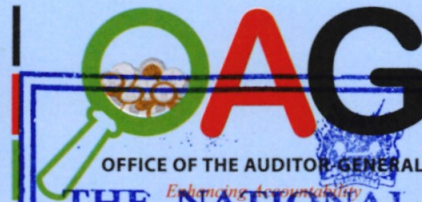


REPUBLIC OF KENYA



REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 17 JUN 2026

DAY.
Wednesday

REPORT

TABLED
BY:

Deputy Majority Whip
Hon. Naomi Wager, M.P.

CLERK-AT
THE-TABLE:

Irene Nduku

OF



THE AUDITOR-GENERAL

ON

KAPSABET BOYS HIGH SCHOOL

FOR THE YEAR ENDED

30 JUNE, 2025

NANDI COUNTY



Kapsabet Boys High School

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

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

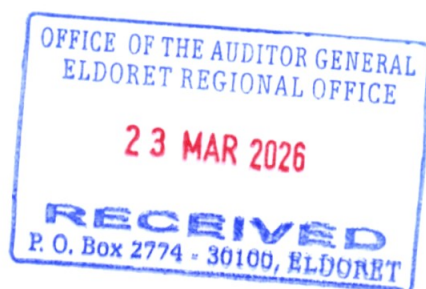


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1. Acronyms and Definition of Key Terms

A. Acronyms.

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

B. Definition of Key Terms

Comparative Year- Means the prior period.

2. Key School Information and Management

(a) Background information

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

The school was registered in 03/2004 under registration number GP/A/2299/2004 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 1979 number of students as at 30th June 2025. It has 39 streams and 101 teachers of which 10 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.	Prof. Simeon Mining	Chairman	2022
2.	Kipchumba Maiyo OGW,MBS	Secretary - Principal	2022
3.	Dr. Benadatte Tiony	Member	2022
4.	Dr. Charles Too	Member	2022
5.	Dr. Jonathan Mutonyi	Member	2022
6.	Dr. Robert Opaat	Member	2022
7.	Eng. Kibias Kipkemboi	Member	2022
8.	Mr. George Kibet	Member	2022
9.	Ms. Sarah Choge	Member	2022
10.	Mwadihi Esemere	Member – Rep CEB	2022
11.	Ms. Salome Boit	Member Rep Teachers	2022
12.	Ms. Hellen Biwott Adv. Moses Rotich Ms. Brenda Bartoo	3 Members - Sponsor	2022
13.	Dr. Benjamin Maiyo	Member - Community	2022
14.	Rev. Dr. William Kebenei	Member Special Needs	2022
15.	Tikani Benard Lekaisa	Rep Students	2024

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Prof. Simeon Mining 2.Rev. Dr. William Kebenei 3. Kipchumba Maiyo, OGW, MBS 4. DR. Benjamin Maiyo 5. Dr. Benadatte Tiony 6. Adv. Moses Rotich 7. Mr. George Kibet	Chairperson Vice Chairman Secretary Treasurer Member Member Member	1 1 1 1 1 1 1
2	Audit Committee	1. CPA Egla Samoei 2. Mr. Benjamin Maiyo 3. Mr. Kipchumba Maiyo	Chairperson Member C/Principal/Secretary	1 1 1
3	Finance,procurement and general purposes Committee	Mrs. Hellen Biwott CPA Egla Samoei	Chairperson Member	1 1

4	Academic Committee	Dr. Charles Too Rev. Dr. William Kebenei Dr. Robert Opaat Mr. Kipchumba Maiyo	Chairperson Member Member Chief Principal	1 1 1 1
5	Development Committee	Mr. George Kibet Mr. Kipchumba Maiyo Prof. Simeon Mining Dr. Benjamin Maiyo Eng. Kibias Kipkemboi Mr Ronarld Mwaniki CDE/SCDE	Chairperson Chief Principal BOM Chair Member Member Secretary Representative	1 1 1 1 1 1 1
6	Discipline and welfare Committee	Adv. Moses Rotich Dr. Benjamin Maiyo Ms. Sarah Choge Mr. Mwaniki Ronald	Chairperson Member Member D/P Administration	1 1 1 1
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	Kipchumba Maiyo, OGW, MBS	347389
2	Deputy Principal	Mwaniki Ronald	417505
3	School Bursar	Maiyo K. James	ID NO.11605762
4	Other		

(e) Schools contacts

Post Office Box: 10-30300
 Telephone: 0202030117
 E-mail: kapsabethigh@gmail.com
 Website: www.kapsabethighschool.sc.ke
 Facebook:
 Twitter:

(f) School Bankers

- (a) Name of Bank: Kenya Commercial Bank
 Branch:Kapsabet
 Postal Address:P.O Box 164 – 30300 Kapsabet
- (b) Name of Bank: National Bank
 Branch:Kapsabet
 Postal Address: P.O Box 34 – 30300 Kapsabet
- (c) Name of Bank: Equity Bank
 Branch:Kapsabet
 Postal Address: P.O Box 272-30300 Kapsabet
- (d) Name of Bank: Kenya Commercial Bank
 Branch:Kapsabet
 Postal Address: P.O Box 164 – 30300 Kapsabet
- (e) Name of Bank: Kenya Commercial Bank
 Branch:Kapsabet
 Postal Address: P.O Box 164 – 30300 Kapsabet
- (f) Name of Bank: Kenya Commercial Bank
 Branch:Kapsabet
 Postal Address: P.O Box 164 – 30300 Kapsabet
- (g) Name of Bank: Co-operative Bank
 Branch:Kapsabet
 Postal Address: P.O Box 869 – 30300 Kapsabet
- (h) MPESA Pay Bill No:735001 Attached to National Bank Account.

(i) 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:

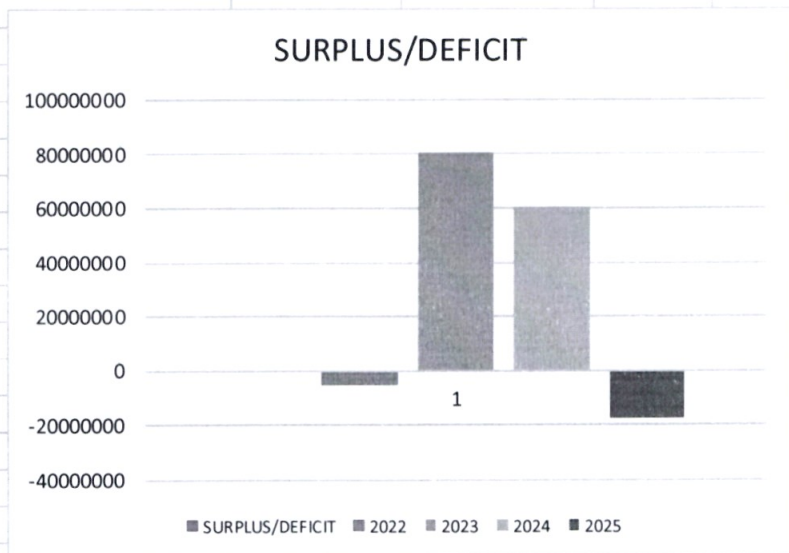
a) Financial performance:

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

a) Financial performance:

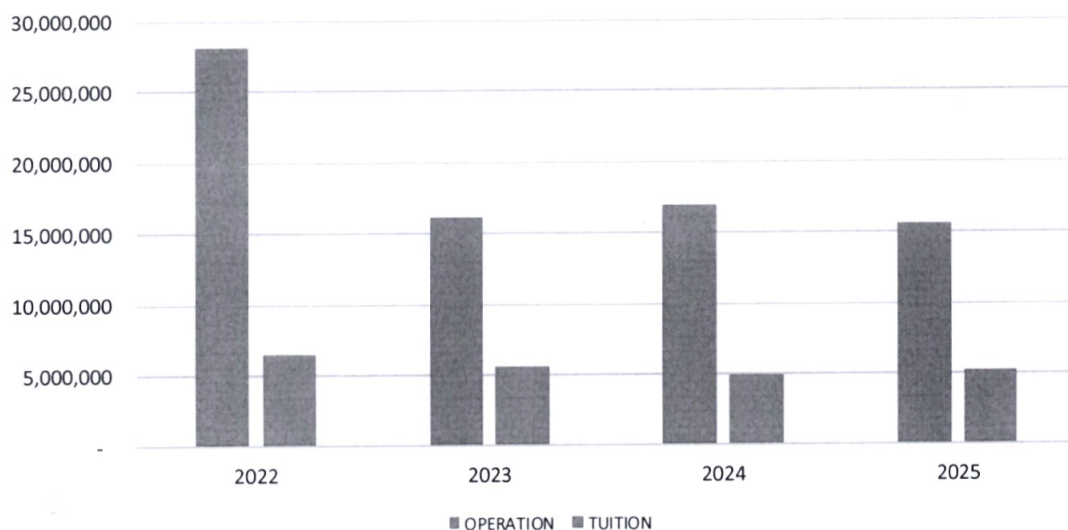
SURPLUS/DEFICIT

2022	(5,087,352)
2023	80,696,270
2024	60,599,964
2025	(17,602,677)



CAPITATION GRANT FROM MINISTRY

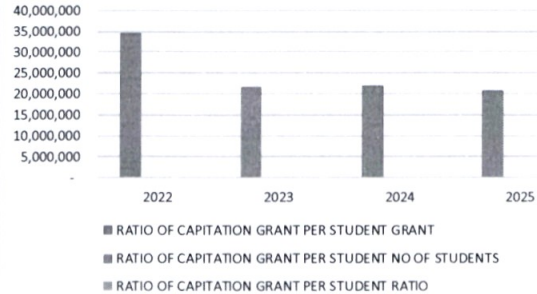
	OPERATION	TUITION
2022	28,147,357	6,439,310
2023	16,133,983	5,603,235
2024	16,855,861	4,994,918
2025	15,562,384	5,197,447

CAPITATION GRANT FROM MINISTRY

RATIO OF CAPITATION GRANT PER STUDENT

RATIO OF CAPITATION GRANT PER STUDENT			
YEAR	GRANT	NO OF STUDENTS	RATIO
2022	34,586,667	2091	16,541
2023	21,737,218	2485	8,747
2024	21,850,779	2438	8,963
2025	20,759,831	1979	10,490

GRANT PER STUDENT

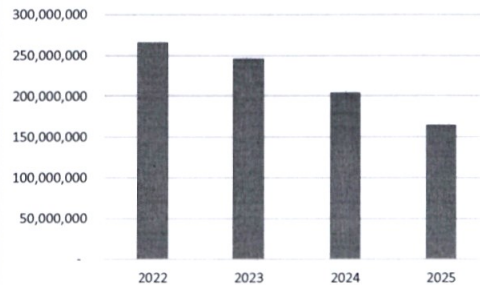


OVERVIEW OF GROWTH OF OTHER INCOME

GROWTH OF OTHER INCOME

YEAR	INCOME
2022	265,676,033
2023	245,403,457
2024	204,834,504
2025	165,117,385

GROWTH IN OTHER INCOME

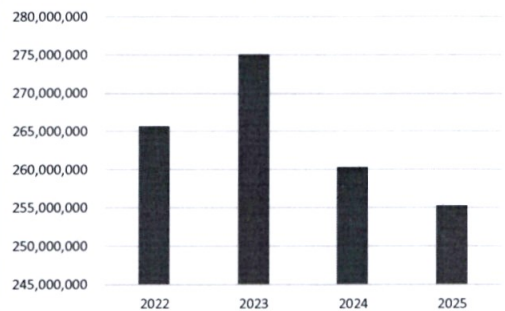


OVERVIEW OF GROWTH IN EXPENDITURE

GROWTH IN EXPENDITURE

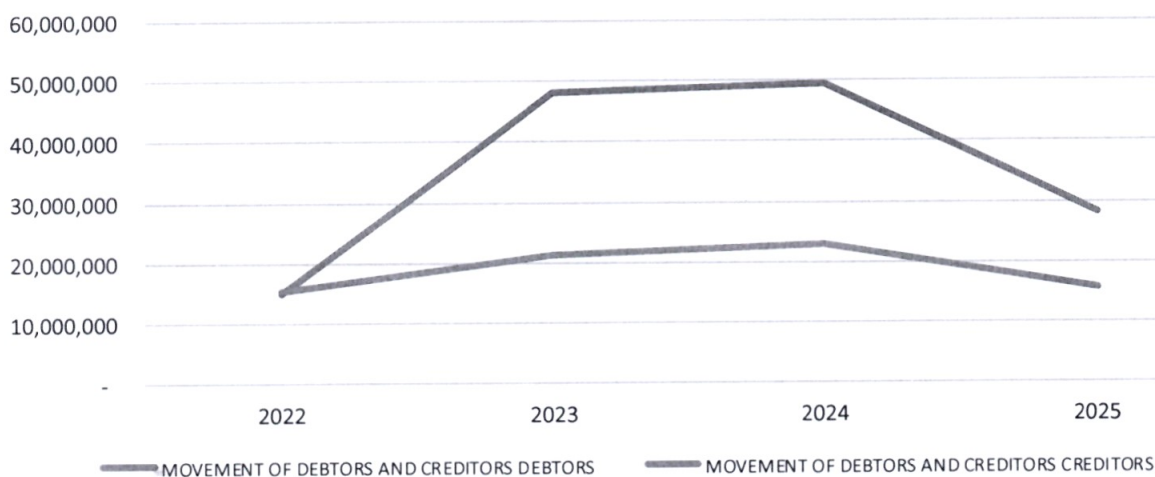
YEAR	EXPENDITURE
2022	265,676,033
2023	275,035,983
2024	260,233,892
2025	255,260,910

GROWTH IN EXPENDITURE EXPENDITURE

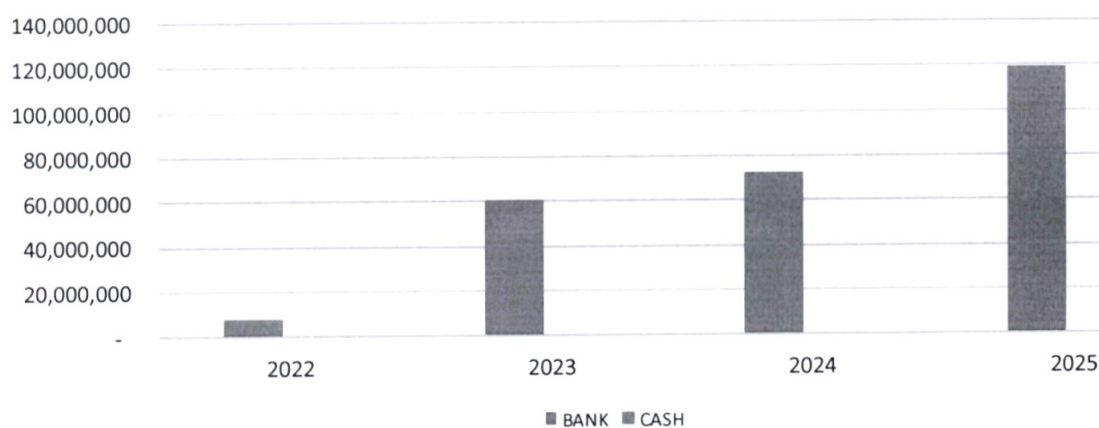


MOVEMENT OF DEBTORS AND CREDITORS

YEAR	DEBTORS	CREDITORS
2022	14,970,948	15,448,132
2023	48,232,240	21,150,551
2024	49,440,123	23,088,017
2025	28,316,493	15,737,857

MOVEMENT OF DEBTORS AND CREDITORS**CASH AND BANK BALANCES**

YEAR	BANK	CASH
2022	8,001,832	3,698
2023	60,953,444	22,042
2024	72,461,320	11,153
2025	118,640,192	3,074

CASH AND BANK BALANCES

b) Teacher Student ratio:

Item	Number
Teacher to Student ratio	1:20
Number of teachers Recruited and posted	9
Number of teachers transferred/retired	8
Number of TSC teachers	91
Number of BOM teachers	10

Subject	Teachers Required	No.Tsc Teachers	Shortage
English	14	14	0
Kiswahili	13	11	2
Mathematics	13	11	2
Biology	10	10	0
Physics	10	8	2
Chemistry	10	7	3
Geography	10	6	4
History	10	8	2
CRE	4	4	0
Agriculture	3	2	1
French	2	2	0
Computer Studies	3	3	0
Music	1	1	0
Business Studies	6	3	3
Ire	1	1	0
Total	110	91	19

c) Mean score in the 2024 KCSE:

YEAR	KCSE RESULTS SUMMARY															MEAN SCORE	MG.	INDEX	ENTRY	UNIVERSITY ADMISSION	
	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	Y						QUALIFIED	ADMITTED
2021	105	191	100	54	10	1	0	0	0	0	0	0	0	0	10.703	A-	0.1770	461		461	461
2022	52	150	150	74	36	12	8	0	0	0	0	0	0	0	10.083	B+	-0.62	482		474	474
2023	53	147	123	91	40	21	2	2	1	0	0	0	0	0	10.18	B+	+0.097	482		477	477
2024	65	151	140	85	37	14	2	0	0	0	0	0	1	0	10.14	B+	-0.04	494		492	492

d) Number of Candidates in the 2024 KCSE:

YEAR	Candidates
2021	461
2022	482
2023	482
2024	494

e) Capacity of the school:

STUDENTS	DORMS	DINING HALL	LABS	TOILETS	OTHER AMENITIES
1979	20	1	10	160	

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Gate and Perimeter wall construction	Parents	Ongoing	12.6Million	3,425,700	August 2025
Extension of Dining Hall	MI(MOE)	Ongoing	30Million	18,775,586	August 2025
Auditorium	MOE	Documentation	225Million	1,600,000	December 2027


16/03/2026
 School Principal

4. Statement of School Management Responsibility

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

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

The Board of Management of **Kapsabet Boys High School** accepts responsibility for the school's financial statements, which have been prepared on the Cash Standards 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. Simeon Mining,
Designation: Chairman, School Board of Management.
Date: 16/03/2026



.....
Name: Sammy K. Maiyo, OGW, MBS,
Designation: School Principal & Secretary to Board of Management.
Date: 16/03/2026



.....
Name: James K. Maiyo
Designation: Bursar/ Finance Officer
Date: 16/03/2026

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 KAPSABET BOYS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – NANDI 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 International Public Sector Accounting Standards (IPSAS) financial statements of Kapsabet Boys High School– Nandi County - set out on pages 1 to 20, which comprise of the statement of assets and liabilities as at

30 June, 2025 and the statement of financial performance, statement of cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional International Public Sector Accounting Standards (IPSAS) financial statements present fairly, in all material respects, the financial position of Kapsabet Boys High School– Nandi 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 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 Receivable

The statement of assets and liabilities reflect accounts receivable balance of Kshs.28,316,493 comprising of fee arrears as reflected in Note 13 to the financial statements. Review of the fee arrears ageing analysis as disclosed in Note 13 (b) to the financial statements revealed long outstanding fee arrears of between 1-2 years, between 2-3 years and over 3 years amounting to Kshs.5,576,294, Kshs.2,288,617 and Kshs.2,837,585 respectively. There was no evidence of any efforts put in place by Management to ensure that the long outstanding debts are recovered. Further, the School does not have a debtors' management policy to help mitigate against the increasing fee arrears. In addition, the School does not have a policy on provision of bad and doubtful debts.

In the circumstances, the recoverability of accounts receivable balance of Kshs.28,316,493 is in doubt.

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

Emphasis of Matter

Budget Control and Performance

The statement of budget versus actual amounts reflect final receipts budget and actual on comparable basis amounts of Kshs.292,940,800 and Kshs.237,658,233 respectively resulting to an under-funding of Kshs.55,282,567 or 19% of the budget.

The under-funding affected the planned activities and may have impacted negatively on operations of the School.

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 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. 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. **See Appendix I**

2. Errors and Omissions in the Reporting Templates

The financial statements have been prepared using the financial year 2024/2025 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.

Other Information

Management is responsible for the Other Information set out on pages (ii) to (xv) which comprise of key School Information And Management, Summary Report Of Performance of the School and Statement of School 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 financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Under Funding of Capitation Grants

The statement of financial performance reflects government grants for tuition and government grants for operations amounts of Kshs.5,197,447 and Kshs.15,562,384 respectively, all totalling to Kshs.20,759,831 as disclosed in Note 1 and Note 2 to the financial statements. During the financial year under review, National Education Management Information System (NEMIS) reported a total number of 1,667 students while the enrolment records provided by the School indicated a total number 2,436 students, resulting into an unexplained variance of 769 students. As a result, the School was under-funded by an amount of Kshs.7,683,866.

In the circumstances, the under-funding of the School may have affected operations of the School.

2. Non-Deduction of Capacity Building Levy

The statement of financial performance reflects total payments of Kshs.255,260,910. 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.

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

The statement of financial performance reflects boarding and school fund payments of Kshs.213,769,926 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.421,960 transferred to Chesumei Secondary School Heads Association being part payment for Kenya Secondary School Heads Association (KESSHA) affiliation and welfare. 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.421,960 could not be confirmed.

4. Non-Compliance with the Data Protection Act

The School collects and processes employee, parents, supplier, student and other stakeholder data, including mobile phone numbers, national exam registration numbers and results, birth dates, national identification and passport numbers, Kenya Revenue Authority (KRA) Personal Identification Numbers (PIN), companies' registration numbers, employee data among others. However, the School does not have an approved Data Protection Policy in place to safeguard such data contrary to Regulation 23(1) and (2) of the Data Protection Regulations, 2021 which requires every data controller or data processor to develop, publish, and regularly update a policy reflecting their personal data handling practices. This may lead to increased vulnerability to unauthorized access, misuse, or leakage of sensitive information exposing the School to legal action, including damages and class-action suits, in the event of data breaches.

In addition, the School is not registered with the Office of the Data Protection Commissioner as a data controller or data processor contrary to Section 18(1) and (2) of the Data Protection Act, No. 24 of 2019 which requires every data controller or data processor to be registered with the Data Commissioner according to the mandatory registration thresholds prescribed by the Data Commissioner.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Irregular Composition of Committees of the Board

Review of the School's records revealed that all Board of Management members were appointed on 5 November, 2022 for a term of 3 years ending on 5 November, 2025. This implies that all Board Members vacate office at the same time, and hence there will be no continuity in leadership, preservation of institutional memory and there will be disruptions in governance when board membership changes.

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

2. Lack of Internal Audit Function

Review of the School's records and operations revealed that the School did not have an internal audit unit in place. There was also no evidence of providing oversight and direction in matters relating to risk management, control environment and independent review of audit reports. This was contrary to 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 its effectiveness 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.

3. Inventory Mismanagement

3.1 Lack of Bin Cards in the Store

Audit review and physical inspection of the School's stores established that bin cards were not maintained in the School's stores contrary to Regulation 172(k) of the Public Procurement and Asset Disposal Regulations, 2020 which requires that the officer in charge of stores of a procuring entity shall ensure bin cards are properly kept for each item of stores and placed on or near the respective item.

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

3.2 Failure to Conduct Quarterly Stock-Taking

The financial statements reflect inventory balance of Kshs.16,244,832 as disclosed in Note 19 to the financial statements. Review of the School's stores records revealed that annual end of year and quarterly stock-counts were not conducted during the year under review contrary to Section 162(2) of the Public Procurement and Asset Disposal Act, 2015 which requires the head of procurement to arrange for inspection visits to the stores at least quarterly in each calendar year and conduct quarterly and annual inventory and

stock-taking to ensure compliance with governing laws, with reports submitted to the Accounting Officer.

Further, the School had not developed an inventory management policy to guide the ordering, storage, and control of consumables, including clearly defined duties and responsibilities of the procurement and finance departments in relation to inventory management.

In the circumstances, the absence of stock counts and an inventory management policy indicates weaknesses in internal controls over inventory management.

4. Weaknesses in Management of Assets

4.1 Land Ownership Documents

As previously noted, the School occupies approximately eighty-two (82) acres of land. However, the School has not yet obtained title deed for the land. Records provided for audit indicated that the land is referenced under multiple parcel numbers, namely KAP/MUN/113, NANDI/KAMOBO/2632, and 1181/33 each stated to measure approximately 82 acres. It was not clear whether these references relate to the same parcel of land or to different parcels. Further, the School did not provide supporting ownership documents for the land to support legitimacy of the School's claim to the land. In addition, Management has indicated that the process of obtaining the School's title deed was at an advanced stage and issuance was expected soon. However, the assertion could not be verified as no supporting documentation in this regard was provided for audit review.

4.2 Failure to Renew Land Lease

Review of documents revealed that the County Council of Sirikwa granted Barclays Bank D.C.O, acting as trustees for the Board of Governors of Kapsabet School, Grant No. LRN 1840 for Land Reference No. 1181/33, Survey Plan No. 81995, measuring approximately 53.5 acres, located within Kapsabet Township, Nandi District. The grant was issued on a peppercorn rent (if demanded) basis effective 1 March, 1964 for a term of 33 years. The lease expired on 1 March, 1997 and has not been renewed. Management had applied to the County Government of Nandi for renewal of the lease on 18 February, 2026. The County Government approved the application on 19 February 2026, subject to the land being re-surveyed to establish the correct boundary alignment.

4.3 Size/Acreage

The original grant covered approximately 53.5 acres. However, Management has asserted that the land currently measures approximately 82 acres. It was not clear how the acreage increased from 53.5 acres to 82 acres.

4.4 Valuation of Assets

Note 17 and Annex 2 to the Financial Statements reflects Biological Assets and Summary of Fixed Assets Register balances of Kshs.7,338,900 and Kshs.819,551,437 respectively.

However, no documentary evidence was provided to indicate the exact value of the assets since there was no valuation report from a recognized valuer.

4.5 Fixed Assets Register

Note 17 and Annex 2 to the financial statements reflect biological assets and summary of fixed assets register balances of Kshs.7,338,900 and Kshs.819,551,437 respectively. Review of records revealed that the School did not maintain a comprehensive fixed assets register detailing the assets that it owned and/or were in its control. In the absence of a proper fixed assets register, the accuracy and/or completeness of the biological assets and summary of fixed assets register balances of Kshs.7,338,900 and Kshs.819,551,437 respectively could not be confirmed. In addition, the summary of fixed assets register reflect additions for the year amount of Kshs.19,751,786. However, a schedule showing all items acquired during the year was not provided for audit review.

In the circumstances, over fixed assets could not be confirmed.

5. Absence of Operation Policy and Manuals

During the year under review, Management did not have in place an approved human resources policy, human resources manual, scheme of service and staff establishment to guide on staffing levels and human resources management, finance manual and finance policy to guide on accounting and financial management in the School, risk management policy, disaster recovery plans, business continuity plans and an information communication technology (ICT) policy to guide on the management of the School's ICT infrastructure. This was contrary to Regulation 165 of the Public Finance Management (National Government) Regulations, 2015 which requires that the accounting officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, it was not possible to confirm whether the School's operations were effectively managed without the policy documents.

6. Weaknesses in Management of Text Books

Physical inspection of the School library revealed that it was well arranged and organized. However no physical stock take of the textbooks was carried out in the library for the year ended 30 June, 2025. Hence, it was not possible to confirm the actual number of textbooks in the School Library as at the closure of the 2024/2025 financial year.

In the circumstances, the internal controls of the school are not effective and the School Management may not fully account for the textbooks in the library.

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 for 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, SBS
AUDITOR-GENERAL

Nairobi

29 April, 2026

Appendix I:

Prior Year Audit Issues

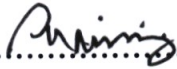
REPORT ON THE FINANCIAL STATEMENTS	
1.	Under-declaration of Income
EMPHASIS OF MATTER	
1.	Budgetary Control and Performance
REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES	
1.	Irregular Transfer to KESSHA
2.	Unconfirmed Student Enrolment Data
3.	Long Outstanding Trade Payables
4.	Failure to Prepare School Improvement Plan
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE	
1.	Management of Fixed Assets
2.	Effectiveness in Management of Textbooks
3.	Lack of a Risk Management Policy
4.	Lack of a Disaster Recovery and Business Continuity Plans
5.	Accounts Receivables
6.	Lack of an Internal Audit Plan
7.	Unsupported Inventory Balances

Kapsabet Boys High 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	JULY 2024-JUNE 2025 Kshs	JULY 2023-JUNE 2024 Kshs
Receipts			
Government grants for tuition	1	5,197,447	4,994,918
Government grants for operations	2	15,562,384	16,855,861
Government Grants for infrastructure	3	21,366,250	58,305,640
School fund income- parents' contributions	4	165,117,385	204,834,504
Miscellaneous incomes	5	30,414,767	35,842,933
Total Receipts		237,658,233	320,833,856
Payments			
Tuition	6	5,045,595	3,964,052
Operations	7	16,065,018	13,961,685
Infrastructure	8	20,380,371	789,757
Boarding and school fund	9	213,769,926	241,518,398
Total Payments		255,260,910	260,233,892
Surplus/Deficit		(17,602,677)	60,599,964

The school financial statements were approved on _____ 2025 and signed by:


.....

Name: Prof. Simeon Mining
Chair BOM

Date: 16/03/2026


.....

Name: Sammy K. Maiyo
School Principal/ Secretary to
BOM

Date: 16/03/2026


.....

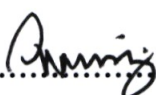
Name: James K. Maiyo
Bursar/ Finance Officer

Date: 16/03/2026

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

Description	Note	JULY 2024-JUNE 2025 Kshs	JULY 2023-JUNE 2024 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	118,640,192	72,461,320
Cash balances	11	3,074	11,153
Short term investments	12	-	50,000,000
Total cash and cash equivalent		118,643,266	122,472,473
Account's receivables	13	28,316,493	49,440,123
Total financial assets (a)		146,959,759	171,912,596
Financial liabilities			
Accounts payables	14	15,737,857	23,088,017
Total Financial Liabilities (b)		15,737,857	23,088,017
Net financial assets (a-b)		131,221,902	148,824,579
Represented by			
Accumulated fund b/fwd	15	148,824,579	88,224,615
Surplus/deficit for the year		(17,602,677)	60,599,964
Net Assets		131,221,902	148,824,579

The school's financial statements were approved on _____ 2025 and signed by:



Name: Prof. Simeon Mining

Chair BOM

Date: 16/03/2026



Name: Sammy K. Maiyo
School Principal/ Secretary to BOM

Date: 16/03/2026



Name: James K. Maiyo

Bursar/ Finance Officer

Date: 16/03/2026

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

Description	Note	JULY 2024-JUNE 2025 Kshs	JULY 2023-JUNE 2024 Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	5,197,447	4,994,918
Government grants for operations	2	15,562,384	16,855,861
Government grants for infrastructure	3	21,366,250	58,305,640
School fund income- parents contributions/ fees	4	165,117,385	204,834,504
Other income	5	24,073,123	35,842,933
Total receipts		231,316,589	320,833,856
Payments			
Cash outflows for tuition	6	5,045,595	3,964,052
Cash outflows for operations	7	16,065,018	13,961,685
Cash outflows Boarding/lunch and school fund payments	9	213,769,926	241,518,398
Total payments		234,880,539	259,444,135
Net cash inflow/outflow from operating activities		(3,563,950)	61,389,720
(increase)/Decrease in accounts receivable		21,123,630	(1,040,443)
Increase/(Decrease) in accounts payable		(7,350,160)	1,937,466
Net cash inflow/outflow from operating activities		10,209,520	62,286,743
Cash flow from investing activities			
Acquisition of assets	8	(20,380,370)	(789,757)
Proceeds from sale of Assets		2,080,000	-
Proceeds from investments		4,261,644	-
Purchase of investments			-
Net cash inflow/outflows from investing activities		(14,038,726)	(789,757)
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		(3,829,206)	61,496,986
Cash and cash equivalent at beginning of the FY		122,472,473	60,975,487
Cash and cash equivalent at end of the FY		118,643,267	122,472,473

Kapsabet Boys High School

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

The school's financial statements were approved on _____ 2025 and signed by:

..........

Name: Prof. Simeon Mining

Chair BOM

Date:..16/03/2026.....

..........

Name: Sammy K. Maiyo
School Principal/ Secretary to BOM

Date:..16/03/2026.....

..........

Name: James k. Maiyo

Bursar/ Finance Officer

Date:..16/03/2026.....

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	-	-	-	-	
Exercise Books	-	-	-	-	
Laboratory Equipment	-	-	-	-	
Internal Exams	-	-	-	-	
Teaching / Learning Materials	8,288,000	-	8,288,000	5,197,447	63%
Exams And Assessment	-	-	-	-	
Totals	8,288,000		8,288,000	5,197,447	63%
(2) Capitation Grant on Operations					
Personnel Emoluments	12,000,000	-	12,000,000	5,892,368	49%
Local Transport / Travelling	2,600,000	-	2,600,000	833,500	32%
Electricity, Water and Conservancy	3,600,000	-	3,600,000	3,284,200	91%
Medical/Insurance	4,000,000	-	4,000,000	1,846,090	46%
Administration Cost	3,600,000	-	3,600,000	2,450,721	68%
Activity	3,000,000	-	3,000,000	1,255,505	42%
Totals	28,800,000		28,800,000	15,562,384	54%

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) FDSEfor infrastructure					
Maintenance &Improvement MoE	8,000,000.00	-	8,000,000.00	6,366,250	80%
M&I parents' contribution	-	-	-	-	
Competency Based Curriculum CBC	-	-	-		
Transition Infrastructure Grants	50,000,000.00	-	50,000,000.00	15,000,000	30%
Administration Block	-	-	-	-	
Totals	58,000,000.00		58,000,000.00	21,366,250	
(4) Fees Charged on Parents		-			
Personnel Emoluments	24,864,000	-	24,864,000	24,801,520	100%
Repairs And Maintenance	4,000,000	-	4,000,000	5,802,386	145%
Local Transport / Travelling	5,242,000	-	5,242,000	5,797,830	111%
Electricity, Water and Conservancy	12,604,000	-	12,604,000	12,562,946	100%
Development Fund	10,000,000	-	10,000,000	11,083,526	111%
Administration Cost	18,032,000	-	18,032,000	20,515,954	114%
Activity	1,596,000	-	1,596,000	1,656,526	104%
Fee On Boarding Equipment and Stores	81,004,800	-	81,004,800	82,896,697	102%
Totals	157,342,800	-	157,342,800	165,117,385	105%
5) Miscellaneous Income					
Hire of Facilities	1,000,000	-	1,000,000	1,098,023	110%
Rent income	1,000,000	-	1,000,000	978,400	98%
Income From Farming Activities	18,000,000	-	18,000,000	7,786,481	43%
Interest Earned	4,000,000	-	4,000,000	4,261,644	107%
Bakery	17,000,000	-	17,000,000	12,826,280	75%

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
Computer/Music/French	500,000	-	500,000.00	726,472	145%
Disposal/Breakages And Losses	-	-	-	1,073,693	
Students ID	10,000	-	10,000.00	13,774	138%
Insurance compensation	-	-	-	1,650,000	
Totals	40,510,000		40,510,000	30,414,767	75%
Total Income	292,940,800	-	292,940,800	237,658,233	81%
(6) Expenditure For Tuition					
Textbooks	-	-	-	-	
Reference Materials	-	-	-	-	
Exercise Books	-	-	-	-	
Laboratory Equipment	-	-	-	3,596,416	
Internal Exams	-	-	-	-	
Teaching / Learning Materials	8,288,000	-	8,288,000	1,447,310	17%
Chalks	-	-	-	-	
Exams And Assessment	-	-	-	-	
Teachers Guides	-	-	-	-	
Administration cost	-	-	-	-	
Bank Charges	-	-	-	1,869	
Totals	8,288,000	-	8,288,000	5,045,595	61%
(7) Expenditure For Operations					
Personnel Emoluments	12,000,000	-	12,000,000	5,801,479	48%
Repairs, Maintenance & Improvements	-	-	-	-	
Local Transport / Travelling	2,600,000	-	2,600,000	1,009,933	39%

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	3,600,000	-	3,600,000	1,904,570	53%
Medical	4,000,000	-	4,000,000	637,214	16%
Administration Cost	3,600,000	-	3,600,000	5,664,730	157%
Maintenance Improvement Fund		-	-		
Activity Expenses	3,000,000	-	3,000,000	1,043,525	35%
Bank Charges	-	-	-	3,567	
Totals	28,800,000		28,800,000	16,065,018	56%
(8) Expenditure For infrastructure					
Construction of Multipurpose hall	-	-	-	1,600,001	
Construction of Dining hall	8,000,000	-	8,000,000	18,775,586	235%
Construction of dorm/ablution block	-	-	-	-	
Purchase of furniture	-	-	-	-	
Purchase of equipment	-	-	-	-	
Purchase of machinery	-	-	-	-	
Bank Charges				4,784	
Totals	8,000,000		8,000,000	20,380,371	
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	24,864,000	-	24,864,000	24,690,550	99%
Repairs, Maintenance and Improvements	4,000,000	-	4,000,000	4,328,637	108%
Local Transport / Travelling	5,242,000	-	5,242,000	9,942,264	190%
Electricity, Water and Conservancy	12,604,000	-	12,604,000	10,413,989	83%
Medical Expenses	-	-	-	1,830,416	

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
Administration cost	18,032,000	-	18,032,000	26,693,075	148%
Activity	1,596,000	-	1,596,000	4,707,690	295%
Boarding Equipment and Stores	81,004,800	-	81,004,800	83,333,088	103%
Interest Earned	4,000,000	-	4,000,000	4,207,458	105%
Hire of Facilities	1,000,000	-	1,000,000	1,062,445	106%
Student ID	10,000	-	10,000	27,700	277%
Breakages and losses	-	-	-	989,670	
Expenses on farming activities	18,000,000	-	18,000,000	15,140,813	84%
Computer/Music/French	500,000	-	500,000	759,400	152%
Rent Expenses	1,000,000	-	1,000,000	2,246,045	225%
Bank Charges	-	-	-	76,927	
Bakery Account	17,000,000	-	17,000,000	11,242,563	66%
Development Fund	10,000,000	-	10,000,000	12,077,196	121%
Totals	198,852,800		198,852,800	213,769,926	108%
Grand Totals	243,940,800	-	243,940,800	255,260,910	105%

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 Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include 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

The school recognises all receipts from various sources when the event occurs, and the related cash has been received by the school. In addition, the school recognises all expenses when the event occurs, and the related cash has been paid out by the school. 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 receipt 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 receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to 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.

Kapsabet Boys High School

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

11. Notes To the Financial Statements

1 Government Grants for Tuition

Description	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
	Kshs	Kshs
Reference Materials		-
Exercise Books		-
Laboratory Equipment		-
Internal Exams		-
Teaching / Learning Materials	5,197,447	4,994,918
Total	5,197,447	4,994,918

2 Government Grants for Operations

Description	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
	Kshs	Kshs
Personnel Emoluments	5,892,368	7,869,237
Local Transport / Travelling	833,500	-
Electricity And Water	3,284,200	2,598,400
Medical	1,846,090	2,225,100
Administration cost	2,450,721	2,598,402
Activity	1,255,505	1,564,722
Total	15,562,384	16,855,861

3 Government Grants for infrastructure

Description	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
	Kshs	Kshs
Transition Infrastructure Grant	15,000,000	50,000,000
Competency Based Curriculum (CBC)		788,040
Maintenance Improvement Fund	6,366,250	7,517,600
Total	21,366,250	58,305,640

4 School Fund Income - Parents Contribution/Fees

Description	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
	Kshs	Kshs
Personnel emoluments	24,801,520	30,050,946
Repairs and maintenance	5,802,386	5,122,969
Local transport / travelling	5,797,830	5,878,174
Electricity and water	12,562,946	13,975,006
Medical		-
Administration cost	20,515,954	23,924,941
Activity	1,656,526	2,004,120
Fee on Boarding Equipment and stores	82,896,697	111,878,347
Development Fund	11,083,526	12,000,001
Total	165,117,385	204,834,504

5 Miscellaneous Incomes

Description	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
	Kshs	Kshs
Rent Income	978,400	846,830
Interest Earned	4,261,644	2,091,233
Income From Farming Activities (Income Gen)	7,786,481	14,309,450
Hire of facilities	1,098,023	992,000
Insurance compensation	1,650,000	
Income from bakery	12,826,280	16,514,530
University Registration		-
Students ID	13,774	133,968
Computer/Music/French	726,472	489,722
Income from bus hire		372,000
Disposal/Breakages and Losses	1,073,693	93,200
Total	30,414,767	35,842,933

Notes To the Financial Statements(Continued)**6 Payments for Tuition**

Description	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
	Kshs	Kshs
Textbooks		24,300
Laboratory Equipment	3,596,416	3,127,217
Teaching / Learning Materials	1,447,310	811,005
Bank Charges	1,869	1,530
Total	5,045,595	3,964,052

7 Payments for Operations

Description	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
	Kshs	Kshs
Personnel Emoluments	5,801,479	5,026,150
Administration Cost	5,664,730	2,564,704
Repairs And Maintenance & Improvements		21,391
Local Transport / Travelling	1,009,933	2,118,988
Electricity And Water	1,904,570	3,389,062
Medical	637,214	737,454
Activity Expenses	1,043,525	100,000
Insurance Cost		-
Bank Charges	3,567	3,936
Total	16,065,018	13,961,685

8 Payment for Infrastructure

Description	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
	Kshs	Kshs
Construction of CBC Classrooms		788,220.00
Multipurpose hall	1,600,001	
Dining hall	18,775,586	
Bank Charges	4,784	1,537
Total	20,380,371	789,757

9 Payment for Boarding And School Fund

Description	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
	Kshs	Kshs
Personnel Emoluments	24,690,550	24,996,521
Repairs And Maintenance & Improvements	4,328,637	13,084,130
Local Transport / Travelling	9,942,264	7,726,979
Electricity And Water	10,413,989	6,100,390
Medical Expenses	1,830,416	1,377,421
Administration cost	26,693,075	32,583,375
Activity	4,707,690	5,282,593
Student ID	27,700	150,000
Bank Charges	76,927	65,590
Fee On Boarding Equipment and Stores	83,333,088	109,825,233
Development Fund	12,077,196	10,740,346
Rent Expenses	2,246,045	462,450
Bakery	11,242,563	9,644,795
Hire of Facilities	1,062,445	240,000
Computer /Music/French	759,400	520,370
Expenses on farming activities	15,140,813	18,428,145
Hire of School Bus		26,400
Interest Earned	4,207,458	263,660
University Registration		-
Breakages and Losses	989,670	
Total	213,769,926	241,518,398

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10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
	Active/Dormant		Kshs	Kshs
KCB - Tuition Account	Active	1102050857	132,362	1,417,644
KCB - Operations Account	Active	1102060828	134,585	3,391,710
KCB - School Fund Account/Boarding	Active	1145768660	496,341	618,977
NATIONAL Bank - School Fees Collection Account	Active	01021055505000	412,013	1,705
EQUITY BANK - Fees Collection Account	Active	0490261493300	65,790	152,938
MPESA Paybill	Active	735001	476,774	730,801
CO-OP BANK- Farm Account	Active	01139329459100	57,270	268,367
KCB BANK - Infrastructural Account	Active	1200662105	116,865,057	65,879,178
Total			118,640,192	72,461,320

11 Cash In Hand

Description	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
	Kshs	Kshs
School Fund Account	3,074	11,153
Total	3,074	11,153

12 Short Term Investments

Description	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
	Kshs	Kshs
Cooperative Shares		-
Treasury Bills		-
Fixed Deposit accounts		50,000,000.00
Other Investments		-
Total		50,000,000.00

13 Accounts Receivable

Description	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
	Kshs	Kshs
Fees Arrears	28,316,493	49,077,531
Other Non-Fees Receivables		
Accommodation (list/schedule attached)		-
Imprest (list/schedule attached)		362,592
Rent arrears (list/schedule attached)		-
Total	28,316,493	49,440,123

13 b) Ageing Analysis of Accounts Receivable

Description	JULY 2024-JUNE 2025		JULY 2023-JUNE 2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	17,613,997	62%	39,972,827	81%
Between 1- 2 years	5,576,294	20%	4,154,768	8%
Between 2-3 years	2,288,617	8%	4,455,342	9%
Over 3 years	2,837,585	10%	494,594	1%
Imprest(list/schedule attached)		0%	-	0%
Total (should tie to note 13 a)	28,316,493	100%	49,077,531	100%

14 Accounts Payable

Description	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	10,132,537	17,271,309
Prepaid Fees	5,605,320	5,816,708
Retention Monies		-
Unpaid salaries and statutory deductions		-
Pocket money		-
Other payables		-
Total	15,737,857	23,088,017

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14a. Ageing Analysis of Accounts Payable

Description	JULY 2024-JUNE 2025		JULY 2023-JUNE 2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	10,132,537	100%	17,271,309	100%
Between 1- 2 years			-	0%
Between 2-3 years			-	0%
Over 3 years			-	0%
Total (should tie to note 14)	10,132,537	100%	17,271,309	100%

15 Fund Balance Brought Forward

Description	JULY 2024-JUNE 2025	JAN 2023-JUNE 2024
	Kshs	Kshs
Bank Balances	72,461,320	60,953,444
Cash Balances	11,153	22,042
Short Term Investments	50,000,000	
Receivables	49,440,123	48,399,680
Payables	(23,088,017)	(21,150,551)
Total	148,824,579	88,224,615

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	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
	Kshs	Kshs
Bank Loans	00	00
Outstanding Leases	00	00
Hire Purchase	00	00
Gratuity And Leave Provision	00	00
Others (specify)	00	00
Total	00	00

17 Biological assets

Description	Numbers	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
		Kshs	Kshs
Cattle	25	1,260,000	1,650,000
Pigs	20	170,000	435,000
Trees	411	411,000	832,000
Tea Plantation	43,279	4,327,900	4,327,900
Poultry	1,700	920,000	405,000
Super Napier	2 Acres	250,000	250,000
Total		7,338,900	7,899,900

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	00	00
Borrowings during the year	00	00
Repayments during the year	00	00
Balance at the end of the year	00	00

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

Description	JULY 2024-JUNE 2025	JULY 2023-JUNE 2024
	Kshs	Kshs
Food stuffs	7,296,871	7,734,557
Lab consumables	478,717	528,177
Farm produce	4,112,375	6,210,877
Medication	160,645	167,822
Construction Materials	444,080	782,215
Stationary	3,752,144	2,862,120
	16,244,832	18,285,768

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)



 ----- 16/03/2026

 Sign and Date

 Principal

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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 2025	Outstanding Balance Comparative 2024	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
SUPPLIER OF GOODS AND SERVICES						
Jubilee Merchants LTD	20,616,923		17,742,293	2,874,630		
TRYDT STORES LTD	14,121,217		13,306,987	814,230		
Elobase Chemist LTD	2,306,492		1,657,102	649,390	3,229,190.00	
INSTATECH TECHNOLOGIES & COMPUTER SOLUTIONS	428,600		367,000	61,600	1,681,296.00	
Iscada Company LTD	22,575,091		21,633,091	942,000	513,791.00	
kobatabitha Enterprise	2,413,200		2,101,340	311,860	367,000.00	
Nairobi Sports House	1,171,520		631,190	540,330	1,241,500.00	
Summerland Ventures	818,600		538,600	280,000	157,340.00	
Pennyiel Electricals	1,659,785		1,559,340	100,445	877,653.00	
Copy CAT	2,295,878		2,153,975	141,903	318,400.00	
Eldo-Laboratory Supplies	963,496		510,690	452,806	726,065.00	
PAVAN AUTO HARDWARE	10,229,065		9,347,045	882,020	313,550.00	
naivas LTD	768,526		637,385	131,141		
yokohama Enterprise LTD	5,953,512		5,449,475	504,037	2,091,576	
Gurdit Singh Shop	5,416,080		5,013,680	402,400	2,763,240	
Totals	91,737,985			9,088,792		

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2025	Outstanding Balance Comparative 2024	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
SUPPLIER OF CONSTRUCTION SERVICES						
Primja Company LTD	1,936,125		1,727,110	209,015		
Home land dairy foods LTD	319,440		295,790	23,650		
Gidmill Company LTD	4,505,215		4,178,785	326,430		
Mie asis	1,462,800		1,383,150	79,650	34,200	
Eldoline	7,196,140		6,791,140	405,000	575,700	
Totals	15,419,720			1,043,745		
GRAND TOTALS	107,157,705			10,132,537		

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)	Historical Cost c/f (Kshs) 30 th June 2025
Land				
Buildings And Structures	603,500,000	18,775,586		622,275,586
Motor Vehicles	28,200,000		2,080,000	26,120,000
Office Equipment, Furniture and Fittings	149,507,900			149,507,900
Textbooks				
ICT Equipment	7,472,300	61,000		7,533,300
Tools And Apparatus	5,160,274	497,200		5,657,474
Other Machinery and Equipment	7,389,177	418,000		7,807,177
Heritage And Cultural Assets				
Intangible Assets- Soft Ware	650,000			650,000
Total	801,879,651	19,751,786	2,080,000	819,551,437