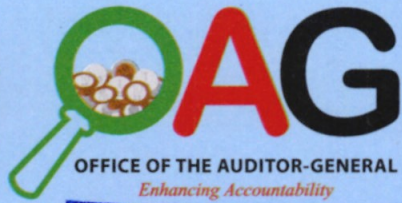


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

OF

	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 18 JUN 2026	DAY. Thursday
TABLED BY:	Hon. Samuel Chepkong'o (on behalf of leader of Majority)
CLERK-AT THE-TABLE:	Wanjale

THE AUDITOR-GENERAL

ON

NAKAMI FRIENDS
SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2025

TRANS NZOIA COUNTY

PARLIAMENT
OF KENYA
LIBRARY



NAKAMI FRIENDS SECONDARY 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)**

Table of Contents

Contents	Page
Acronyms and Glossary of Terms.....	iii
I. Key School Information and Management.....	iv
II. Summary Report of Performance of The School	4
III. Statement of School Management Responsibility.....	8
IV. Statement Of Receipts and Payments For the Year Ended 30 th June 2025	9
V. Statement of Assets and Liabilities as At 30 th June 2025	10
VI. Statement of Cash Flows for the Year Ended 30 th June 2025.....	11
VII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 th June 2025	14
VIII. Notes To The Financial Statements.....	22
IX. Annexes	32

Acronyms and Glossary of Terms

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 School

I. Key School Information and Management**(a) Background information**

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

The school was registered in 1993 under registration number GP/A/168/93 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day and boarding mixed school and had 812 number of students as at 30th June 2025. It has 17 streams and 26 teachers of which 14 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	Amos Yiminyi	Chairman/sponsor	07/10/2022
2	Samuel Oriyo	Secretary- Principal	24/01/2024
3	Benard Kwalia	Member	07/10/2022
4	Gabriel Makhino	Member	07/10/2022
5	Eucabeth Obonyo	Member	07/10/2022
6	Carol Kapchanga	Member	07/10/2022
7	Leonard Nasir	Member	07/10/2022
8	Moses Ngania	Member – Rep CEB	07/10/2022
9	Edwin Wanyonyi	Member Rep Teachers	07/10/2022
10	Leany Kasembeli	3 Members – Sponsor	07/10/2022
11	Christopher Masika	Member – Community	07/10/2022
12	Irine N. Barasa	Member Special Needs	07/10/2022
13	Kevin Matumbai	Rep Students	07/10/2022
14	Henry B. Manyorio	Member	07/10/2022
15	Martin Muricho	P.A. Chair	07/10/2022
16	Margret Sessi	Member	07/10/2022
17	Marryanne Wanyonyi	Sponser/Member	07/10/2022

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, 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	Amos Yiminyi Benard Kwalia Maryanne Wanyonyi Martin Muricho Samuel Oriyo	Chairman Member Member Member Sec.	9
2	Audit Committee	1. Moses N'gania 2. Benard Kwalia 3. Samuel Oriyo	Chairman Member member	2
3	Finance, procurement and general purposes Committee	Margaret Sesi Moses N'gania Martin Muricho	Chair	6
4	Academic Committee	Christopher Masika Mark Borter Martin Muricho	Chairman D.O.S Sec.	10
5	Development Committee	Benard Kwalia Samuel Oriyo Martin Muricho	Chairman Sec Member	4
6	Discipline and welfare Committee	Benard Kwalia Samuel Oriyo Martin Muricho	Chairman Sec Member	4
7	Adhoc Committee (if any during the year)	Tender opening Evaluation/awarding Inspection		2 3 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	Identification
1	Principal	SAMUEL ORIYO	TSC NO:353319
2	Deputy Principal	LUCIA N. C. MASAI	TSC NO:295247
3	School Bursar	MARYNA SIMIYU	34880068 -ID
4	Other (specify)		

(e) Schools contacts

Post Office Box: 3870 - 30200- Kitale

Telephone:

E-mail:

Website:

Facebook:

Twitter:

(f) School Bank Accounts.

- 1) Name of Bank: National
Branch: Kitale
Account Number: 7700131066 Operational Account
7700456704 Tuition Account
- 2) Name of Bank: KCB
Branch: Kitale
Account Number: 1159774269 School Fund and other Monies
Account Number: 1253891486 Infrastructure Account
- 3) Name of Bank: Sidian
Branch: Kitale.
Account Number: 01026030001744 CDF account
- 4) MPESA PayBill No. 522123 attached to 1159774269 bank account

Independent Auditors

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

II. Summary Report of Performance of The School

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

a) Financial performance:

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

Year	Surplus/Deficit
30 th Jun 2025	2,086,146
30 th Jun 2024	7,837,678
30 th Jun 2023	2,331,466

- **Capitation grants from the Ministry of Education for the last three years**

Year	Capitation
30 th Jun 2025	12,726,198
30 th Jun 2024	10,942,322
30 th Jun 2023	11,899,856

- **A three-year overview of growth of other income(s) earned by the school.**

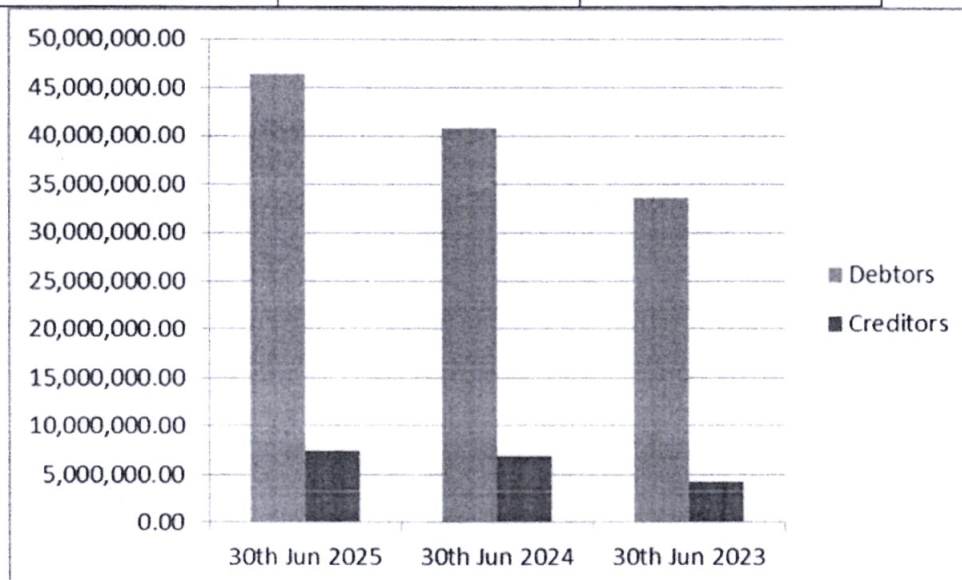
Year	income
30 th Jun 2025	12,731,740
30 th Jun 2024	15,471,490
30 th Jun 2023	15,553,995

- **A three-year overview of growth in expenditure of the school**

year	expenditure
30 th Jun 2025	23,372,395
30 th Jun 2024	24,752,574
30 th Jun 2023	27,192,392

- **Movement of debtors and creditors of the school over the last three years**

Year	Debtors	Creditors
30 th Jun 2025	46,452,656	7,424,840
30 th Jun 2024	40,761,406	6,560,673
30 th Jun 2023	33,637,736	4,201,705



b) Teacher Student ratio:

Period	Number of students	Number of teachers	Ratio	Shortage
2025	812	26	1:31	42
2024	926	31	1:30	42
2023	800	31	1:26	22

c) Mean score in the 2024 KCSE

Period	candidates	Higher institutions	Mean score	Set score	Remarks
2025	188	146	4.6	5.1	Improved, not attained
2024	163	146	4.2	5.1	Dropped, not attained
2023	183	121	3.8	5.1	Dropped, not attained

- **Number of Candidates in the 2024 KCSE**

Period	Candidates
2025	188
2024	163
2023	183

- **Capacity of the school:**

Amenities	Dormitories	Dining hall	Toilets	Laboratory
No. of students	812	812	812	812
No.of amenities	2	1	58	2
Ratio	1:406	1:812	1:14	1:406
Shortage	4	-	-	2

- Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Lockers/Chairs	M.O.E. (DAY)	On going	954,030	954,030	
Girls Latrine	M.O.E. (DAY)	On going	325,430	325,430	
Lab renovation	M.O.E	Ongoing	4,445,473	4,445,473	

Salmon
B.O.M. SECRETARY
 NAKAMI FRIENDS SEC. SCHOOL
 P.O. BOX 3870 - 30200, KITALE

School Principal

DATE:

SIGN:

III. Statement of School Management Responsibility

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

..... K.M
 Name: Wituri mukonaambi
 Designation: Chairman, School Board of Management
 Date: 13/4/2026

..... [Signature]
 Name: Oyoo Samuel
 Designation: School Principal & Secretary to Board of Management
 Date: 13/4/26

SECRETARY
 NAKAMI FRIENDS SEC. SCHOOL
 P.O. BOX 30200, KITALE
 DATE:..... SIGN:.....

..... [Signature]
 Name: Maryna Simiyu
 Designation: Bursar/ Finance Officer
 Date: 13/4/2026

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NAKAMI FRIENDS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 - TRANS NZOIA COUNTY

PREAMBLE

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

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

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the 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

Adverse Opinion

I have audited the accompanying transitional IPSAS financial statements of Nakami Friends Secondary School set out on pages 9 to 33, which comprise of the statement of assets and liabilities as at 30 June, 2025 and the statement of receipts and payments,

Report of the Auditor-General on Nakami Friends Secondary School for the year ended 30 June, 2025 – Trans Nzoia County

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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the transitional IPSAS financial statements do not present fairly, in all material respects, the financial position of Nakami Friends Secondary 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 do not 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 Adverse Opinion

1. Discrepancies in the Comparative Amounts

Review of the financial statements for the year ended 30 June, 2025 revealed unexplained variances between comparative amounts and amounts reflected in the audited financial statements for the year ended 30 June, 2024 as follows:

S/No.	Item	Amount as per 2024/2025 Financial Year Financial Statements (Kshs)	Amount as per 2023/2024 Financial Year Audited Financial Statements (Kshs)	Variance (Kshs)
1	Payments for Infrastructure	5,902,660	1,188,773	4,717,887
2	Total Payments	29,466,461	24,752,574	4,693,887
3	Surplus for the Year	3,123,791	7,837,678	4,713,887
4	Accounts Payables	6,887,823	6,560,573	327,250
5	Net Financial Assets	37,446,312	37,773,559	327,247
6	Surplus for the Year	7,526,839	7,837,678	310,839
7	Net Financial Position	37,446,312	37,773,559	327,247
8	Summary of Fixed Assets Register	73,636,125	74,236,125	600,000

In the circumstances, the accuracy and completeness of the respective comparative amounts could not be confirmed.

2. Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects cash and cash equivalents as at 30 June, 2025 balance of Kshs.1,561,606. However, the amount differs from the statement of assets and liabilities balance of Kshs.831,889, resulting in an unreconciled variance of Kshs.729,717.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.1,561,606 reflected in the statement of cash flows could not be confirmed.

3. Unbalanced Statement of Assets and Liabilities

The statement of assets and liabilities reflects net financial position balance of Kshs.39,859,705 which comprises accumulated fund balance brought forward of Kshs.37,446,312 and surplus for the year of Kshs.2,086,146. However, recasting of the amounts totals to Kshs.39,532,458, resulting in an unreconciled variance of Kshs.327,247.

In the circumstances, the accuracy and completeness of the net financial position balance of Kshs.39,859,705 could not be confirmed.

4. Unexplained Variances in the Statement of Receipts and Payments

Review of the statement of receipts and payments revealed amounts which were at variance with those indicated in their respective supporting schedules as follows:

S/No.	Item	Amount in the Statements of Receipts and Payments (Kshs)	Amount in the Supporting Schedules (Kshs)	Variance (Kshs)
1	School Fund Income - Parents Contributions	11,771,940	11,626,300	145,640
2	School Fund Income - Other Receipts	959,800	-	959,800
3	Payments for Tuition	2,296,948	2,711,158	414,210
4	Payments for Operations	8,519,623	4,649,155	3,870,468
5	Payments for Boarding and School Fund	9,611,236	8,849,761	761,475
6	Payments for Infrastructure	2,944,588	1,932,000	1,012,588

The above variances were not explained or reconciled.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

5. Unsupported Accounts Receivables

The statement of assets and liabilities and Note 13 to the financial statements reflects accounts receivables balance of Kshs.46,452,656. However, the supporting schedule indicated an amount of Kshs.1,304,944, resulting in an unreconciled variance of Kshs.45,147,712.

In addition, the balance includes receivables amounting to Kshs.32,882,598 which had been outstanding for more than two (2) years. Further, there was no ageing analysis and policy on the impairment of long outstanding fees arrears.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivables balance of Kshs.46,451,656 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Nakami Friends Secondary 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 adverse opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on comparable basis of Kshs.37,789,100 and Kshs.25,458,541 respectively, resulting to an under-funding of Kshs.12,330,559 or 33% of the budget. Similarly, the school expended Kshs.23,372,395 against an approved budget of Kshs.37,789,100 resulting to under-expenditure of Kshs.14,416,705 or 38% of the budget.

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

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 Adverse 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 not 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 page iv to 8 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 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with Public Sector Accounting Standards Board (PSASB) Reporting Requirements

Review of the annual report and financial statements revealed that the report of the independent auditors was presented after statement of cash flows, which was contrary to prescribed template that requires the report to appear before the statement of financial performance.

This was contrary to Section 81(1) of the Public Financial Management Act, 2012 which states that the Accounting Officer shall prepare the financial statements in a form that complies with the relevant accounting standards prescribed and published by the Public Sector Accounting Standards Board of Kenya from time to time.

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

2. Failure to Acknowledge Government Grants for Tuition and Operations

The statement of receipts and payments reflects amount of Kshs.2,437,224 and Kshs.7,302,827 for government grants for tuition and operation, respectively. However, the School did not provide individual student signed form-lists showing admission numbers, full names and amounts allocated which were submitted to the County Director of Education (CDE) through the Sub-County Director of Education as stipulated in Ministry of Education Circular Ref. No. MOE.HQS/3/13/6 dated 28 May, 2025.

Further, evidence of acknowledgement of receipt of funds by uploading of official receipts in NEMIS and display the receipts for capitation funds and the accompanying circular on the school noticeboard was not done.

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

3. Discrepancy in Student Enrolment Data

The statement of receipts and payments reflects government grants for tuition and operations amounts of Kshs.2,437,224 and Kshs.7,302,827, and as disclosed in Note 1 and Note 2 to the financial statements respectively. During the financial year, the National Education Management Information System (NEMIS) reported a total number of eight hundred and sixty (860) students while the enrolment records provided by the school indicated a total of eight hundred and forty-nine (849) students, resulting in an unexplained variance of eleven (11) students. This was contrary to the Ministry of Education Circular Ref. MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, the reliability of the student's enrolment data used to determine capitation grants could not be confirmed.

4. Non-Compliance with the Basic Education Act, 2013

During the year under review, the Board of Management did not have a policy on the payment of allowances to Board members, attendance registers, an annual work plan and a board charter. This was contrary to the fourth schedule Part 1.12 of the Basic Education Act, 2013 which states that members of a Board of Management shall be paid in respect of their services such allowances as the Board of Management shall, with the approval of the Cabinet Secretary, determine.

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

5. Failure to Prepare a 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.

6. Non-Adherence to Ethnic and Affirmative Action Requirement

Review of the June, 2024 payroll indicate a total of thirty-two (32) staff which comprises twelve (12) Board of Management (BoM) teachers and twenty (20) support staff. However, 58% of BoM teachers and 53% of support staff belonged to one ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008, which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.

Further, no persons with disabilities were employed in the School or accorded with employment opportunities. This was contrary to Article 27 of the Constitution of Kenya and Section 21 of the Persons with Disabilities Act, 2025. In addition, there was no documentary evidence of reservation of 30% of procurement opportunities to Youth, Women and Persons with Disabilities, contrary to Articles 10 and 232(1)(h) of the Constitution.

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

7. Lack of an Approved Procurement Plan

During the year under review, the Management prepared an annual procurement plan as part of the annual budget preparation process. However, the plan was not approved by the Board of Management. This was contrary to Regulation 40(4) of the Public Procurement and Asset Disposal Regulations, 2020 which states that the consolidated annual procurement plan shall be prepared by the accounting officer of the procuring entity and approved by the Cabinet Secretary, or county executive committee member of finance responsible for that entity or, where applicable, by the board of directors or a similar body.

In the circumstances, Management was in breach of law.

8. Failure to Prepare Bank Reconciliation Statements

During the year under review, the bank reconciliation statements for the School's four (4) bank accounts disclosed were not prepared as required by Regulation 90 of the Public Finance Management (National Government) Regulations, 2015 which requires the accounting officers shall ensure bank accounts reconciliations are completed for each bank account held by that Accounting Officer, every month and submit a bank reconciliation statement not later than the 10th of the subsequent month to the National Treasury with a copy to the Auditor-General.

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

9. Non-Compliance with Public Procurement Capacity Building Levy

During the year under review, the School did not maintain a register of all procurement contracts subject to the levy, including the corresponding amounts assessed and collected. Further, clear roles and responsibilities for levy assessment, deduction, recording, and remittance had also not been formally defined or assigned, increasing the risk of errors, omissions, and non-compliance.

Additionally, 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.

10. Inefficient Management of Textbooks

The physical inspection of the School library conducted on 8 March, 2026 revealed that there was no Standard Operating Procedure (SOP) manual in place to guide the management of books and overall library operations. Further, torn textbooks of undetermined value were found placed on shelves with no records or actions for repair or replacement were provided for audit verification.

In the circumstances, the effectiveness of management of textbooks could not be confirmed.

11. Partial Implementation of School Management System

The School procured a School Management System (JBS) for the automation of the cash books and the entire accounting system. However, the system did not post receipts and payments transactions to the relevant ledgers accurately making the School to opt for manual recording of transactions. Further, the Service Level Agreement showing key deliverables in terms of system hardware and modules, location and management of backups, and timelines for implementation of the system modules was not provided for audit review.

In the circumstances, the value for money may not be realized in procurement of the system.

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Inadequate School Facilities

During the audit inspection conducted on 8 March, 2026, it was observed that all sixteen (16) classrooms had chipped floors, and a Form 2 classroom was congested with seventy-four (74) students which was more than the approved number of 40 students per class. The library space was limited and could hold thirty (30) students at any given time against the student population of 812 students and was managed by one librarian. The dormitories were congested, there were no ramps, floors were chipped and windows broken.

Further, the shelves in the storage room were not labelled, and chemicals and laboratory reagents were not kept under lock and key, and two (2) wooden food stores had broken compromising safety of the food.

In the circumstances, the adequacy of facilities in facilitating a conducive learning environment could not be confirmed.

2. Incomplete School Records

Review of School information systems and manual fees ledgers indicated that key information such as fees chargeable per term, amount outstanding previously, amount paid and corresponding prepayments and receivables were not recorded.

In the circumstances, the effectiveness of maintenance of financial records could not be confirmed.

3. Lack of Land Ownership Documents

Review of documents provided for audit revealed that the School was allocated a parcel of land measuring 18 acres by The Ministry of Cooperative Development and Marketing through allotment letter REF No. CS/2797/GEN/TEMP/113 dated 27 April, 2007. However, there was no documentary evidence to show that Board of Management made efforts to initiate the legal transfer of the land and acquire a title-deed in the School's name.

In the circumstances, the ownership status of land parcel could not be confirmed.

4. Lack of Policy on Fees Collection in Cash

The statement of receipts and payments and Note 4 to the financial statements reflect School Fund Income-Parents Contribution amount of Kshs.11,771,940. The amount includes collections of Kshs.2,001,417 cash deposits in the School. However, there was no documented policy or procedure outlining how cash collected was safeguarded, banked, and independently verified. There were no daily cash summaries.

In the circumstances, the existence of an effective cash management system could not be confirmed.

5. Lack of Policy Documents

During the period under review, Management had not established a Disaster Management and Recovery Policy, Risk Management Policy, Business and Information Technology Continuity Plan and Finance Policy and Procedure Manual to ensure smooth running of its operations.

In the circumstances, the efficiency of the internal controls could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to 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 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

30 April, 2026

7. Statement Of Receipts and Payments For the Year Ended 30th June 2025

Description Of Vote Head	Note	30 th Jun 2025	30 th Jun 2024
		Kshs	Kshs
Receipts			
Government grants for tuition	1	2,437,224	2,214,188
Government grants for operations	2	7,302,827	7,231,834
Government Grants for infrastructure	3	2,986,750	7,672,740
School fund income- parents' contributions	4	11,771,940	14,235,910
Miscellaneous incomes	5	959,800	1,235,580
Total Receipts		25,458,541	32,590,252
Payments			
Tuition	6	2,296,948	1,556,216
Operations	7	8,519,623	6,618,103
Infrastructure	8	2,944,588	5,902,660
Boarding and school fund	9	9,611,236	15,389,482
Total Payments		23,372,395	29,466,461
Surplus/Deficit		2,086,146	3,123,791

The school financial statements were approved on 30th June 2025 and signed by:

.....
Name: Kityi Mukongambi
Chair BOM
Date: 13/4/2026

.....
Name: Oyo S'
School Principal/ Secretary to BOM
Date: 13/4/2026

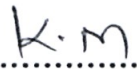
.....
Name: Maryna Simitu
Bursar/ Finance Officer
Date: 13/4/2026

B.O.M. SECRETARY
NAKAMI FRIENDS SEC. SCHOOL
P.O. Box 3870 - 30200, KITALE
DATE: SIGN:

V. Statement of Assets and Liabilities as At 30th June 2025

Description	Note	30 th Jun 2025	30 th Jun 2024
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	745,403	3,572,729
Cash balances	11	86,486	-
Short term investments	12		
Total cash and cash equivalent		831,889	3,572,729
Account's receivables	13	46,452,656	40,761,406
Total financial assets		47,284,545	44,334,135
Financial liabilities			
Accounts payables	14	(7,424,840)	(6,887,823)
Net financial assets		39,859,705	37,446,312
Represented by			
Accumulated fund b/fwd	15	37,446,312	29,919,473
Surplus/deficit for the year		2,086,146	7,526,839
Net financial position		39,859,705	37,446,312

The school's financial statements were approved on 30th June 2025 and signed by:


 Name: Kibuyi, mukonagamb
 Chair BOM
 Date: 13/4/2026


 Name: Omyo S'
 School Principal/ Secretary to BOM
 Date: 13/4/2026


 Name: Maryna Simity
 Bursar/ Finance Officer
 Date: 13/4/2026

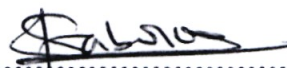
B.O.M. SECRETARY
 NAKAMI FRIENDS SEC. SCHOOL
 P.O. Box 3870 - 30200, KITALE
 DATE: SIGN:
 10

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

Description	Note	30 th Jun 2025	30 th Jun 2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	2,437,224	2,214,188
Government grants for operations	2	7,302,827	7,231,834
Government grants for infrastructure	3	2,986,750	7,672,740
School fund income- parents contributions/ fees	4	11,771,940	14,235,910
Other income	5	959,800	1,235,580
Total receipts		25,458,541	32,590,252
Payments			
Cash outflows for tuition	6	2,296,948	1,556,216
Cash outflows for operations	7	8,519,623	6,618,103
Infrastructure	8	2,944,588	1,188,773
Cash outflows Boarding/lunch and school fund payments	9	9,611,236	15,389,482
Total payments		23,372,395	24,752,574
Net cash inflow/outflow from operating activities		2,086,146	7,837,678
Cash flow from investing activities			
Acquisition of assets		(2,943,000)	(5,902,660)
Proceeds from sale of Assets			
Proceeds from investments			
Purchase of investments			
Net cash inflow/outflows from investing activities		(2,943,000)	(5,902,660)
Cash flow from Financing activities			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		(856,854)	1,935,018
Cash and cash equivalent at beginning of the FY		2,418,460	483,442
Cash and cash equivalent at end of the FY		1,561,606	2,418,460

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

The school's financial statements were approved on 30th June 2025 and signed by:

..... K.M.	 	 
Name: Kituyi mukoneambi	Name: Oyo S'	Name: Marya Simity
Chair BOM	School Principal/ Secretary to BOM	Bursar/ Finance Officer
Date: 13/4/2026	Date: 13/4/26	Date: 13/4/2026

B.O.M. SECRETARY
NAKAMI FRIENDS SEC. SCHOOL
P.O. Box 3870 - 30200, KITALE
DATE: SIGN:

VII. 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	682,500		682,500	731,147	107%
Laboratory Equipment	780,000		780,000	584,934	74%
Internal Exams	617,500		617,500	463,072	74%
Teaching / Learning Materials	975,000		975,000	511,817	52%
Teachers Guide	195,000		195,000	146,254	75%
Totals	3,250,000		3,250,000	2,437,224	75%
(2) Capitation Grant on Operations					
Personnel Emoluments	5,949,000		5,949,000	3,645,160	61%
Repairs And Maintenance					
Local Transport / Travelling	1,186,000		1,186,000	756,908	64%
Electricity And Water	1,130,000		1,130,000	754,546	67%
Medical	400,000		400,000	890,960	222%
Administration Costs	1,135,000		1,135,000	670,753	59%
Activity	800,000		800,000	584,500	67%
Gratuity					
Totals	10,600,000		10,600,000	7,302,827	68%

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) FDSEw for infrastructure					
Maintenance &Improvement MoE	5,000,000		5,000,000	2,986,750	59%
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
Totals	5,000,000		5,000,000	2,986,750	59%
(4) Fees Charged on Parents					
Personnel Emoluments	1,877,200		1,877,200	2,000	0%
Repairs And Maintenance	520,000		520,000	253,586	48%
Local Transport / Travelling	260,000		260,000	130,850	50%
Electricity And Water	611,000		611,000	333,194	54%
Medical					
Administration Costs	540,800		540,800	280,045	51%
Activity	130,000		130,000	71,117	54%
SMASSE					
Fee On Boarding Equipment and Stores	14,000,100		14,000,100	9,302,758	101%
Exams				68,650	
PA Levies				1,329,740	
Totals	17,939,100		17,939,100	11,771,940	66%
5) Miscellenous Income					
Loans / Borrowing					

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
Rent income						
Income From Farming Activities		700,000		700,000	336,300	48%
Insurance Compensation						
Income From Posho Mill						
Income From Bus Hire		300,000		300,000	23,500	7%
Fee For Hire of Ground and Equipment						
Bursarry					600,000	
Income From Any Other Investment						
Totals		1,000,000		1,000,000	959,800	35%
TOTAL INCOME		37,789,100		37,789,100	25,458,541	62%%
(6) Expenditure For Tuition						
Textbooks						
Reference Materials						
Exercise Books		682,500		682,500	100,000	14%
Laboratory Equipment		780,000		780,000	631,867	0
Internal Exams		617,500		617,500	42,000	7%
Teaching / Learning Materials		975,000		975,000	1,523,081	125%
Chalks						
Exams And Assessment						
Teachers Guides		195,000		195,000	-	-
Bank Charges					230	

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
Totals	3,250,000		3,250,000	2,296,948	93%
(7) Expenditure For Operations					
Personnel Emoluments	5,949,000		5,949,000	4,501,405	75%
Repairs, Maintenance & Improvements					
Local Transport / Travelling	1,186,000		1,186,000	407,750	34%
Electricity, Water and Conservancy	1,130,000		1,130,000	249,900	22%
Medical	400,000		400,000	117,816	8%
Administration Costs	1,135,000		1,135,000	1,965,102	173%
Activity Expenses	800,000		800,000	837,650	96%
Gratiuty				380,000	
Insurance cost				60,000	
Totals	10,600,000		10,600,000	8,519,623	81%
(8) Expenditure For infrastructure					
Construction of latrine	5,000,000		5,000,000	633,000	
Construction of LAB				2,092,000	
Construction of DORMS					
Purchase of furniture				218,000	
Bank charges				1,588	
Totals	5,000,000		5,000,000	2,944,588	60%

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
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	1,877,200		1,877,200	671,780	36%
Repairs, Maintenance and Improvements	520,000		520,000	129,810	24%
Local Transport / Travelling	260,000		260,000	118,550	46%
Electricity, Water and Conservancy	611,000		611,000	150,916	25%
Medical Expenses					
Administration Costs	540,800		540,800	196,217	36%
Activity	130,000		130,000	76,400	59%
Gratuity					
Lunch Programme					
Boarding Equipment and Stores	14,000,100		14,000,100	7,319,603	84%
Expenditure For Income Generating Activity-farm	700,000		700,000	728,610	104%
Insurance Costs	300,000		300,000	150,700	50%
Other Expenses On Investments					
Rent Expenses					
Bank Charges					
Exams				68,650	
Creditors					
Acquisition Of Assets					
Totals	18,939,100		18,939,100	9,611,236	56%
TOTAL EXPENDITURE	37,789,100		37,789,100	23,372,3959	67%

Underutilization of the above budget is due to payment of creditors while overutilization is due to inflation. The prices of goods went up more than 50% of the budget and we were involved in many games activities which affected our expenditure.

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

Statement of Compliance

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

Basis of Preparation

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

2. Recognition of revenue and expenditure

The school recognizes all revenue from various sources when earned and all expenses when incurred. The capitation grants include recurrent and development grants. Recurrent capitation are recognised in the statement of financial performance while development grants are recognised in the statement of financial position after meeting the revenue recognition criteria. The conditional grants will be recognised as revenue upon fulfilment of the set conditions.

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits, and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred

NAKAMI FRIENDS SECONDARY SCHOOL

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

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.

VIII. Notes To The Financial Statements

1 Government Grants for Tuition

Description	30 th Jun 2025	30 th Jun 2024
	Kshs	Kshs
Reference Materials	146,254	132,844
Exercise Books	731,147	464,956
Laboratory Equipment	584,934	531,434
Internal Exams	463,072	420,674
Teaching / Learning Materials	511,817	664,280
Others (specify)*		
Total	2,437,224	2,214,188

2 Government Grants for Operations

Description	30 th Jun 2025	30 th Jun 2024
	Kshs	Kshs
Personnel Emoluments	3,645,160	
Repairs And Maintenance		
Local Transport / Travelling	756,908	
Electricity And Water	754,546	
Medical	890,960	717,525
Administration Costs	670,753	
Activity	584,500	713,590
Other Vote Heads (specify)*		5,800,719
Total	7,302,827	7,231,834

3 Government Grants for infrastructure

Description	30 th Jun 2025	30 th Jun 2024
	Kshs	Kshs
Maintenance &Improvement	2,986,750	3,496,300
Transition infrastructure grants		
Administration Block		
CDF Classroom		2,600,000
Any other (specify) CBC		1,576,440
Total	2,986,750	7,672,740

4 School Fund Income -Parents Contribution/Fees

Description	30 th Jun 2025	30 th Jun 2024
	Kshs	Kshs
Personnel emoluments	2,000	
Repairs and maintenance	253,586	382,170
Local transport / travelling	130,850	
Electricity and water	333,194	
Medical		
Administration costs	280,045	
Activity	71,117	48,955
Fee on Boarding Equipment and stores	9,302,758	12,820,803
PA Levies*	1,329,740	
Others voteheads		957,882
Examination Fees	68,650	26,100
Total	11,771,940	14,235,910

5 Miscellaneous Incomes

Description	30 th Jun 22025	30 th Jun 2024
	Kshs	Kshs
Rent Income		
Income From Farming Activities	336,300	773,580
Insurance Compensation		
Income From Posho Mill		
Income From Bus Hire	23,500	462,000
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Interest Income		
Dividends Income		
Loans/Borrowings*		
Other Income (<i>bursary</i>))*	600,00	
Total	959,800	1,235,580

6 Tuition

Description	30 th Jun 2025	30 th Jun 2024
	Kshs	Kshs
Exercise Books	100,000	
Textbooks		
Reference materials		
Laboratory Equipment	631,867	
Teaching / Learning Materials	1,523,081	418,000
Exams And Assessment	42,000	
Teachers Guides		
Bank Charges	230	116
Others (creditors)		1,138,100
Total	2,296,948	1,556,216

7 Operations

Description	30 th Jun 2025	30Jun 2024
	Kshs	Kshs
Personnel Emoluments	4,501,405	
Gratuity	380,000	
Other voteheads		5,573,756
Administration Cost	1,965,102	
Repairs And Maintenance & Improvements		
Local Transport / Travelling	407,750	
Electricity And Water	249,900	
Medical	117,816	24,745
Activity Expenses	837,650	416,202
Insurance Cost	60,000	
Creditors		603,400
Total	8,519,623	6,618,103

8 Infrastructure

Description	30 th Jun 2025	30 th Jun 2024
	Kshs	Kshs
Construction of CBC classrooms		1,576,440
Construction of laboratory	2,092,000	767,970
Construction of CDF Classroom		2,600,000
Purchase of furniture	218,000	954,030
Purchase of equipment		
Purchase of apparatus		
Creditors		
Others (Modern latrine)	633,000	
Charges	1,588	4,220
Total	2,944,588	5,902,660

9 Boarding And School Fund

Description	30 th Jun 2025	30 th Jun 2024
	Kshs	Kshs
Personnel Emoluments	671,780	
Service Gratuity		
Repairs And Maintenance & Improvements	129,810	599,055
Local Transport / Travelling	118,550	
Electricity And Water	150,916	
Medical Expenses		
Administration Costs	196,217	
Activity	76,400	217,505
Exams	68,650	84,000
Expenses On Income Generating Activities**	728,610	
Fee On Boarding Equipment and Stores	7,319,603	8,848,035
Other Voteheads		3,554,618
Insurance Cost (<i>Life Property</i>)		
Hire of Bus	150,700	742,459
School Farm		382,090
Acquisition Of Assets		
PA expenses		
Others (Creditors)		961,720
Total	9,611,236	15,389,482

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	30 th Jun 2025	30 th Jun 2024
	Active/Dormant		Kshs	Kshs
Tuition Account			120,754	712,976
Operations Account			394,774	2,694,405
School Fund Account/Boarding			67,107	162,592
Savings Account			3,650	
Parent Association Development Account				
Income Generating Activities Account				
Infrastructural Account			159,118	2,756
Total			745,403	3,572,729

11 Cash In Hand

Description	30 th Jun 2025	30 th Jun 2024
	Kshs	Kshs
Notes and Coins		
Infrastructure	80,000	
School Fund	6,486	
Total	86,486	

12 Short Term Investments

Description	30 th Jun 2025	30 th Jun 2024
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit accounts		
Other Investments		
Total		

13 Accounts Receivable

Description	30 th Jun 2025	30 th Jun 2024
	Kshs	Kshs
Fees Arrears		
Other Non-Fees Receivables	46,452,656	40,761,406
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears(list/schedule attached)		
Total	46,452,656	40,761,406

13 b Ageing Analysis of Accounts Receivable

Description	30 th Jun 2025		30 th Jun 2024	
	Kshs		Kshs	
				% of the total
Less than 1 year	6,907,311	18%	7,787,699	14%
Between 1- 2 years	6,662,747	9%	3,346,692	10%
Between 2-3 years	5,322,242	9%	1,883,442	6%
Over 3 years	27,560,356	64%	27,743,573	70%
Total (should tie to note 13 a)	46,452,656	100%	40,761,406	100%

14 Accounts Payable

Description	30 th Jun 2025	30 th Jun 2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	7,073,178	6,233,323
Prepaid Fees	351,662	327,250
Retention Monies		
Unpaid salaries and statutory deductions		
Caution money		
Other payables (<i>specify</i>)		
Total	7,424,840	6,560,573

Notes to the Financial Statements

a. Ageing Analysis of Accounts Payable

Description	30 th Jun 2025		30 th Jun 2024	
	Kshs		Kshs	
	30 th Jun 2025	% of the total	30 th Jun 2024	% of the total
Less than 1 year	5,544,776	77%	5,295,619	79%
Between 1- 2 years	1,528,402	3%	937,704	21%
Between 2-3 years			-	
Over 3 years	-		-	
Total (should tie to note 14)	7,073,178	100%	6,233,323	100%

15 Fund Balance Brought Forward

Description	30 th Jun 2025	30 th Jun 2024
	Kshs	Kshs
Bank Balances	3,572,729	380,269
Cash Balances		103,173
Short Term Investments		
Receivables	40,761,406	33,637,736
Payables	(6,560,573)	(4,201,705)
Total	37,773,559	29,919,473

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	30 th Jun 2025	30 th Jun 2024
	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others (specify)		
Total		

17 Biological assets

Description	Numbers	30 th Jun 2025	30 th Jun 2024
		Kshs	Kshs
Cattle	6	600,000	600,000
Goats			
Trees	500	5,000,000	3,000,000
Coffee Or Tea Plantation			
Poultry			
Others (specify)			
Total	506	5,600,000	3,600,000

18 Borrowings

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

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

Description	30 th Jun 2025	30 th Jun 2024
	Kshs	Kshs
Food stuffs	600,000	582,250
Lab consumables	300,000	140,000
Farm produce	200,000	102,000
Medication	6,000	4,000
Construction Materials		
Others (specify)		
Total	1,106,000	828,180

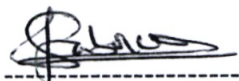
NAKAMI FRIENDS SECONDARY SCHOOL

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

20 Progress On Follow Up Of Auditor Recommendations

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

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

 - 13-4-26

Sign and Date
Principal

B.O.M. SECRETARY
NAKAMI FRIENDS SEC. SCHOOL
P.O. Box 3870 - 30200, KITALE
DATE:.....SIGN:.....

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

IX. 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	
Construction Of Buildings						
1. Skullab enterprises and persie	4,445,473	2024	830,000	3,615,473		
2. Solida Hardware and Agrovat	523,060	2024	322,000	201,060	222,000	
Sub-Total	4,968,533		1,152,000	3,816,533	222,000	
Supply Of Goods						
3. Nashotech, Diligent,waki, and lisa paper works	1,517,660	2024	1,018,672	498,987	824,343	
4. Skullab Enterprise	1,312,257	2023	380,390	931,867	1,659,686	
5. Daniel, jada pest, Oracle,Possible auto and Luna	22,895,680	2022-2024	21,538,666	1,343,015	2,446,606	
Sub-Total	25,725,597		21,951,727	2,773,869	4,930,635	
Supply of Services						
8.gratuity kinya fire	9,780,565	2024	9,066,127	714,438	1,681,188	
9. Tobias Ochieng , Schemers	120,000	2023	14,000	120,000	14,000	
7.Prepaid fees	351,662	2024	351,662		40,000	
Sub-Total	10,252,227		8,431,789	834,438	1,735,188	
Grand Total	40,946,357		31,535,516	7,424,840	6,887,823	

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	36,000,000	-	-	36,000,000
Buildings And Structures	17,506,876	1,204,000	-	18,710,876
Motor Vehicles	6,000,000	-	-	6,000,000
Office Equipment, Furniture And Fittings	4,017,207	318,000	-	4,335,207
Textbooks	5,243,230	-	-	5,243,230
ICT Equipment	2,125,377	800,000	-	2,925,377
Tools And Apparatus	2,743,435	621,000	-	3,364,435
Other Machinery And Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total	73,636,125	2,943,000		76,579,125