

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 13 JUN 2026	DAY: Tuesday
TABLED BY:	Hon. Naomi Klayo, CBS, MP (Opposition Majority Party Whip)
CLERK-AT-THE-TABLE:	Lemale

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

KANGARU SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2025

EMBU COUNTY

Revised 30th June 2025.



KANGARU 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)

KANGARU SCHOOL
Annual Report and Financial Statements For The year ended 30th June 2025

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KANGARU SCHOOL

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

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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.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

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 located in Embu County, Embu West Sub-County

The school was registered in 01/1947 under registration number 14S30000220 and is currently categorized as a Extra County public school established, owned or operated by the Government.

The school is a /boarding school and had 1621 number of students as at 30th June 2025. It has 8 streams and 69 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:

Ref:	Name of Board Member	Designation	Date of appointment
1	Mr. Patrick Kinyua Njagi	Chairman	25th April 2022
2	Mr. Paul Muriuki	Secretary - Principal	25th April 2022
3	Mrs Murugi Mugo	Member	25th April 2022
4	Dr. Peter Nyaga	Member	25th April 2022
5	Mr. George Maina	Member	25th April 2022
6	Mr. Joseph Murage Ndaru	Member	25th April 2022
7	Beatrice Karimi Nyaga	Member	25th April 2022
8	Mrs. Murugi Mugo	Member	25th April 2022
9	Ms. Beatrice Karimi Nyaga	Member	25th April 2022
10	Harrison Kiburu	Member – Rep CEB	25th April 2022
11	Mr. Mugo Brasio	Member Rep Teachers	25th April 2022
12	Mr. Rose Nyaga Mr. Ileri Waithavu Dr. Edward Kobuthi	3 Members - Sponsor	25th April 2022
13	Mr. Patrick Njamiu	Member - Community	25th April 2022
14	James Ndwiga	Member Special Needs	25th April 2022
15	Josia Maina Munene	Rep Students	25th April 2022

The function of the School Board of Management includes:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule paragraph 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	Patrick Kinyua Njagi Mr. Paul Muriuki Mrs. Patrick njamui Mr. Harrison kiburu Dr. Edward Kobuthi Joseph Murage	Chairman Secretary Member Member Member member	3
2	Audit Committee			0
3	Finance,procurement and general purposes Committee	Mr. George Maina Mr. Patrick Njamiu Mrs. Rose Nyaga Mr Joseph Murage	Chairman Member Member member	1
4	Academic Committee	Dr. Edward Kobuthi Mr. Paul Muriuki DR Peter Nyaga Mr.Mugo Brasio Harrison Kiburu Beatrice Nyaga	Chairman Member Member Member Member Member	1
5	Development Committee	James Ndwiga Patrick Kinyua Mr. Paul Muriuki	Chairperson Member Member	2

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

		Mr. Mugo Brasio Mr. Joseph Murage	Member Member	
6	Discipline Ethics and Integrity Committee	Ileri Waithabu Mrs. Murugi Mugo Mr. Joseph Murage Mr. James Ndwiga Mr Paul muriuki Dr Peter Nyaga	Chairman Member Member Member Member Member	1
7	Human rights and student welfare committee	Ileri Waithabu Mrs. Murugi Mugo Mr. Joseph Murage Mr. James Ndwiga Mr Paul muriuki Dr Peter Nyaga	Chairman Member Member Member Member Member	2

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Mr. Paul Muriuki	322761
2	Deputy Principal	Mr. Richard Muya Mr. Mugo Brasio	407699 323879
3	School Bursar	Monicah Mutahi	22824028

(e) Schools contacts

Post Office Box: P.O. Box 17 – 60100 EMBU
 Telephone: 0703136285
 E-mail: kangaruschool2012@gmail.com
 Website: www.kangaruschool.sc.ke
 Facebook:
 Twitter:

(f) School Bankers

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

- Name of Bank: Cooperative (Tuition)
 Branch: Embu
 Account Number: 01139051721200
- Name of Bank: Cooperative (Operations)
 Branch: Embu
 Account Number: 01139051721201



3.	Name of Bank:	Cooperative (Farm)
	Branch:	Embu
	Account Number:	01120051721200
4.	Name of Bank:	Cooperative (CDF)
	Branch:	Embu
	Account Number:	01141051721200
5.	Name of Bank:	Equity (School Fund)
	Branch:	Embu
	Account Number:	0190296644447
6.	Name of Bank:	KCB (Savings)
	Branch:	Embu
	Account Number:	1102523844
7	MPESA Pay Bill No. 906900 attached to Equity Bank	Account. Account
Number:	0190297146230	

(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:

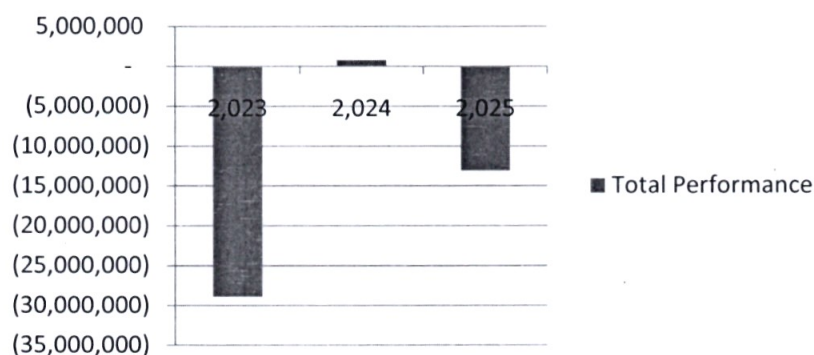
a) **Financial performance:** *Under this section, the following information should be given:*

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

Financial Performance - Deficits and/or Surpluses 3 Year Trend							
	Account						
	School Fund	OPERATION	Tuition	INFRASTRUCTURE	Farm	CDF	Total
Year							
2,023	(16,735,390)	(11,369,163)	(1,964,433)	2,105,250	(957,556)	(1,321)	(28,922,612)
2,024	(3,720,330)	2,045,170	197,965	(640,900)	2,920,617	(480)	802,041
2,025	(638,667)	(2,217,763)	(408,035)	(6,967,009)	(2,888,280)	-	(13,119,754)
Total	(21,094,388)	(11,541,756)	(2,174,504)	(5,502,659)	(925,219)	(1,801)	(41,240,326)

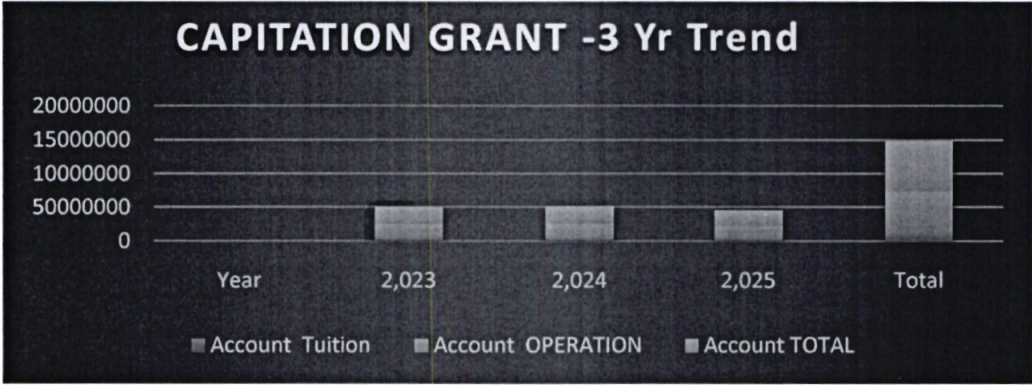
	Total Performance
Year	
2,023	(28,922,612)
2,024	802,041
2,025	(13,119,754)

Total Financial Performance



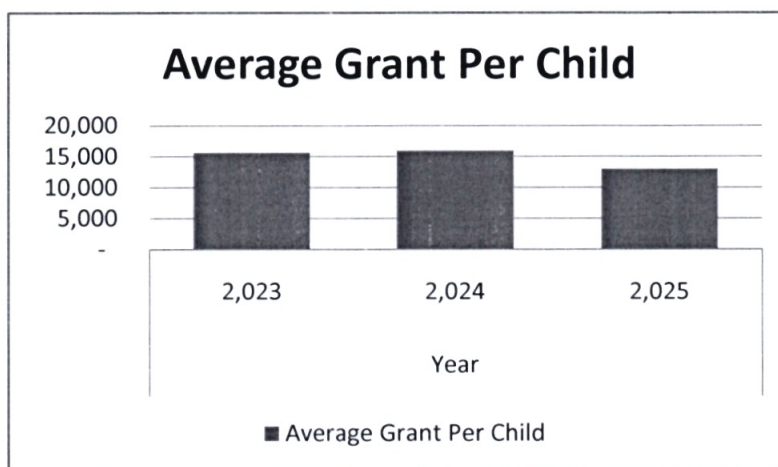
KANGARU SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

CAPITATION GRANT FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS				
CAPITATION GRANT -3 Yr Trend				
		Account		
		Tuition	OPERATION	TOTAL
	Year			
	2,023	4,174,637	21,327,705	25,502,342
	2,024	4,240,420	21,590,453	25,830,873
	2,025	4,159,085	18,804,403	22,963,488
	Total	12,574,142	61,722,562	74,296,703



RATIO OF CAPITATION GRANT PER STUDENT OER THE LAST THREE YEARS			
Capitation Grant Per CHILd -3 Yr Trend			
	Year		
	2,023	2,024	2,025
TOTAL GRANT RECEIVED	25,502,342	25,830,873	22,963,488
Highest Enrolment in the Year	1,630	1,619	1,764
Average Grant Per Child	15,646	15,955	13,018

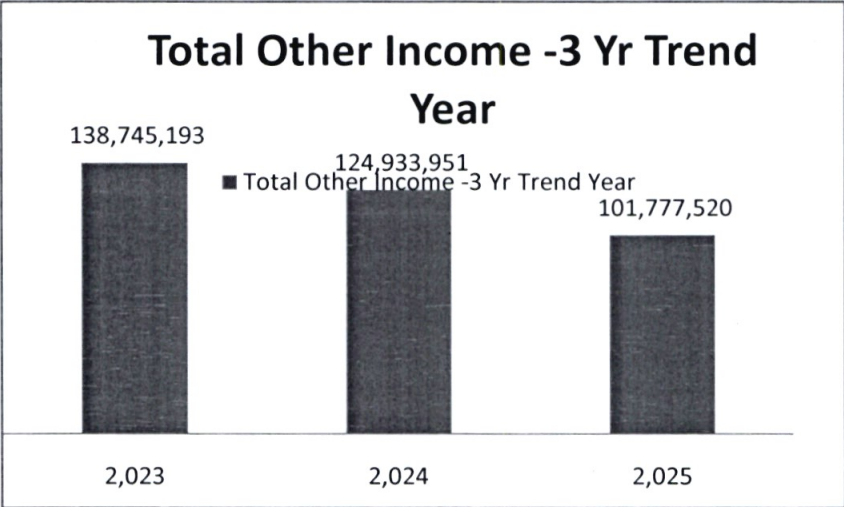
	Year		
	2,023	2,024	2,025
Average Grant Per Child	15,646	15,955	13,018



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

A THREE YEARS OVERVIEW OF GROWTH OF OTHER INCOMES EARNED BY THE SCHOOL						
Growth of Other Incomes -3 Yr Trend						
		Income Source				
		School Fund	Farm	INFRASTRUCTURE	CDF	Total
YEAR						
	2,023	130,556,298	401,710	7,787,185	-	138,745,193
	2,024	116,040,751	3,393,200	5,500,000	-	124,933,951
	2,025	95,461,586	708,284	5,607,650	-	101,777,520
	Total	342,058,635	4,503,194	18,894,835	-	365,456,663

Total Other Income -3 Yr Trend		
Year		
	2,023	138,745,193
	2,024	124,933,951
	2,025	101,777,520



A THREE YEARS OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL

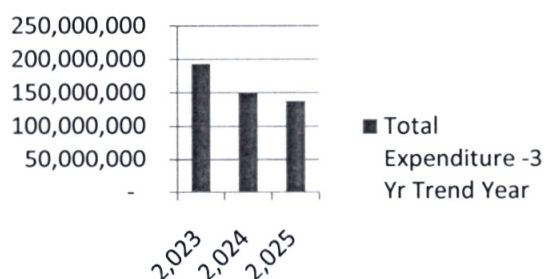
Expenditure -3Yr Trend

	School Fund	OPERATION	Tuition	Farm	INFRASTRUCTURE	CDF	Yr Total
YEAR							
2,023	147,291,688	32,696,868	6,139,070	1,359,266	5,681,935	-	193,168,827
2,024	119,761,081	19,545,283	4,042,455	472,583	6,140,900	480	149,962,783
2,025	96,100,253	21,022,166	4,567,120	3,596,564	12,574,659	-	137,860,762
Total	363,153,023	73,264,317	14,748,645	5,428,413	24,397,494	480	480,992,372

Total Expenditure -3 Yr Trend

Year		
	2,023	193,168,827
	2,024	149,962,783
	2,025	137,860,762

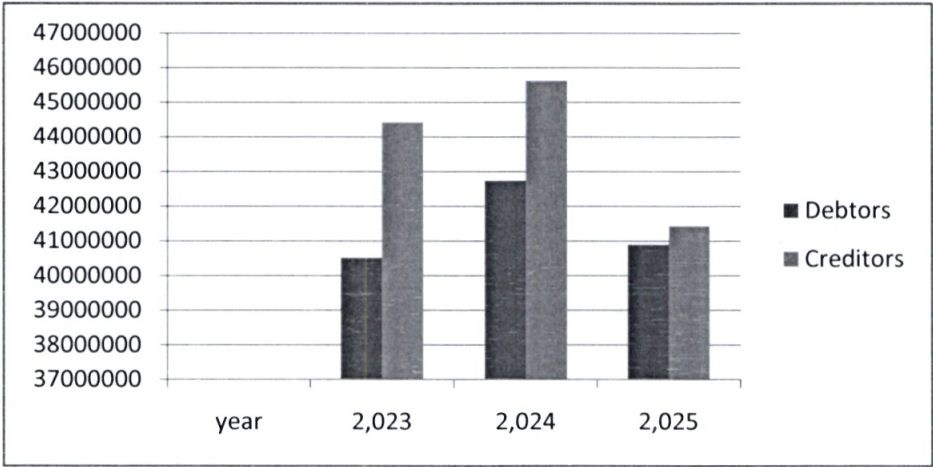
Total Expenditure -3 Yr Trend Year



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

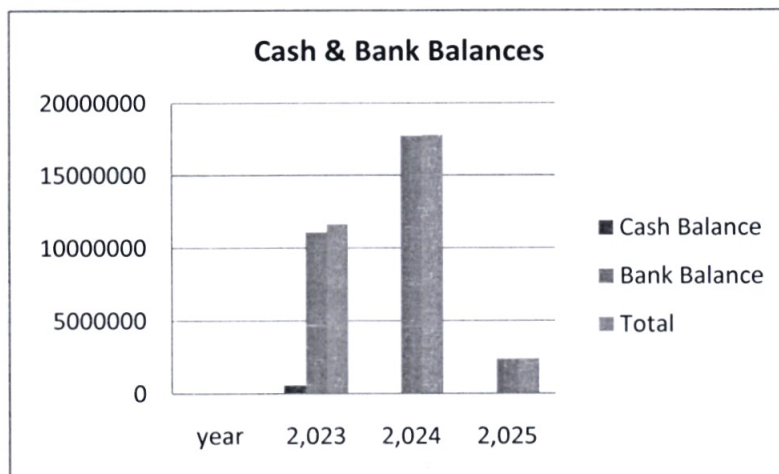
MOVEMENT OF DEBTORS AND CREDITORS OF THE SCHOOL OVER THE LAST THREE YEARS									
Debts and Creditors -3Yr Trend									
Account									
			School Fund	OPERATION	Tuition	Farm	INFRASTRUCTURE	CDF	Yr Total
Year	2,023	Debtors	40,517,985						40,517,985
		Creditors	37,112,553	45,342	7,072,422	520,000	(324,270)	-	44,426,047
	2,024	Debtors	42,737,593	-	-	-	-	-	42,737,593
		Creditors	33,360,210	4,129,413	8,198,997	269,550	(324,270)	-	45,633,900
	2,025	Debtors	40,898,050	-	-	-	-	-	40,898,050
		Creditors	31,729,807	355,733	7,269,232	67,510	2,014,281	-	41,436,563
	Total	Debtors	124,153,628	-	-	-	-	-	124,153,628
		Creditors	102,202,570	4,530,488	22,540,651	857,060	1,365,741	-	131,496,510

	Debtors	Creditors
year		
2,023	40,517,985	44,426,047
2,024	42,737,593	45,633,900
2,025	40,898,050	41,436,563



MOVEMENT OF CASH AND BANK BALANCES OVER THE LAST THREE YEARS									
Cash and Bank Balances -3Yr Trend									
Account									
			School Fund	OPERATION	Tuition	Farm	INFRASTRUCTURE	CDF	Yr Total
Year	2,023	Cash	570,633	-	-	950	-	-	571,583
		Bank	10,463,867	-	16,413	36,565	521,544	36,565	11,074,953
	2,024	Cash	44,023	-	-	950	-	-	44,973
		Bank	1,703,746	6,019,671	1,340,952	3,191,710	5,423,816	36,085	17,715,980
	2,025	Cash	2,570	870	-	-	-	-	3,440
		Bank	1,423,370	27,338	3,152	102,341	795,358	36,085	2,387,644
	Total	Cash	617,226	870	-	-	-	-	618,096
		Bank	13,590,983	6,047,009	1,360,518	3,330,616	6,740,718	108,734	31,178,577

	Cash Balance	Bank Balance	Total
year			
2,023	571,583	11,074,953	11,646,536
2,024	44,973	17,715,980	17,760,953
2,025	3,440	2,387,644	2,391,084



b) TEACHERS STUDENT RATIO

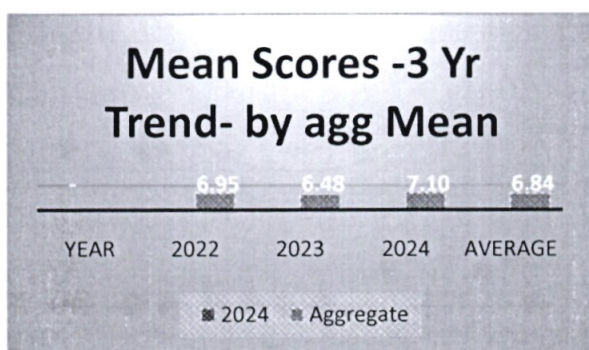
Ratio of students to Teachers	
Total enrolment	1,764
Total No of Teachers	64
Students : Teachers ratio	28

Teachers Turnover	
No of teachers recruited in the year	3
No of teachers transferred inwards in the year	4
No of teachers transferred outwards in the year	2
Net inflow of teachers	5

Teachers Employment	
No of teachers required by CBE	70
No of teachers employed by TSC	64
Shortage / Surplus No of teachers before BOM teachers	6
No of teachers employed by BOM	5
Net Shortage / Surplus No of teachers	1

2) MEAN SCORE IN THE 2024 KCSE

YEAR	Subject Means															
	MATH	ENG	KISW	BIO	Chem	Phy	GEO	HIST	CRE	Agric	Bstud	Comp	D/D	IRE	French	Aggregate
2022	6.90	7.30	7.46	5.82	4.18	5.40	9.68	8.17	6.80	7.68	7.02	10.00	9.70		6.54	6.95
2023	5.17	7.22	6.50	5.56	4.40	4.90	8.05	8.30	7.30	8.70	5.15	10.79	8.00	8.90	6.10	6.48
2024	6.62	7.20	8.15	5.96	4.87	5.41	7.10	7.88	7.04	5.24	5.83	11.79	10.07	7.85	6.24	7.10
verage	6.23	7.24	7.37	5.78	4.48	5.24	8.28	8.12	7.05	7.21	6.00	10.70	8.63	8.38	6.51	6.84

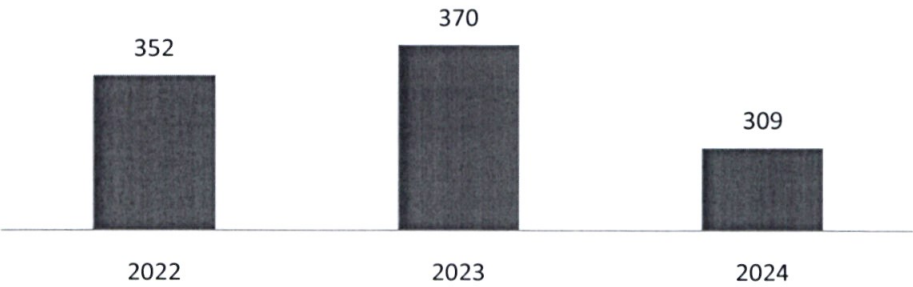


d) NUMBER OF CANDIDATES IN THE 2024 KCSE

		Number of CANDIDATES
Year		
	2022	352
	2023	370
	2024	309

Number of CANDIDATES

■ Number of CANDIDATES



e) CAPACITY OF THE SCHOOL

	NO OF STREAMS	Teachers' CBE	Required No of NTS				
	8	70	42				
Capacity Analysis							
Infrastructure TYPE	Unit of infrastructure measurement	Quantity of infrastructure required	Quantity of infrastructure available today	Infrastructure gap	Comment-Indicate if gap is -Very critical, Critical or Not so critical (tick as appropriate)		
					Very Critical	Critical	Not Critical
Classrooms	Number	32	32	Shortage of classrooms equivalent to:			
				-			
				classroom(s)			
Laboratories	Number	8	6	Shortage of laboratory facilities equivalent to:			
				2			
				Laboratories			
Toilet Doors	Number	120	93	Shortage of toilet facility equivalent to:			
				27			
				toilet doors			
Offices	Number	25	18	Shortage of office facilities equivalent to:			
				7			
				offices			
Dining Hall	Number of students well seated	1,600	800	Shortage of dining facilities equivalent to:			
				800			
				students not seated			
Library	Number of students well seated	400	218	Shortage of library facilities equivalent to:			
				182			

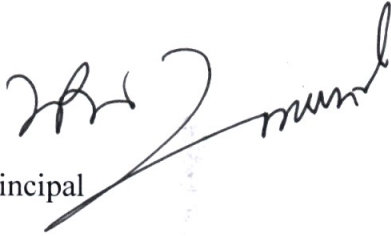
				students not seated			
Dormitories	Number of Decker Beds well-spaced	1,200	1,000	Shortage of dormitory facilities equivalent to:			
				200			
				decker beds			
Staffroom	Number of teachers well seated	70	50	Shortage of staffroom space equivalent to:			
				20			
				teachers not seated			
Boardroom	Number of BOM members well seated	25	-	Shortage of boardroom space equivalent to:			
				25			
				BOM members not seated			
Textbooks	Average Students -to- Course books ratio	1	1	Shortage of textbooks equivalent to:			
				-			
				% of text books requirement			
Water	Adequacy	ADEQUATE		Occasional / frequent shortage of water attributed to?			
Electricity	Adequacy	ADEQUATE		Occasional / frequent shortage of power attributed to.....?			
Staff housing	No of staff properly housed	100	39	Shortage of staff housing facilities equivalent to:			
				61			
				staff not housed			

F) Development projects carried out by the school:

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

PROJECT	SOURCE OF FUNDS	STATUS	INITIAL COST	AMOUNT SPENT	EXPECTED COMPLETION TIME
Renovation of dorm (Hollywood)	MI FUND	Complete	2,944,254	3,321,654	5 months
Renovation of dorm (Mt Kenya)	MI FUND	Complete	2,859,640	2,910,140	5 months

Sign
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 of Kenya from time to time.

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

The Board of Management of *Kangaru 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: JOSEPH NJERU MUGOH
Designation: CHAIRMAN, BOM
Sign:
Date: 23/03/2026

Name: PAUL N. MURIUKI
Designation: SECRETARY BOARD OF MANAGEMENT
Sign:
Date: 23/03/2026

Name: MONICAH MUTAHI
Designation: BURSAR
Sign:
Date: 23/03/2026

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 KANGARU SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 - EMBU 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 Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of Kangaru School set out on pages 1 to 24, 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 IPSAS financial statements present fairly, in all material respects, the financial position of Kangaru School as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the 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 Qualified Opinion

1. Unsupported Accounts Receivable

The statement of assets and liabilities reflect accounts receivable balance of Kshs.40,898,050 as disclosed in Note 11 to the financial statements. However, the supporting schedules, detailed ageing analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.40,898,050 could not be confirmed.

2. Variances in Accounts Payables

The statement of assets and liabilities reflect accounts payables balance of Kshs.43,306,397 as disclosed in Note 12 to the financial statements. However, the balance varies with a balance of Kshs.30,981,726 reflected in the ledger and trial balance, resulting in an unexplained or an unreconciled variance of Kshs.12,324,671.

In the circumstances, the accuracy, existence and completeness of payables balance of Kshs.43,306,397 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.3,288,551 as disclosed in Notes 8,9 and 10 to the financial statements. Included in the balance are six (6) bank accounts with account balances of Kshs.3,152, Kshs.27,388, Kshs.1,423,370, Kshs.795,358, Kshs.102,341 and Kshs.36,085. However, the bank balances were not supported by bank reconciliation statements.

In the circumstances, the accuracy, completeness, existence of cash and cash equivalents balance of Kshs.3,288,551 could not be confirmed.

4. Unsupported Short-term Investments

The statement of assets and liabilities and as disclosed in Note 10 to the financial statements reflects short-term investments balance of Kshs.897,467. However, the balance was not supported by a ledger detailing particulars or nature of the investments, investment certificates or any other relevant supporting documentation. Further, Management did not disclose any interest accruing from the investments.

In the circumstances, the accuracy and completeness of the short-term investments balance of Kshs.897,467 could not be confirmed.

5. Material Uncertainty Related to Going Concern

The statement of financial performance reflects a deficit of Kshs.13,119,754. Further, the statement of assets and liabilities reflects current liabilities and current assets balances of Kshs.43,306,397 and Kshs.40,898,050 respectively, resulting to a negative working capital of Kshs.2,408,347. Management has however, not made a disclosure of this material uncertainty relating to the going concern.

In the circumstances, the school's ability to continue as a going concern and the ability to pay debts as and when they fall due could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kangaru 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

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.132,619,500 and Kshs.124,741,008 respectively, resulting to an under-funding of Kshs.7,878,492 or 6% of the budget. However, the School spent an amount of Kshs.132,619,500 against actual receipts amounting to Kshs.124,741,008, resulting in an over-utilization of Kshs.7,878,492 or 6% of actual receipts.

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

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.

My opinion is not modified in respect of this matter.

Other Information

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

In connection with my audit on 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 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.96,100,253 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.1,477,000 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 transferred to KESSHA amounting to Kshs.1,477,000 could not be confirmed.

2. Long Outstanding Accounts Payables

The statement of assets and liabilities and as disclosed in Note 12 to the financial statements reflects accounts payables balance of Kshs.43,306,397. However, included in the balance are trade payables balance of Kshs.28,836,095 which had been outstanding for more than three (3) years, and risk of loss of public funds through litigations, interests and penalties. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that, 'service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

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

3. Failure to Prepare School Improvement Plan

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.

4. Failure and Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of financial performance reflects operations grants amount of Kshs.18,804,403 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.5,098,500 in respect of infrastructure grants which were to be transferred to

infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.3,521,500 was transferred to infrastructure account, leaving a balance of Kshs.1,577,000 as at 30 June, 2025. Further, an amount of Kshs.3,521,500 was transferred fifteen (15) days after the date of receipt. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

5. Non-Deduction of Capacity Building Levy

The statement of Financial Performance reflects total payment amount of Kshs.137,860,762 comprising of Kshs.4,567,120, Kshs.21,022,166, Kshs.96,100,253, Kshs.12,574,659 and Kshs.3,596,564 in respect to Tuition, Operations, School fund infrastructure and farm payments respectively. Included in the amount is Kshs.29,720,517 in respect of 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. This was contrary to paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition, Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 which requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20th day of the subsequent month and also file monthly returns.

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

6. Irregularities in Procurement Processes

Review of the School's procurement processes revealed the following irregularities;

6.1 Non-Compliance with Minimum Quotation Requirements

The statement of financial performance reflects boarding and school fund payments amounts of Kshs.96,100,253 as disclosed in Note 7 to the financial statements which includes an amount of Kshs.15,745,156 paid to nine (9) bidders for supply of various goods and services. However, examination of quotations revealed instances where one (1) bidder and in other cases two (2) bidders were evaluated which contravened the provisions of Section 106(2)(d) of public procurement and Disposal Act, 2015 which requires that at least three persons to submit their quotations prior to evaluation. Further, there was no evidence of a repeat quotation in the tender register provided for verification.

6.2 Lack of Evaluation Committee Initials on Evaluation Report

Section 83(3) of the Public Procurement and Asset Disposal Act, 2015, requires each Member of the tender evaluation committee to initial every page of the report to confirm that they are a true reflection of the proceedings. However, review of the tender evaluation reports revealed that the Committee Members did not initial the evaluation reports as mandated by the Act, indicating non-compliance with the law.

6.3 Lack of Professional Opinion

Review of the procurement process revealed that there was no professional opinion from the Head of Supply Chain Management for any of the tenders awarded during the year. This contravened the provision of Regulation 79(1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that, upon receipt of the evaluation report and professional opinion, the accounting officer shall take into account the contents of the professional opinion and shall within a day, in writing approve award to the successful tenderer.

6.4 Lack of a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

6.5 Unstructured Procurement Processes

Review of procurement of infrastructure projects revealed absence of budgets, need analysis reports, procurement plans, failure to advertise, wrong choice of procurement methods and failure to comply with evaluation regulations.

6.6 Weaknesses in Record Keeping

During the year under review, the school failed to maintain complete procurement records, including tender documents, tender advertisements, bid evaluation reports, correspondences with supplier, contract documents, payment certificates and contract performance monitoring reports. This was contrary to Section 68 of the Public Procurement and Asset Disposal Act, 2015 and limits audit trail and transparency.

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 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, the school did not constitute an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), Regulations 2015 which 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 Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.1,490,982,124 in respect of fixed assets which includes land with a balance of Kshs.1,275,000,000. However, land ownership documents for the 85.5-acre land that the school sits on was not provided for audit review.

Furthermore, there was no valuation report to support the value of the land and all other assets in the fixed assets register.

In the circumstances, the ownership and safe custody of the fixed assets could not be confirmed.

3. Long Outstanding Receivables

The statement of assets and liabilities reflects accounts receivable balance of Kshs.40,898,050 in respect to fees arrears as disclosed in Note 11 to the financial statements. Included in the balance is accounts receivable balance of Kshs.32,136,681 which had been outstanding for more than two (2) years. However, there was no ageing analysis and 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.

4. Lack of Approved Staff Establishment

The Management of Kangaru school did not have an approved staff establishment contrary to Paragraph B5(2) of the County Public Service Human Resource Manual, 2013 which states that all vacancies shall be declared in a prescribed format which shall include the number of vacancies, when the vacancy occurred, whether the vacancy is within the authorized establishment and other relevant details. Further, Section B6(3) states that in the recruitment process, due consideration will be given to appropriate organizational structure in each department, optimal staffing levels, schemes of service and career progression guidelines.

In the circumstances, it was not possible to establish if the school operated at optimum staffing levels.

5. Lack of Approved Organization Structure

During the year under review, it was noted that the institution did not have a formally documented and approved organizational structure. There was no evidence of an organizational chart approved by the Board of Management outlining reporting lines, roles, and responsibilities of staff members.

In the circumstances, the effectiveness of controls on outlining reporting lines, roles, and responsibilities of staff members could not be confirmed.

6. Weak Governance Over Rental Income from School-Owned Houses

It was observed during the audit that the school owns residential houses which are rented to members of staff. However, there were no formal rental agreements between the school and the occupying staff members, no evidence of approval of rental rates by the Board of Management (BOM) and the school did not maintain a comprehensive register of all school houses indicating total number of houses, occupancy status, approved rental rate per unit, rental period or arrears status (if any).

In the absence of formal agreements, approved rates, and a proper house register, the audit could not confirm the completeness of rental income collected.

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 Board of Management

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.

The Board of Management is 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

27 March, 2026

KANGARU 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	2025	2024
		Kshs	Kshs
Revenue			
Government grants for tuition	1	4,159,085	4,240,420
government grants for operation	2	18,804,403	21,590,453
School fund income-Parents' Contributions	3	62,690,647	78,096,183
School fund Income- Other receipts	4	32,770,939	37,944,568
Government grants for infrastructure	4a	5,607,650	5,500,000
Income for farm	4b	708,284	3,393,200
Total Revenue		124,741,008	150,764,824
EXPENDITURE			
Tuition	5	4,567,120	4,042,455
OPERATION	6	21,022,166	19,545,283
School Fund	7	96,100,253	119,761,081
INFRASTRUCTURE	7a	12,574,659	6,140,900
Farm	7b	3,596,564	472,583
CDF	7c	-	480
Total Expenditure		137,860,762	149,962,783
Deficit/Surplus		(13,119,754)	802,041

The school financial statements were approved on 23/03/2026 and signed by:

JOSEPH NJERU MUGOH

Chair BOM

23/03/2026

PAUL MURIUKI

School Principal

23/03/2026

MONICAH MUTAHI

Bursar

23/03/2026

7. Statement Of Assets And Liabilities As At 30th June 2025

Description	Note	2025	2024
		Kshs	Kshs
Financial Assets			
Cash and Cash Equivalents			
Bank Balances	8	2,387,644	17,715,980
Cash Balances	9	3,440	44,973
Short term Investment	10	897,467	897,467
Total Cash and cash equivalent		3,288,551	18,658,420
Account's receivables	11	40,898,050	42,737,593
Total Financial Assets		44,186,601	61,396,013
Financial Liabilities			
Accounts Payables	12	43,306,397	47,396,056
Net Financial Assets		880,204	13,999,957
Represented By			
Accumulated Fund b/fwd	13	13,999,957	13,197,916
Surplus/Deficit for the year		(13,119,754)	802,041
Net Financial Position		880,203	13,999,957

The school financial statements were approved on _____ 2026 and signed by:

.....


JOSEPH NJERU MUGOH

Chair BOM

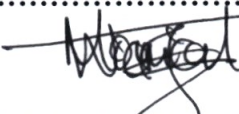
23/03/2026

.....


PAUL MURIUKI

School Principal

23/03/2026

.....


MONICAH MUTAHI

Bursar

23/03/2026

8. Statement Of Cash Flows For The Year Ended 30th June 2025

Description		2025	2024
	Note	Kshs	Kshs
Cash from operating activities			
Receipts			
Government grants for tuition		4,159,085	4,240,420
Government grants for operation		18,804,403	21,590,453
School Fund Income- Parents contributions/ fees		69,309,380	82,172,936
School Fund Income- other receipts		30,617,719	35,120,124
Government grants for infrastructure		5,607,650	5,500,000
Income for farm		708,284	3,393,200
Total receipts		129,206,521	152,017,133
Payments			
Cash outflow for tuition		5,496,885	2,915,880
Cash outflow for operation		24,795,866	15,570,802
Cash outflow Boarding and/or Lunch payments in		100,248,928	126,579,791
Cash outflow for farm		3,798,604	723,033
Total payments		134,340,283	145,789,507
Net cash flow from operating activities		(5,133,762)	6,227,626
Cashflow From Investing Activities			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		(10,236,108)	(6,141,380)
Proceeds from investments		-	-
Purchase of investments		-	-
Net Cash Flows From Investing Activities		(10,236,108)	(6,141,380)
Cashflow From Borrowing Activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-

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

Overdraft		-	20
Net cash flow from financing activities		-	20
NET INCREASE IN CASH AND CASH EQUIVALENTS		(15,369,870)	86,266
Cash and cash equivalents at BEGINNING of the year		18,658,421	18,572,154
Cash and cash equivalent at END of the year		3,288,551	18,658,420

The school financial statements were approved on _____ 2026 and signed by:

.....


JOSEPH NJERU MUGOH

Chair BOM

23/03/2026

.....


PAUL MURIUKI

School Principal

23/03/2026

.....


MONICAH MUTAHI

Bursar

23/03/2026

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

				Actual on Comparable Basis		
			Final		Budget Utilization	
Receipt/expenses Item	Original Budget	Adjustments	Budget		Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION INCOME						
Teaching & L. mat.	6,630,400	-	6,630,400	4,159,085	2,471,315	63
Total CAPITATION GRANT ON TUITION INCOME	6,630,400	-	6,630,400	4,159,085	2,471,315	63
(2) CAPITATION GRANT ON OPERATIONS INCOME						
Devt -RMI	6,400,000	-	6,400,000	5,098,500	1,301,500	80
Activity	2,400,000	-	2,400,000	1,002,240	1,397,760	42
Medical & ins.	3,200,000	-	3,200,000	1,526,670	1,673,330	48
OTHERS	16,640,000	-	16,640,000	10,177,093	6,462,907	61
A.S.P	-	-	-	999,900	(999,900)	0
Total CAPITATION GRANT ON OPERATIONS INCOME	28,640,000	-	28,640,000	18,804,403	9,835,597	66
(3) FEES CHARGED ON PARENTS INCOME						
Uniform	5,293,100	-	5,293,100	4,014,712	1,278,388	76
Development -MI	3,200,000	-	3,200,000	2,580,341	619,659	81
Activity	400,000	-	400,000	401,950	(1,950)	100
B.E and Stores	40,616,000	-	40,616,000	34,473,237	6,142,763	85
P/EMOLUMENTS	13,440,000	-	13,440,000	13,874,157	(434,157)	103
EWC	2,400,000	-	2,400,000	1,863,215	536,785	78
ADM.COST						

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

Revenue Statement

	2,400,000	-	2,400,000	3,496,310	(1,096,310)	146
LTT	2,400,000	-	2,400,000	1,986,725	413,275	83
(3) FEES CHARGED ON PARENTS INCOME	70,149,100	-	70,149,100	62,690,647	7,458,453	89
School Fund -OTHER INCOME						
Rent Income	-	-	-	469,680	(469,680)	0
BOM TEACHERS	7,200,000	-	7,200,000	5,949,380	1,250,620	83
ASP	7,200,000	-	7,200,000	6,022,834	1,177,166	84
PTA -INFRASTRUCTURE	12,800,000	-	12,800,000	11,330,325	1,469,675	89
PENALTY	-	-	-	15,000	(15,000)	0
FARM ACCOUNT	-	-	-	2,923,320	(2,923,320)	0
LIBRARY BOOKS	-	-	-	1,684,005	(1,684,005)	0
BAKERY	-	-	-	4,375,895	(4,375,895)	0
LABORATORY DAMAGES	-	-	-	500	(500)	0
School Fund -OTHER INCOME	27,200,000	-	27,200,000	32,770,939	(5,570,939)	120
INFRASTRUCTURE INCOME						
INFRASTRUCTURE	6,400,000	(6,400,000)	-	2,607,650	(2,607,650)	0
DORMITORY	12,800,000	(12,800,000)	-	3,000,000	(3,000,000)	0
Total INFRASTRUCTURE INCOME	19,200,000	(19,200,000)	-	5,607,650	(5,607,650)	0
FARM INCOME						
RENT	-	-	-	88,400	(88,400)	0
COFFEE	-	-	-	619,884	(619,884)	0
TOTAL INCOME	151,819,500	(19,200,000)	132,619,500	124,741,008	7,878,492	94
(1) EXPENDITURE FOR TUITION						
Teaching & L. mat.	6,630,400	-	6,630,400	4,567,120	2,063,280	69
Total EXPENDITURE FOR TUITION	6,630,400	-	6,630,400	4,567,120	2,063,280	69
(2) EXPENDITURE FOR OPERATIONS						
Devt -RMI						

KANGARU SCHOOL

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

	6,400,000	-	6,400,000	2,521,500	3,878,500	39
Activity	2,400,000	-	2,400,000	1,535,000	865,000	64
Medical & ins.	3,200,000	-	3,200,000	588,334	2,611,666	18
OTHERS	16,640,000	-	16,640,000	15,377,332	1,262,668	92
A.S.P	-	-	-	1,000,000	(1,000,000)	0
TOTAL EXPENDITURE FOR OPERATIONS	28,640,000	-	28,640,000	21,022,166	7,617,834	73
(3) EXPENDITURE FOR SCHOOL FUND						
Uniform	5,293,100	-	5,293,100	4,215,565	1,077,535	80
Development -MI	3,200,000	-	3,200,000	4,136,865	(936,865)	129
Activity	400,000	-	400,000	1,689,450	(1,289,450)	422
B.E and Stores	40,616,000	-	40,616,000	42,850,813	(2,234,813)	106
P/EMOLUMENTS	13,440,000	-	13,440,000	13,558,101	(118,101)	101
EWC	2,400,000	-	2,400,000	2,059,324	340,676	86
ADM.COST	2,400,000	-	2,400,000	6,769,152	(4,369,152)	282
LTT	2,400,000	-	2,400,000	4,119,018	(1,719,018)	172
BOM TEACHERS	7,200,000	-	7,200,000	1,564,060	5,635,940	22
ASP	7,200,000	-	7,200,000	9,534,535	(2,334,535)	132
PTA -INFRASTRUCTURE	12,800,000	-	12,800,000	1,018,200	11,781,800	8
FARM ACCOUNT	-	-	-	1,880,810	(1,880,810)	0
LIBRARY BOOKS	-	-	-	2,400	(2,400)	0
BAKERY	-	-	-	2,701,960	(2,701,960)	0
TOTAL School fund Payments	97,349,100	-	97,349,100	96,100,253	1,248,847	99
INFRASTRUCTURE PAYMENTS						
INFRASTRUCTURE	6,400,000	(6,400,000)	-	5,351,541	(5,351,541)	0
DORMITORY	12,800,000	(12,800,000)	-	7,223,118	(7,223,118)	0
TOTAL INFRASTRUCTURE						0

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PAYMENTS	19,200,000	(19,200,000)	-	12,574,659	(12,574,659)	
FARM PAYMENTS						
RENT	-	-	-	2,408	(2,408)	0
COFFEE	-	-	-	670,940	(670,940)	0
COWS & HORTICULTURE	-	-	-	443,873	(443,873)	0
STAFF MOTIVATION	-	-	-	2,479,343	(2,479,343)	0
TOTAL FARM PAYMENTS	-	-	-	3,596,564	(3,596,564)	0
CDF PAYMENTS						
total CDF PAYMENTS	-	-	-	-	-	0
GRAND TOTAL PAYMENTS	151,819,500	(19,200,000)	132,619,500	137,860,762	(5,241,262)	104

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

11. NOTES TO THE FINANCIAL STATEMENTS**Note 1. Government Grant for Tuition**

Description	2025	2024
	Kshs	Kshs
Teaching & L. mat.	4,159,085	4,240,420
Total	4,159,085	4,240,420

Note 2. Government Grant for Operations

Description	2025	2024
	Kshs	Kshs
Devt -RMI	5,098,500	7,506,020
Activity	1,002,240	1,373,182
Medical & ins.	1,526,670	1,435,950
OTHERS	10,177,093	11,275,301
A.S.P	999,900	-
Total	18,804,403	21,590,453

Note 3. School Fund -Parents Contribution/Fees

DESCRIPTION	2025	2024
	Kshs	Kshs
Uniform	4,014,712	3,437,838
Development -MI	2,580,341	3,347,389
Activity	401,950	519,200
B.E and Stores	34,473,237	48,076,515
P/EMOLUMENTS	13,874,157	15,043,977
EWC	1,863,215	2,039,272
ADM.COST	3,496,310	3,115,416

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LTT	1,986,725	2,516,576
Sub-Total	62,690,647	78,096,183

Note 4 SCHOOL FUND- OTHER RECEIPTS FUND ACCOUNT

DESCRIPTION	2025	2024
	Kshs	Kshs
PTA-DEVELOPMENT	-	418,800
Rent Income	469,680	342,025
BOM TEACHERS	5,949,380	6,638,737
ASP	6,022,834	6,638,480
PTA -INFRASTRUCTURE	11,330,325	12,660,821
FARM ACCOUNT	2,923,320	3,158,355
LIBRARY BOOKS	1,684,005	1,164,990
BAKERY	4,375,895	6,881,510
LABORATORY DAMAGES	500	40,850
Total	32,770,939	37,944,568

OTHER RECEIPTS
Note 4a – GOVERNMENT GRANTS FOR INFRASTRUCTURE

DESCRIPTION	2025	2024
	Kshs	Kshs
INFRASTRUCTURE	2,607,650	500,000
DORMITORY	3,000,000	5,000,000
Sub-Total	5,607,650	5,500,000

Note 4b INCOME FOR FARM		
DESCRIPTION	2025	2024
	Kshs	Kshs
RENT	88,400	73,200
COFFEE	619,884	320,000
STAFF MOTIVATION	-	3,000,000
sub-Total	708,284	3,393,200

Note 5. Payments for tuition

DESCRIPTION	2025	2024
	Kshs	Kshs
Teaching & L. mat.	4,567,120	4,042,455
Total	4,567,120	4,042,455

NOTE 6. PAYMENTS FOR OPERATIONS		
	2025	2024
	Kshs	Kshs
Devt -RMI	2,521,500	3,250,983
Activity	1,535,000	1,405,580
Medical & ins.	588,334	780,710
OTHERS	15,377,332	14,108,010
A.S.P	1,000,000	-
TOTAL	21,022,166	19,545,283

Note 7 - BOARDING/LUNCH PAYMENTS
SCHOOL FUND

	2025	2024
	Kshs	Kshs
Uniform	4,215,565	2,787,420
Development -MI	4,136,865	5,728,877
Activity	1,689,450	2,451,580
B.E and Stores	42,850,813	49,471,806
P/EMOLUMENTS	13,558,101	14,563,021
EWC	2,059,324	2,065,069
ADM.COST	6,769,152	5,790,994
LTT	4,119,018	5,275,681
PTA-DEVELOPMENT	-	400
BOM TEACHERS	1,564,060	3,407,014
ASP	9,534,535	12,661,610
PTA -INFRASTRUCTURE	1,018,200	7,439,275
FARM ACCOUNT	1,880,810	3,185,850
LIBRARY BOOKS	2,400	419
BAKERY	2,701,960	4,932,065
TOTAL	96,100,253	119,761,081

Note 7 a -Payments

INFRASTRUCTURE

	2025	2024
	Kshs	Kshs
INFRASTRUCTURE	5,351,541	3,930,310
SCHOOL FUND	-	2,110,590
DORMITORY	7,223,118	100,000
Sub-Total	12,574,659	6,140,900

Note 7 b PAYMENTS	Farm	
	2025	2024
	Kshs	Kshs
RENT	2,408	-
COFFEE	670,940	472,583
COWS & HORTICULTURE	443,873	-
STAFF MOTIVATION	2,479,343	-
sub-Total	3,596,564	472,583

Note 7 c -PAYMENTS	CDF	
	2025	2024
	Kshs	Kshs
BANK CHARGES	-	480
sub-Total	-	480

Note 8 -BANK BALANCES

Name of Bank, and Branch	Account Name	Bank Account Number	2025	2024
			Kshs	Kshs
BankBRANCH.....TUITION c/f	Tuition	O1139051721200	3,152	1,340,952
BankBRANCH.....OP C/f	OPERATION	O1139051721201	27,338	6,019,671
BankBRANCH.....SF C/f	School Fund	O190296644447	1,423,370	1,703,746
BankBRANCH.....INFRA C/f	INFRASTRUCTURE	O1139051721202	795,358	5,423,816
BankBRANCH.....FARM C/f	Farm	O1120051721200	102,341	3,191,710
BankBRANCH.....CDF b/f	CDF	O0041051721200	36,085	36,085
Total Bank Balances			2,387,644	17,715,980

Note 9 - CASH IN HAND

Description	2025	2024
	Kshs	Kshs
School Fund	2,570	44,023
OPERATION	870	-
Farm	-	950
Total Cash Balances	3,440	44,973

Note 10 - SHORT TERM INVESTMENTS

Description	2025	2024
	Kshs	Kshs
Inv/ SAVINGS ACC no,,,,,,,,,,,,,	114,619	114,619
Inv/ SAVINGS ACC no,,,,,,,,,,,,,	44,078	44,078
Inv/ SAVINGS ACC no,,,,,,,,,,,,,	738,770	738,770
Total	897,467	897,467

11. Accounts Receivable

Description	2025	2024
	Kshs	Kshs
Fees Arrears	40,898,050	42,737,593
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	0	0
Imprest (list/schedule attached)	0	0
Rent arrears(list/schedule attached)	0	0
Total	40,898,050	42,737,593

11 b) Ageing Analysis of Accounts Receivable

Description	2025		2024	
	Kshs		Kshs	
	2025	% of the total	2024	% of the total
Less than 1 year	8,761,369	21.42 %	12,212,219	28.6%
Between 1- 2 years	1,611,307	3.9 %	2,649,662	6.2%
Between 2-3 years	2,649,662	6.48 %	5,831,429	13.64%
Over 3 years	27,875,712	68.15 %	22,044,283	51.58%
Total (should tie to note 13 a)	40,898,050	99.99%	42,737,593	100%

Note 12 - ACCOUNTS PAYABLE

Description	2,025	2,024
	Kshs	Kshs
School Fund -Prepaid Fees	1,331,908	1,224,210
Trade Creditors -School Fund	31,729,807	33,360,210
Trade Creditors -Operation	355,733	4,129,413
Trade Creditors - Tuition	7,269,232	8,198,997
Trade Creditors - Farm	67,510	269,550
Trade Creditors - Infrastructure	2,014,281	(324,270)
CDF	-	-
School Fund -Student Deposits	4,100	4,100
School Fund - Club Deposits	-	-
Borrowings	533,826	533,826
Bank OverDrawings	-	-
Cash Overdrawings:	-	20
Total Payables	43,306,397	47,396,056

12b) Includes an ageing of the trade creditors below

Description	2025		2024	
	Kshs		Kshs	
	2025	% of the total	2024	% of the total
Less than 1 year	14,106,152	32.6%	16,547,447	34.9%
Between 1- 2 years	264,150	0.61%	1,430,881	3.0%
Between 2-3 years	100,000	0.23%	4,100	0.008%
Over 3 years	28,836,095	66.6%	29,413,628	62.4%
Total (should tie to note 14)	43,306,397	100%	47,396,056	100

Note 13 - FUND BALANCE BROUGHT FORWARD

Description	2025	2024
	Kshs	Kshs
Bank balances	17,715,981	17,103,104
Cash balances	44,973	571,583
Short Term Investments	897,467	897,467
Receivables	42,737,593	40,517,985
Payables	(47,396,056)	(45,892,223)
Total	13,999,958	13,197,916

Other important disclosure notes.

IPSAS encourages an entity to disclose accrual related information in relation to an entity assets and liabilities.

The notes outlined below are disclosure notes in relation to the school's non financial assets and liabilities.

14.Non-current Liabilities Summary

Description	2025	2024
	Kshs	Kshs
Bank loan(s)	533,826	533,826
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total	533,826	533,826

15 .BIOLOGICAL ASSETS

BIOLOGICAL ASSETS Counting & Valuation as at July,01,2024 and June 30th -2025								
Source of Information: Livestock and Crop Register and/ or physical count on date								
S/No	Location	Asset	Unit	QTY counted		Value Per unit - Purchase Price	Total value of stock	As at June,30,2025
		Description				OR		
				As at July,01,2024	As at June,30,2025	FAIR VALUE	As at July,01,2024	
				(A)	(B)	(C)	D=A*C	
1	Farm	COWS	No	4	6	150,000	600,000	900,000
3		HEIFERS	NO	4	3	70,000	280,000	210,000
4		CALVES	NO	3	3	20,000	60,000	60,000
5		BULLS	NO	2	1	30,000	60,000	30,000
6		PIGS-MATURE	NO	4	10	25,000	100,000	250,000
7		PIG -MEDIUM	NO	64	6	5,000	320,000	30,000
8		PIGLETS	NO	-	25	4,500	-	112,500
9		BANANA	STEMS	900	600	600	540,000	360,000
10		COFFEE	STEMS	7,000	7,000	100	700,000	700,000
11		MAIZE FIELD	BAGS	-	-	3,000	-	-
12	ALONG GTI	LARGE TREES	STEMS	8	9	40,000	320,000	360,000
13	ALONG GTI	MEDIUM TREES	STEMS	26	26	10,000	260,000	260,000
14	KIANUGU AREA	MEDIUM TREES	STEMS	20	17	10,000	200,000	170,000
15	FARM CENTRAL AREA	MEDIUM TREES	STEMS	150	7	10,000	1,500,000	70,000
16	SCHOOL AREA	LARGE TREES	STEMS	15	30	40,000	600,000	1,200,000
17		MEDIUM TREES	STEMS	120	42	5,000	600,000	210,000
18	FARM AREA	MEDIUM TREES	STEMS	300	12	2,000	600,000	24,000
19	FARM AREA	MACADAMIA	STEMS		133	10,000	-	1,330,000
20	FARM AREA	AVOCADO	STEMS		21	10,000	-	210,000
Total Value							6,740,000	6,486,500

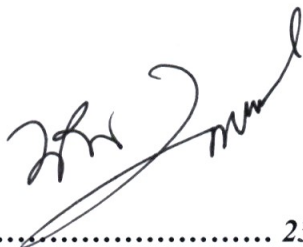
16. Borrowings

Description	2,025	2,024
	KShs	KShs
Borrowing at beginning of the year	533,826	533,826
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	533,826	533,826

OTHER IMPORTANT DISCLOSURE NOTES**17. Stock/ Inventory**

Description	2,025	2,024
	KShs	KShs
Stock/ inventory at beginning of the year	7,182,955	8,973,357
Stock/ inventory purchased during the year	124,074,686	134,966,504
Stock/ inventory issued during the year	124,694,759	136,476,147
Balance at end of the year	6,562,882	7,182,955

18 . PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.				
Ref. No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0				



..... 23/03/2026
Sign and Date
Principal

Annexes**Annex1. - Analysis of pending Account Payable**

				Outstanding Balance	Outstandi ng Balance	Comme nts
	Original Amount	Date Contracted	Amount paid To- Date	2,025	2,024	
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Names of suppliers who supplied Common user goods						
FARM LINK	28,660.00		-	28,660.00	-	
REGACY FARMERS SOLUTION	25,850.00		-	25,850.00	-	
KAMIU KAVANGA IRRIGATION	13,000.00		-	13,000.00	-	
PROLIFIC WORKS LTD	149,620.00		-	149,620.00	-	
RIPANA CONTRACTORS	329,320.00		-	329,320.00	-	
NJESAR AGENCIES	1,859,611.00		-	1,859,611.00	-	
NIMUTHO STORES ENTER	113,910.00		-	113,910.00	-	
TD CONCPT LTD	78,113.00		-	78,113.00	-	
FAM CARE REHAB	45,560.00		-	45,560.00	-	
BIN POINT CO. LTD	10,000.00		-	10,000.00	-	
NAIROBI SPORT HOUSE LTD	316,510.00		-	316,510.00	-	
TAMANYA CENTRE MERCHANT	3,000.00		-	3,000.00	-	
MUKAN GENERAL SUPPLIES	15,000.00		-	15,000.00	-	
PETERSON TENTS	36,900.00		-	36,900.00	-	
PRICOPS LIMITED	1,066,600.00		-	1,066,600.00	-	
SOFTWARE FOR SCHOOLS KENYA	75,000.00		-	75,000.00	-	
KANGARU GIRLS	8,000.00		-	8,000.00	-	
ALFATAAH MEAT SUPPLIES	1,901,500.00		-	1,901,500.00	-	
CLASSIC FOOD STORES	624,800.00		-	624,800.00	-	

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DUNANN INVESTMENT LTD	984,440.00		-	984,440.00	-	
GATONDO FARM	166,850.00		-	166,850.00	-	
GODS FAVOUR ENTER.	66,335.00		-	66,335.00		
NJAIRUNG ENTERPRISES	10,500.00		-	10,500.00	-	
STEMUR ENTERPRISES	755,500.00		-	755,500.00	-	
BLACK DICERS	2,800.00		-	2,800.00	-	
NGUNA ENTERPRISES	90,000.00		-	90,000.00	-	
UPRISING MOTOTS	19,000.00			19,000		
UPCOUNTRY SECURITY SERVICES LTD	140,000.00		-	140,000	-	
BITITEC	8,480.00		-	8,480.00	-	
EFARY SCALES	5,300.00		-	5,300.00	-	
madrid power & generator ltd	13,000.00		-	13,000.00	-	
NAOMI MBETI	89,030.00		-	89,030.00	-	
PAPAGEN SUPPLIERS	120,460.00		-	120,460.00	-	
WEAVER BIRD GARMENT MANUFACTURERS LTD	1,161,515.00		-	1,161,515.00	-	
TRIMARCH INVESTMENT	319,150.00		-	319,150.00	-	
NECHAL ENTERPRISES	1,546,450.00		-	1,546,450.00		
QUICKSPAN VENTURES LTD	574,480.00		-	574,480.00		
Sub-Total -Common user Services	-		-	-	-	
Grand Total	12,774,244		-	12,774,244	-	

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Non -Current Assets COUNTING & VALUATION		
	Value	
CATEGORY	as at 1/7/2024	as at 30/6/2025
LAND	1,275,000,000	1,275,000,000
BUILDINGS	137,200,000	137,200,000
PLANT AND MACHINERY	8,960,300	8,960,300
OFFICE EQUIPMENT	1,442,700	1,442,700
ICT LEARNING EQUIPMENT.	640,000	1,692,000
BOARDING EQUIPMENTS	15,419,000	15,419,000
KITCHEN EQUIPMENTS	5,242,360	5,242,360
LIBRARY	299,100	299,100
TEXT BOOKS	21,304,588	21,304,588
LAB EQUIPMENT	6,453,430	6,453,430
FARM EQUIPMENTS	283,000	283,000
TUITION EQUIPMENT	8,925,000	8,925,000
GAMES EQUIPMENTS	549,146	549,146
SOFTWARE EQUIPMENT	1,725,000	1,725,000
BIOLOGICAL ASSETS	6,740,000	6,486,500
	1,490,183,624.0	1,490,982,124.0