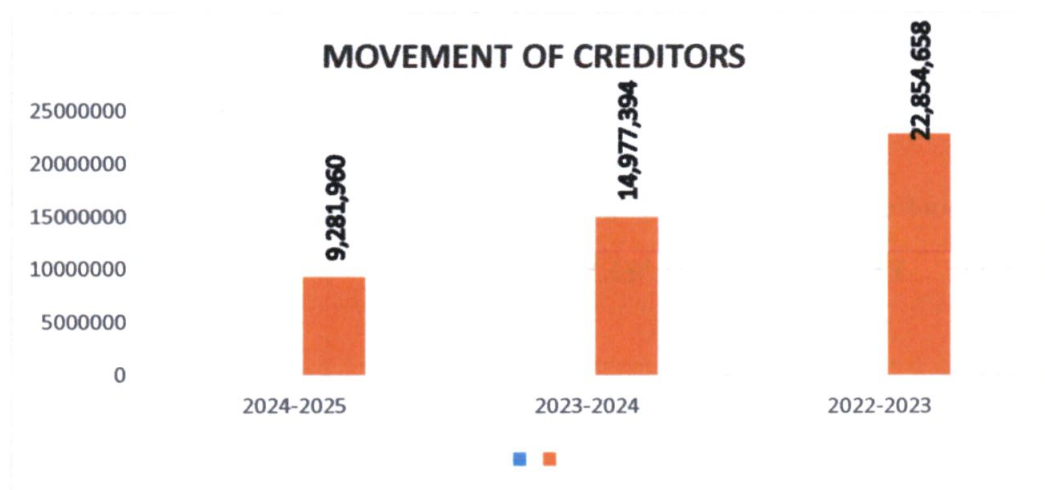
**MOVEMENT OF DEBTORS OF THE SCHOOL OVER THE LAST THREE YEARS**

	2024-2025	2023-2024	2022-2023
	KSHS.	KSHS.	KSHS.
TOTAL	33,313,085	39,396,691	26,864,576



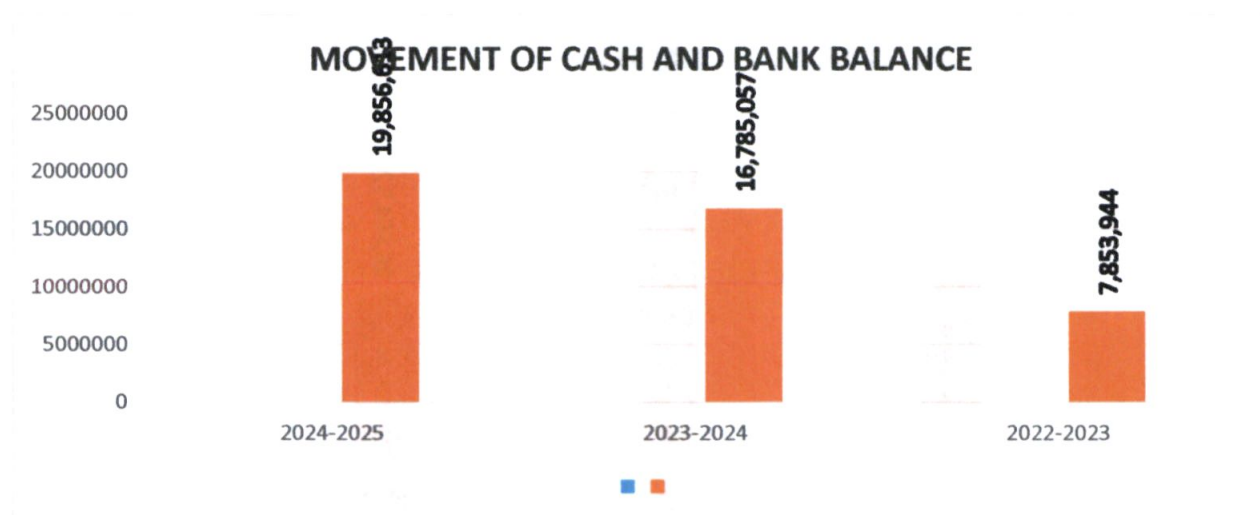
MOVEMENT OF CREDITORS OF THE SCHOOL OVER THE LAST THREE YEARS

	2024-2025	2023-2024	2022-2023
	KSHS.	KSHS.	KSHS.
TOTAL	9,281,960	14,977,394	22,854,658



MOVEMENT OF CASH AND BANK BALANCE OVER THE LAST THREE YEARS

	2024-2025	2023-2024	2022-2023
	KSHS.	KSHS.	KSHS.
TOTAL	19,856,613	16,785,057	7,853,944



b) Teacher Student ratio:= 1 : 19

Number of teachers recruited and posted to the school within the year = 5

Number of teachers that were transferred during the period = 3

Number of teachers employed by TSC = 89

Number employed by BOM = 5

c) The mean score in the 2022, 2023 and 2024 KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	DEV
2022	325	9.502B+	319	98%	10.5	+0.52
2023	414	8.89B	365	88%	10.5	-0.612
2024	489	9.366B	457	94%	10.592+	+0.486

d) Number of Candidates in the 2022, 2023 and 2024 KCSE:

YEAR	YEAR	ENROLMENT
2022		325
2023		414
2024		489

e) The capacity of the school:

	CAPACITY
NO. OF STUDENTS IN THE SCHOOL	1736
DORMITORIES	14
DINING HALL	2
LABORATORIES	7
TOILETS	54

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Ultra Modern Dormitory	MOE CDF Parents	On going	80,119,813	45,487,004	December 2025



Mr. Rutere H. Mwenda

School Principal

MERU SCHOOL

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

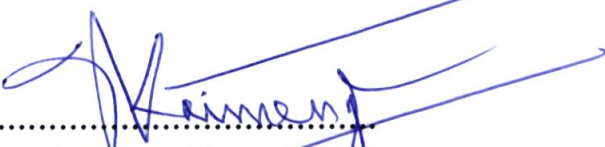
4. Statement of School Management Responsibility

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

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



.....
Name: Prof. Jacob T. Kajmenyi

Designation: Chairman, School Board of Management

Date: 09/04/2026



.....
Name: Mr. Rutere H. Mwenda

Designation: School Principal & Secretary to Board of Management

Date: 09/04/2026



.....
Name: Ms. Charity Mukiri Kamundi

Designation: Bursar/ Finance Officer

Date: 09/04/2026

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 MERU SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 - MERU COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying transitional IPSAS financial statements of Meru School – Meru County set out on pages 1 to 20, which comprise of the statement of financial position 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

Report of the Auditor-General on Meru School for the year ended 30 June, 2025 - Meru County

and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of Meru School – Meru County as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the Basic Education Act, 2013, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Meru School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final revenue budget and actual on a comparable basis of Kshs.140,961,932 and Kshs.182,919,103 respectively, resulting in an over-funding of Kshs.41,957,171 or 30% of the budget. Similarly, the School spent an amount of Kshs.179,788,998 against actual receipts of Kshs.182,919,103 resulting in an under-utilization of Kshs.3,130,105 or 2% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters 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 Audit Issues

The Auditor-General's report for the year ended 30 June, 2024 raised several audit issues which remained unresolved as at 30 June, 2025. Management has not taken adequate action to address these matters. The issues relate to prior periods and have been reported for emphasis of matter purposes.

No.	Financial Year	Audit Issue
1	2023/2024	Inaccuracies in the Statement of Budgeted vs Actual Amounts
2	2023/2024	Long Outstanding Accounts Receivable
3	2023/2024	Unconfirmed Capitation Grants
4	2023/2024	Budgetary Control and Performance
5	2023/2024	Unconfirmed Students Enrolment Data
6	2023/2024	Unauthorized Over-expenditure
7	2023/2024	Failure to Prepare School Improvement Plan
8	2023/2024	Delayed Construction of Ultra-Modern Dormitory
9	2023/2024	Lack of Risk Management Policy
10	2023/2024	Ineffective Audit Committee
11	2023/2024	Failure to Develop Board Charter, Calendar and Workplan
12	2023/2024	Failure to Maintain a Fixed Asset Register

Other Information

Management is responsible for the other information set out on page iii to xvii which comprise of the School's Information and Overall Performance, Statement of Performance against the School's Predetermined Objectives, Environmental and Sustainability Reporting and the Statement of School's Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's transitional IPSAS 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 this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

The statement of financial performance reflects boarding and school fund payments amount of Kshs.150,469,047 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.1,388,450 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money of the funds transferred to KESSHA amounting to Kshs.1,388,450 could not be confirmed.

2. Under-Funding of Capitation Grants

The statement of financial performance reflects capitation grants for tuition and capitation grants for operations amount of Kshs.5,727,245 and Kshs.17,159,034, respectively as disclosed in Notes 1 and 2 to the financial statements. During the financial year, NEMIS reported a total number of six thousand one hundred and ninety-two (6,192) students while the enrolment records provided by the School indicated a total number of six thousand two hundred and fifteen (6,215) students, resulting in an unexplained variance of twenty-three (23) students. As a result of the variances, the School was under funded by an amount of Kshs.511,612.

In the circumstances, the under-funding of the School may have affected service delivery to the School.

3. Unconfirmed Students Enrolment Data

The statement of financial performance reflects capitation grants for tuition, capitation grants for operations and infrastructure grants all totalling Kshs.32,559,729 as disclosed in notes 1, 2 and 3 to the financial statements. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2024/2025, NEMIS reflected

six thousand one hundred and ninety-two (6,192) students while records from the County Director of Education had six thousand two hundred and fifteen (6,215) students, resulting in an underfunding of the school by an amount of Kshs.511,612. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, under-funding of the school may have affected service delivery to the School.

4. Excess Supply of Textbooks

During the year under review, the School had not received any textbook distributions from the Ministry of Education through the Kenya Institute of Curriculum Development (KICD) since the year 2022. Further review of stores records and stock registers revealed that one thousand four hundred and twenty (1,420) set books issued during the 2021/2022 financial year were still held in the school store at the time of audit. The textbooks were confirmed to be obsolete and no longer in use following curriculum changes.

In the circumstances, value for money on the excess one thousand four hundred and twenty (1,420) text books could not be confirmed.

5. Failure to Prepare School Improvement Plan (SIP)

During the year under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation

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

6. Late Transfer of Infrastructure Funds

The statement of financial performance reflects infrastructure grants amount of Kshs.9,673,450 as disclosed in Note 3 to the financial statements. The amount was credited into the operations bank account for maintenance and improvement of the school's facilities. Review of the bank statement provided for audit revealed that, a total of Kshs.3,802,000 was to be transferred from operations account to infrastructure account. However, the amount was transferred thirty-two (32) days later contrary to the directive that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated June 16, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

7. Non-Deduction of Capacity Building Levy

The statement of financial performance reflects payments of Kshs.180,083,762 as disclosed in Notes 6,7,8 and 9 to the financial statements which includes procurement contracts signed with the school's suppliers. Review of payments for goods and services revealed that there was no deduction of the public procurement capacity building levy of 0.03% on the contracts, contrary to the Levy Order 2023 issued by the Public Procurement Regulatory Authority.

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

8. Unbalanced Budget

The statement of budgeted versus actual amounts reflects approved final revenue budget amount of Kshs.155,876,827 against an expenditure budget amount of Kshs.204,983,861 resulting in a budget deficit of Kshs.49,107,034 contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which provides that budget revenue and expenditure appropriations shall be balanced.

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

9. Unsafe Asbestos Roofing in the School

Physical inspection of the School's infrastructure conducted on 18 March, 2026 revealed one (1) chemistry laboratory and the School multi-purpose hall were with asbestos roofing. This was contrary to Ministry of Environment, Climate Change and Forestry circular Ref: MEF/EMC/1/1 dated 23 August, 2024 that directed on the removal of asbestos roofing by Government agencies including offices, houses and learning institutions' premises as a means of providing a clean, safe, healthy and sustainable environment.

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

10. Delayed Construction of Ultra-Modern Dormitory

Annex 2 to the financial statements reflects summary of fixed assets register which includes additions to buildings and structures amounting to Kshs.4,511,180 which relates to the construction of Ultra-modern dormitory. Review of the project records provided for audit revealed that the School awarded a labour-based contract of Kshs.32,438,983 which was later revised to Kshs.28,494,450. Further, the construction commenced on 03 January, 2022 with a completion date of 03 January, 2023. The School Management has cumulatively paid the contractor Kshs.19,893,850 or 70% of the contract sum. Physical inspection conducted on 18 March 2026 revealed that the construction of Ultra-modern dormitory had delayed. Further, the total cost for the construction of Ultra-modern dormitory as per the Bills of Quantity was Kshs.80,119,814 with the as at 30 June, 2025 expenditure amounting to Kshs.62,818,808 or 78% of the total cost.

In the circumstances, value for money for the expenditure on projects totalling Kshs.62,818,808 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. Lack of Internal Audit Function and Audit Committee

During the year under review, Management 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), 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 existence of an effective oversight mechanisms could not be confirmed.

2. Weaknesses in the Board of Management

Review of the minutes of the Executive Board of Management meetings revealed that the minutes of the Executive BOM committee meetings dated 13 September, 2024 and 16 May, 2025 were signed by the Secretary and the Chairperson nine (9) months and four (4) months later after meeting dates respectively. The minutes were also not supported by attendance list of the committee members. Further, the School Development committee, Audit Committee, and Finance and procurement committees did not hold any meetings for the year ended 30 June, 2025.

In the circumstances, the effectiveness of the governance mechanism at the School could not be confirmed.

3. Weaknesses in Management of Assets

During the year under review, the School Management maintained assets register as required by the law. However, assets tagging or labelling has not been done for identification, control and traceability for each of verification, control and management of the fixed assets. The summary of fixed asset captured as Annex 2 in the financial statement lacked key information the date the asset was purchased, its location, historical costs, condition and disposals during the year.

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

4. Long Outstanding Accounts Receivables

The statement of assets and liabilities reflects bank balance of Kshs.19,688,549 as disclosed in Note 10 to the financial statements. However, accounts receivables of over two (2) years amounting to Kshs.15,316,320 relating school fee arrears was still outstanding and there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

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

5. Dormant Bank Accounts

The statement of assets and liabilities reflects bank balance of Kshs.19,688,549 as disclosed in Note 10 to the financial statements. Review of the bank statements revealed that three (3) bank accounts have been dormant with a total balance of Kshs.136,815 as at 30 June, 2025.

In the circumstances, the existence of effective control measures in the operation and management of dormant bank accounts 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 the 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 sustainability of services 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

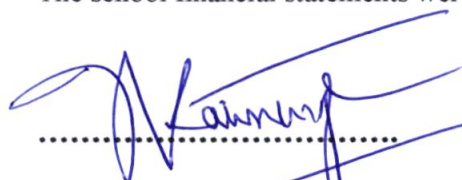
Nairobi

26 May, 2026

MERU SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****6. Statement Of Financial Performance for the Year Ended 30th June 2025**

Description Of Vote Head	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue			
Government grants for tuition	1	5,727,245	5,512,628
Government grants for operations	2	17,159,034	21,459,352
Government Grants for infrastructure	3	9,673,450	6,060,400
School fund income- parents' contributions	4	150,441,675	189,189,848
Miscellaneous incomes	5	200,000	463,900
Total Revenue		183,201,404	222,686,128
Expenditure			
Tuition	6	6,645,340	4,951,414
Operations	7	19,054,795	15,318,875
Infrastructure	8	3,914,580	8,882,940
Boarding and school fund	9	150,469,047	164,383,664
Total Expenditure		180,083,762	193,536,893
Surplus/Deficit		3,117,642	29,149,235

The school financial statements were approved on 9th April 2026 and signed by:



Name: Prof. Jacob T. Kaimenyi

Chair BOM

Date: 09/04/2026



Name: Mr. Rutere H. Mwenda
School Principal/ Secretary to
BOM

Date: 09/04/2026



Name: Ms. Charity Mukiri Kamundi

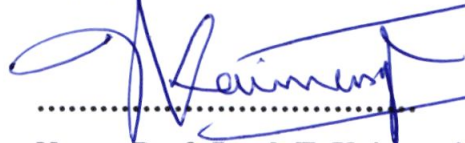
Bursar/ Finance Officer

Date: 09/04/2026

MERU SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****7. Statement of Assets and Liabilities As At 30th June 2025**

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	19,688,549	16,775,051
Cash balances	11	168,064	10,005
Short term investments	12		-
Total cash and cash equivalent		19,856,613	16,785,056
Account's receivables	13	33,556,085	39,577,391
Total financial assets (a)		53,412,698	56,362,447
Financial liabilities			
Accounts payables	14	9,281,960	15,349,350
Total Financial Liabilities (b)			
Net financial assets (a-b)		44,130,738	41,013,097
Represented by			
Accumulated fund b/fwd	15	41,013,097	11,863,862
Surplus/deficit for the year		3,117,642	29,149,235
Net Assets		44,130,739	41,013,097

The school's financial statements were approved on 9th April 2026 and signed by:



Name: Prof. Jacob T. Kaimenyi

Chair BOM

Date: 09/04/2026



Name: Mr. Rutere H. Mwenda
School Principal/ Secretary to
BOM

Date: 09/04/2026



Name: Ms. Charity Mukiri Kamundi

Bursar/ Finance Officer

Date: 09/04/2026

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		5,727,245	5,512,628
Government grants for operations		17,159,034	23,605,852
Government grants for infrastructure		9,673,450	6,060,400
School fund income- parents contributions/ fees		160,197,361	180,991,138
Other income		486,600	544,600
Total receipts		193,243,690	216,714,618
Payments			
Cash outflows for tuition		7,433,390	3,621,114
Cash outflows for operations		19,538,690	17,397,875
Cash outflows Boarding/lunch and school fund payments		153,010,674	174,400,533
Total payments		179,982,754	195,419,522
Net cash inflow/outflow from operating activities		13,260,936	21,295,096
Cash flow from investing activities			
Acquisition of assets		(10,189,380)	(12,363,984)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		3,071,556	8,931,112
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		3,071,556	8,931,112
Cash and cash equivalent at beginning of the 2024		16,785,057	7,853,944
Cash and cash equivalent at end of the 2025		19,856,613	16,785,056

The school's financial statements were approved on 9th April 2026 and signed by:

Name: Prof. Jacob T. Kajmenyi

Chair BOM

Date: 09/04/2026

Name: Mr. Rutere H. Mwenda
School Principal/ Secretary to
BOM

Date: 09/04/2026

Name: Ms. Charity Mukiri Kamundi

Bursar/ Finance Officer

Date: 09/04/2026

MERU SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2025**

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials	-		-	-	
Exercise Books	-		-	-	
Laboratory Equipment	-		-	-	
Internal Exams	-		-	-	
Teaching / Learning Materials	4,765,712		4,765,712	5,727,245	120%
Exams And Assessment	-		-	-	
Sub Total	4,765,712		4,765,712	5,727,245	
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	4,705,640		4,705,640	-	0%
Repairs And Maintenance	-			7020250	0%
Local Transport / Travelling	4,705,640		4,705,640	-	0%
Electricity And Water	4,705,640		4,705,640	-	0%
Medical	1,301,560		1,301,560	2,100,830	161%
Administration Costs	4,705,640		4,705,640	-	0%
Activity	-		-	1,378,000	0%
Gratuity	-		-	-	
Other votes	-		-	13,680,203	0%
Sub Total	20,124,120		20,124,120	24,179,283	

MERU SCHOOL
Annual Report and Financial Statements 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
3) FDSE for infrastructure					
Maintenance &Improvement MoE	10,012,000		10,012,000	9,673,450	97%
M&I parents' contribution	-		-	-	
Economic Stimulus Programs	-		-	-	
Transition Infrastructure Grants	-		-	-	
Administration Block	-		-	-	
Sub Total	10,012,000		1,012,000	9,673,450	
(4) Fees Charged on Parents					
Personnel Emoluments	12,567,480		12,567,480	11,779,911	94%
Repairs And Maintenance	3,806,000		3,806,000	23,509,860	618%
Local Transport / Travelling	8,729,221		8,729,221	8,419,526	96%
Electricity And Water	9,060,500		9,060,500	8,465,872	93%
Medical	-		-	-	
Administration Costs	10,550,385		10,550,385	11302097	107%
Activity	1,598,114		1,598,114	1,488,969	93%
SMASSE	-		-	-	
Fee On Boarding Equipment and Stores	59,604,400		59,604,400	85,188,640	143%
Sub Total	105,916,100		105,916,100	150,154,875	
5) Miscellaneous Income					
Loans / Borrowing	-		-	-	
Rent income	144,000		144,000	204,500	142%
Income From Farming Activities	-		-	-	

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
Insurance Compensation	-		-	-	
Income From Posho Mill	-		-	-	
Income From Bus Hire	-		-	-	
Fee For Hire of Ground and Equipment	-		-	-	
Interest Income	-		-	-	
Income From Any Other Investment	-		-	-	
Sub Total	144,000		144,000	204,500	
Total Income	140,961,932		140,961,932	182,919,103	
<i>(6) Expenditure For Tuition</i>					
Textbooks	-		-	-	
Reference Materials	-		-	-	
Exercise Books	-		-	-	
Laboratory Equipment	-		-	3,786,270	0%
Internal Exams	-		-	-	
Teaching / Learning Materials	9,575,555		9,575,555	2,857,920	30%
Chalks	-		-	-	
Exams And Assessment	-		-	-	
Teachers Guides	-		-	-	
Administration Costs	-		-	1,150	0%
Bank Charges	-		-	-	
SubTotal	9,575,555		9,575,555	6,645,340	
<i>(7) Expenditure For Operations</i>					

MERU SCHOOL**Annual Report and Financial Statements 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
Personnel Emoluments	4,171,024		4,171,024	11,670,788	280%
Repairs, Maintenance & Improvements	-		-	-	
Local Transport / Travelling	5,020,000		5,020,000	871,417	17%
Electricity, Water and Conservancy	5,160,000		5,160,000	2,501,710	48%
Medical	1,660,500		1,660,500	1,283,780	77%
Administration Costs	4,269,500		4,269,500	1,909,100	45%
Activity Expenses	-		-	818,000	0%
Gratuity	-		-	-	
SMASSE	-		-	-	
SubTotal	20,281,024		20,281,024	19,054,795	
(8) Expenditure For infrastructure					
Construction of classrooms	-		-	-	
Construction of LAB	-		-	-	
Construction of DORMS	15,000,000		15,000,000	3,914,580	26%
Purchase of furniture	-		-	-	
Purchase of equipment	-		-	-	
Purchase of machinery	-		-	-	
Sub Total	15,000,000		15,000,000	3,914,580	
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	17,751,702		17,751,702	6,769,078	38%
Repairs, Maintenance and Improvements	3,733,500		3,733,500	11,695,672	313%
Local Transport / Travelling	11,975,000		11,975,000	5,093,052	43%

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
Electricity, Water and Conservancy	4,215,000		4,215,000	5,171,855	123%
Medical Expenses	-		-	-	
Administration Costs	13,949,410		13,949,410	18,082,818	130%
Activity	5,326,452		5,326,452	5,137,568	96%
Gratuity	-		-	-	
Lunch Programme	-		-	-	
Boarding Equipment and Stores	89,067,815		89,067,815	80,585,765	90%
Expenditure For Income Generating Activity	-		-	27,900	0%
Insurance Costs	-		-		
Other Expenses On Investments	-		-		
Rent Expenses	-		-	4,500	0%
Bank Charges	-		-		
Loan Interest Repayment	-		-		
Loan Principal Repayment	-		-		
Acquisition Of Assets School Van	-		-	5,678,200	0%
SES	-		-	11,927,875	0%
Sub Total	146,018,879		146,018,879	150,174,283	
Total Expenditure	190,875,458		19,0875,458	179,788998	

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

Statement of Compliance

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The entity has taken advantage of the transitional provisions under IPSAS 33, and therefore, these first/second/third/year financial statements are transitional financial statements.

Basis of Preparation

These financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, statement of cash flow). Under an accrual basis, revenues are recognized when rights to assets are earned or levied rather than when cash is received, and expenses are recognized when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of revenue and expenditure

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

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

For the purposes of these financial statements, 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 receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	5,727,245	5,512,628
Others (specify) *	-	-
Total	5,727,245	5,512,628

2 Government Grants for Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	-	-
Repairs And Maintenance	-	2,653,200
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical	2,100,830	1,803,150
Administration Costs	-	-
Activity	1,378,000	1,781,176
Other Vote Heads	13,680,204	14,433,786
CBE Classrooms	-	788,040
Total	17,159,034	21,459,352

3 Government Grants for infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance & Improvement	9,673,450	6,060,400
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify) (NGCDF and County govt.	-	-
Total	9,673,450	6,060,400

4 School Fund Income - Parents Contribution/Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	11,779,911	15,247,101
Repairs and maintenance	23,509,860	27,520,682
Local transport / travelling	8419,526	10,515,463
Electricity and water	8,465,872	10,739,617
Medical	-	-
Administration costs	11,302,097	15,499,305
Activity	1,488,969	1,913,369
Fee on Boarding Equipment and stores	85,188,640	107,754,311
PA Levies*	-	-
Others (specify) Uniform	286,800	-
Total	150,441,675	189,189,848

5 Miscellaneous Incomes

Description	2024-2025	2023-2024
	Kshs	Kshs
Rent Income	200,000	138,700
School ID	-	275,200
Students trip	-	40,000
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	-	10,000
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (specify) *	-	-
Total	200,000	463,900

6 Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Exercise Books	-	-
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	3,786,270	1,637,950
Teaching / Learning Materials	2,857,920	2,908,620
Exams And Assessment	-	400,000
Teachers Guides	-	-
Bank Charges	1,150	4,844
Others (specify)	-	-
Total	6,645,340	4,951,414

7 Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	11,670,788	9,145,447
Service Gratuity	-	-
Administration Cost	1,909,100	1,520,188
Repairs And Maintenance & Improvements	-	748,638
Local Transport / Travelling	871,417	542,049
Electricity And Water	2,501,710	2,253,923
Medical	1,283,780	1,030,310
Activity Expenses	818,000	78,320
Insurance Cost	-	-
Others (specify)	-	-
Total	19,054,795	15,318,875

8 Infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	3,914,580	8,882,940
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others (specify)	-	-
Total	3,914,580	8,882,940

9 Boarding And School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	6,769,078	11,843,507
Service Gratuity	-	-
Repairs And Maintenance & Improvements	11,888,122	15,473,057
Local Transport / Travelling	5,093,052	5,057,813
School Equipment and Stores	11,927,875	11,440,293
Electricity And Water	5,171,855	3,042,374
Medical Expenses	-	-
Administration Costs	17,796,018	30,942,335
Lunch Programme	-	-
Fees Refund	118,764	74,084
Bank Charges	-	-
School Farm	27,900	82,300
School ID	-	274,800
School Trip	-	40,000
Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	80,585,765	82,099,085
Rent Expenses	-	-
Insurance Cost (Life Property)	-	-
Activity	5,137,568	-
Loan Interest Repayment	-	-
Acquisition Of Assets	5,678,200	-
PA expenses	-	-
Others (specify) Uniform	274,850	-
Total	150,469,047	164,383,664

MERU SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1040280219535 - EQUITY 01025039706600 - NBK	261,681 55,218	1,967,826 55,218
Operations Account	Active	1040280219529 - EQUITY 01021039005500 - NBK	4,092,960 1,597	9,114,825 1,597
School Fund Account/Boarding	Active	1040298414943 - EQUITY 1254174192 - KCB	6,461,072 251,981	68,405 438,204
Savings Account	Active	1102258911 - KCB	3,370,682	5,090,294
Parent Association Development Account	-		-	-
Income Generating Activities Account	-		-	-
Infrastructural Account	Active	1254174214 - KCB	5,113,358	(41,317)
Fund Account		1104161850 - KCB	80,000	80,000
Total			19,688,549	16,775,051

11 Cash In Hand

Description	2024-2025	2023-2024
	Kshs	Kshs
Notes and Coins	33,064	10,005
Cheques	135,000	
Total	168,064	10,005

12 Short Term Investments

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

13 Accounts Receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees Arrears	33,313,085	39,269,491
Other Non-Fees Receivables	100,400	100,400
Salary Advances (list/schedule attached)	142,600	150,600
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	56,900
Total	33,556,085	39,577,391

13 b) Ageing Analysis of Accounts Receivable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	17,996,765	54%	28,914,287	74%
Between 1- 2 years	8,165,734	25%	10,355,204	26%
Between 2-3 years	7,150,586	21%	-	%
Over 3 years	-	%	-	%
Total (should tie to note 13 a)	33,313,085	%	39,269,491	%

14 Accounts Payable

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	5,296,280	10,713,045
Prepaid Fees	3,985,680	4,636,305
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (<i>specify</i>)	-	-
Total	9,281,960	15,349,350

14a. Ageing Analysis of Accounts Payable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	5,296,280	100%	10,259,035	96%
Between 1- 2 years	-	%	154,010	1%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	300,000	3%
Total (should tie to note 14)	5,296,280	%	10,713,045	%

15 Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Balances	16,775,051	7,818,141
Cash Balances	10,005	35,803
Short Term Investments	-	-
Receivables	39,577,391	26,864,576
Payables	(15,349,350)	(22,854,658)
Total	41,013,097	11,863,862

MERU SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****Other important disclosure notes**

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

16 Non-current Liabilities Summary

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

17 Biological assets

Description	Numbers	2024-2025	2023-2024
		Kshs	Kshs
Cattle	-	-	-
Goats	-	-	-
Trees	5054	2,560,000	2,560,000
Coffee Or Tea Plantation	-	-	-
Poultry	-	-	-
Others (specify)	-	-	-
Total		2,560,000	2,560,000

18 Borrowings

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

MERU SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

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

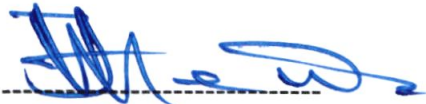
Description	2024-2025	2023-2024
	Kshs	Kshs
Food stuffs	1,496,175	753,230
Lab consumables	482,922	234,213
Farm produce	-	-
Medication	-	-
Construction Materials	-	158,890
Others (specify) Stationeries	4,036,989	-
	6,016,086	1,146,333

MERU SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

20 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)



Sign and Date
Principal

MERU SCHOOL

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

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 30 th June 2025	Outstanding Balance 30 th June 2024	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Harun Ayub	2,104,315	1 st July 2024	1,806,745	297,570	140,070	
2. Muhammed Afzal Hardware	2,051,440	1 st July 2024	2,006,180	45,260	336,530	
3. Muriro Enterprises	2,120,000	1 st July 2024	2,120,000	0	120,000	
4. Boniface Kinoti	130,000	1 st July 2024	130,000	0	130,000	
Sub-Total	6,405,755		6,062,925	342,830	726,600	
Supply Of Goods						
1. Jaqwa Enterprises	11,860,850	1 st July 2024	10,785,850	1,075,000	2,189,100	
2. Zaka Capital Enterprises	12,425,830	1 st July 2024	10,599,830	1,826,000	-	
3. Kenblest Foods Ltd.	13,966,530	1 st July 2024	13,949,205	17,325	1,585,430	
4. Wagi Supplies	14,304,029	1 st July 2024	1,409,909	24,120	123,245	
5. Meru Central Dairy	4,870,065	1 st July 2024	4,849,065	21,000	546,100	
6. Farmers Choice	4,919,811	1 st July 2024	4,872,311	47,500	53,475	
7. Zipporah Kimathi	4,793,050	1 st July 2024	4721800	71,250	493,020	
8. Makuu Fruits Centre	429,855	1 st July 2024	412370	17,485	25,350	
9. Oscar Miller	2,000,000	1 st July 2024	1,600,000	400,000	400,000	
10. Abids Paint Shop	927,940	1 st July 2024	914,290	13,650	68,510	

MERU SCHOOL

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

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 30 th June 2025	Outstanding Balance 30 th June 2024	Comments
11. Descana Machines	1,579,500	1 st July 2024	1,146,000	433,500	340,500	
12. Brissemax Electricals	942,435	1 st July 2024	879,895	62,540	34,980	
13. LR Filling Station	1,780,014	1 st July 2024	1,738,514	41,500	0	
14. Mewass	46,530	1 st July 2024	39,900	6,630	0	
15. Nesskits Solutions	3,576,670	1 st July 2024	3,576,670	0	371,090	
16. Hussein Abgudo	1,424,000	1 st July 2024	0	0	1,424,000	
17. Woodtec Sawmill	1,320,000	1 st July 2024	1,320,000	0	400,000	
18. Boniface Kinoti	24,010	1 st July 2024	0	0	24,010	
19. Jackpur	60,000	1 st July 2024	60,000	0	60,000	
20. Kedyleen	80,520	1 st July 2024	73,320	7,200	9,000	
21. Peter Mburugu	28,530	1 st July 2024	28,530	0	28,530	
22. James Mugambi	30,905	1 st July 2024	30,905	0	30,905	
23. Kenya Power & Lighting Company	1,788,616	1 st July 2024	1,742,116	46,500	0	
Sub-Total	83,179,690		64,750,480	4,111,200	8,356,145	
Supply Of Services						
1. Readers Quest	15,504,790	1 st July 2024	14,662,540	842,250	930,300	
2. Axes Stores	16,000,000	1 st July 2024	16,000,000	0	400,000	
3. Ashnac Glass Repair	300,000	1 st July 2024	300,000	0	300,000	
Sub-Total	31,804,790		30,962,540	842,250	1,630,300	
Grand Total	210,975,680		172,589,350	5,296,280	10,713,045	

MERU SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****Annex 2 – Summary of Fixed Assets Register**

Asset Class	Historical Cost b/f (Kshs) 1st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2025
Land	330,000,000	0	0	330,000,000
Buildings And Structures	479,792,158	4,511,180	0	484,303,338
Motor Vehicles	9,983,500	5,678,200	0	15,661,700
Office Equipment, Furniture and Fittings	5,377,700	0	0	5,377,700
Textbooks	2,278,000	0	0	2,278,000
ICT Equipment	5,665,430	0	0	5,665,430
Tools And Apparatus	3,435,170	0	0	3,435,170
Other Machinery and Equipment	440,000	0	0	440,000
Heritage And Cultural Assets	-	0	0	0
Intangible Assets- Soft Ware	872,000	0	0	872,000
Bed, Chairs and Desks	30,919,075	0	0	30,919,075
Total	868,763,033	10,189,380	0	878,952,413



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

Ref: OAG/EMB/AUD/12/50/2024/2025 (21)

23 June, 2026

Mr. Samuel J. Njoroge, CBS
Clerk of the National Assembly
Parliament Buildings
P. O. Box 41842 - 00100
NAIROBI

Dear Mr. Njoroge,

REPORT OF THE AUDITOR-GENERAL ON MERU SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – MERU COUNTY

I transmit the report of the Auditor-General on the examination and audit of Meru School for the year ended 30 June, 2025 in accordance with the provisions of Article 229(7) of the Constitution of Kenya for the necessary action as required by Article 229(8) of the Constitution.

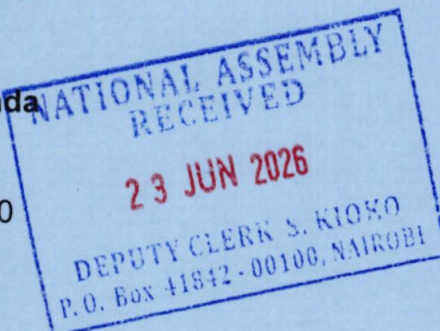
Yours sincerely,

CPA Wilson Maiyo
For: AUDITOR-GENERAL

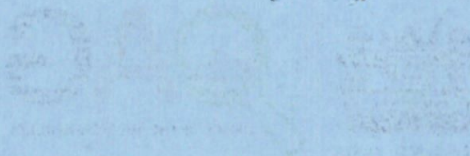
Copy to: **Dr. Chris Kiptoo, PhD., CBS**
Principal Secretary
The National Treasury
P.O. Box 30007 - 00100
NAIROBI

Mr. John L. Ololtuaa, CBS
Principal Secretary
Ministry of Education
State Department for Basic Education
P.O. Box 30040 - 00100
NAIROBI

Mr. Rutere H. Mwenda
Principal
Meru School
P.O. Box 103 - 60200
MERU



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