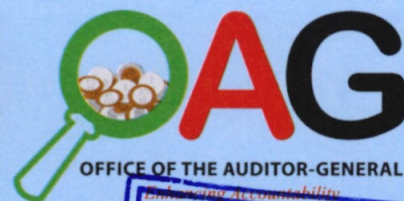


REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

DATE: 13 JUN 2026

DAY.

Thursday

TABLED
BY:

Hon. Naomi Walego, CBS, MP

CLERK-AT
THE-TABLE:

(Deputy Majority Party Whip)

Amale

OF

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

KANGARU SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2021

EMBU COUNTY



KANGARU SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2021**

**Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector
Accounting Standards (IPSAS)**

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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 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 1582 number of students as at 30th June 2021. It has 7 streams and 61 teachers of which 10 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Mr. Patrick Kinyua Njagi	Chairman	13TH MAY 2019
2	Mr. Solomon Koech	Secretary - Principal	13TH MAY 2019
3	Mrs. Eileen Gachewa	Member	13TH MAY 2019
4	Mr. John Kariuki	Member	13TH MAY 2019
5	Mr. George Maina	Member	13TH MAY 2019
6	Mr. John Wambua	Member	13TH MAY 2019
7	Beatrice Gathendu	Member	13TH MAY 2019
8	Mrs. Murugi Mugo	Member	13TH MAY 2019
9	Ms. Beatrice Karimi Nyaga	Member	13TH MAY 2019
10	Harrison Kiburu	Member – Rep CEB	13TH MAY 2019
11	Mr. Mugo Brasio	Member Rep Teachers	13TH MAY 2019
12	Mr. Rose Nyaga Dr. Njiru Nthakanio Dr. Edward Kobuthi	3 Members - Sponsor	13TH MAY 2019
13	Mr. Patrick Njamiu	Member - Community	13TH MAY 2019
14	James Ndwiga	Member Special Needs	13TH MAY 2019
15	Cyprian Kings Kiama	Rep Students	13TH MAY 2019

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**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 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	Patrick Kinyua Njagi Mr. Koech S. A Mrs. Eileen Gachewa Prof. Paul Nthakanio Dr. Edward Kobuthi	Chairman Secretary Member Member Member	2
2	Audit Committee			0
3	Finance, procurement and general purposes Committee	Mr. George Maina Mrs. Eileen Gachewa Mr. Patrick Njamiu Mrs. Rose Nyaga	Chairman Member Member Member	2
4	Academic Committee	Dr. Edward Kobuthi Mr. Koech S. A Ms. Beatrice Karimi Mr. Mugo Brasio Harrison Kiburu Beatrice Gathendu	Chairman Member Member Member Member Member	1
5	Development Committee	James Ndwiga Patrick Kinyua Mr. Koech S. A Mr. Mugo Brasio Mr. John Wambua	Chairperson Member Member Member Member	1
6	Discipline and welfare Committee	Prof. Paul Nthakanio Mrs. Murugi Mugo Mr. John Kariuki James Ndwiga	Chairman Member Member	0

		Beatrice Gathendu	Member Member	
7	Adhoc Committee (if any during the year)			

(d) School operation Management

For the financial year ended 30th June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Mr Solomon Koech	364852
2	Deputy Principal	Mr. Abur Christopher Mr. Mugo Brasio	468536 323879
3	School Bursar	Monicah Mutahi	22824028

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(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:

1. Name of Bank: Cooperative (Tuition)
Branch: Embu
Account Number: 01139051721200
2. Name of Bank: Cooperative (Operational)
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: Equity (Farm)
Branch: Embu
Account Number: 0190263612064
7. Name of Bank: Equity (Salary)
Branch: Embu
Account Number: 0190299996611
8. Name of Bank: Equity (Development)
Branch: Embu
Account Number: 0190269139706
9. Name of Bank: Equity (Bus)
Branch: Embu
Account Number: 0190198690881

KANGARU SCHOOL

Annual Report and Financial Statements for the year ended 30th June 2021

10. Name of Bank: KCB (Savings)
 Branch: Embu
 Account Number: 1102523844

11. Name of Bank: Barclays (School Fund)
 Branch: Embu
 Account Number: 0041061901

12. MPESA Pay Bill No. 906900 attached to Equity Bank Account.
 Branch: Embu
 Account Number: 0190297146230

(g) 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

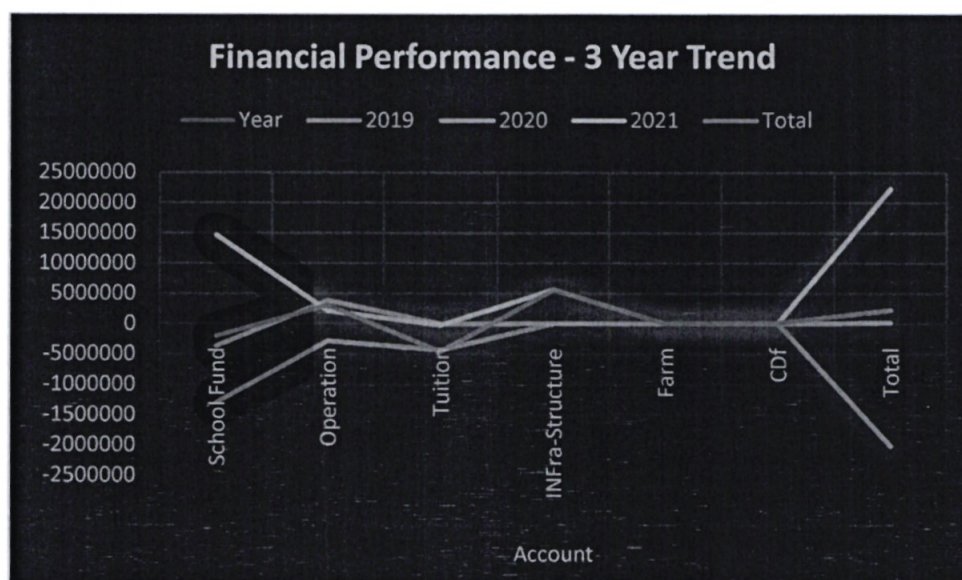
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

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 - 3 Year Trend							
	Account						
	School Fund	Operation	Tuition	Infra-Structure	Farm	CDf	Total
Year							
2019	-12999959	-2843721.69	-4331071	0	0	0	-20174752
2020	-3657997	3835342	-21257	0	0	0	156088
2021	14606674	2118648	-226693	5654520	0	133405	22286554
Total	-2051282	3110268.31	-4579021	5654520	0	133405	2267890.4

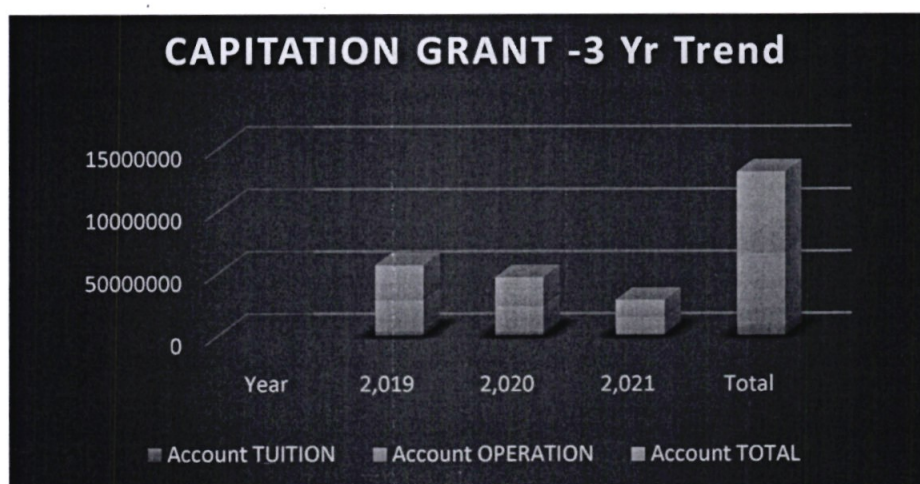


KANGARU SCHOOL

Annual Report and Financial Statements for the year ended 30th June 2021

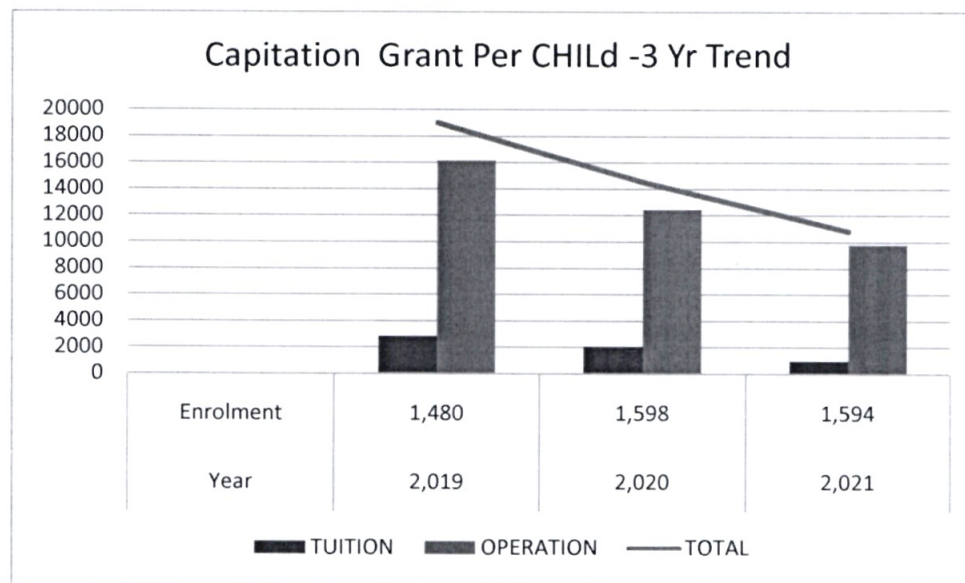
- Capitation grants from the Ministry of Education for the last three years

CAPITATION GRANT -3 Yr Trend				
		Account		
		TUITION	OPERATION	TOTAL
Year				
2,019		4,209,113	23,929,900	28,139,013
2,020		3,333,815	19,887,817	23,221,632
2,021		1,595,081	12,460,186	14,055,267
Total		9,138,009	56,277,903	65,415,912



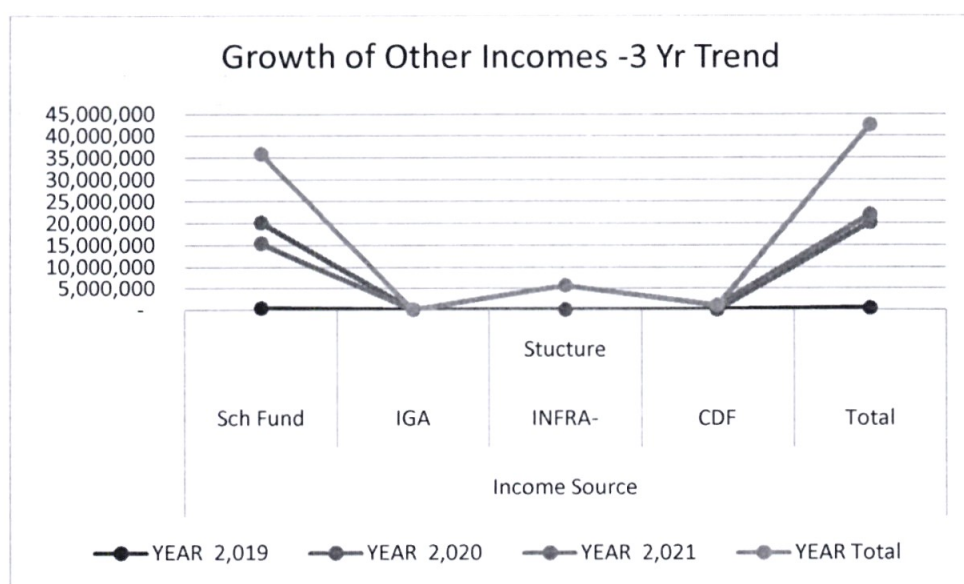
Ratio of capitation grant per student over the last three years

Capitation Grant Per Child -3 Yr Trend				
		Account		
		TUITION	OPERATION	TOTAL
Year	Enrolment			
2,019	1,480	2,844	16,169	19,013
2,020	1,598	2,086	12,445	14,531
2,021	1,594	1,001	9,817	10,818



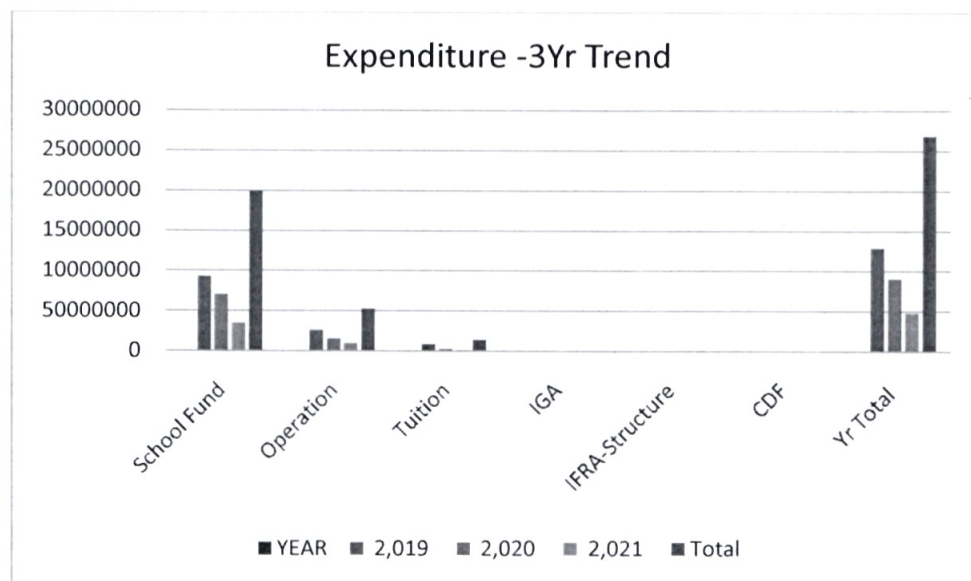
- A three-year overview of growth of other income(s) earned by the school.

Growth of Other Incomes -3 Yr Trend						
		Income Source				
		Sch Fund	IGA	INFRA- Stucture	CDF	Total
YEAR						
	2,019	359,337	-	-	-	359,337
	2,020	20,174,901	-	-	-	20,174,901
	2,021	15,361,507	-	5,654,520	1,000,000	22,016,027
	Total	35,895,745	-	5,654,520	1,000,000	42,550,265



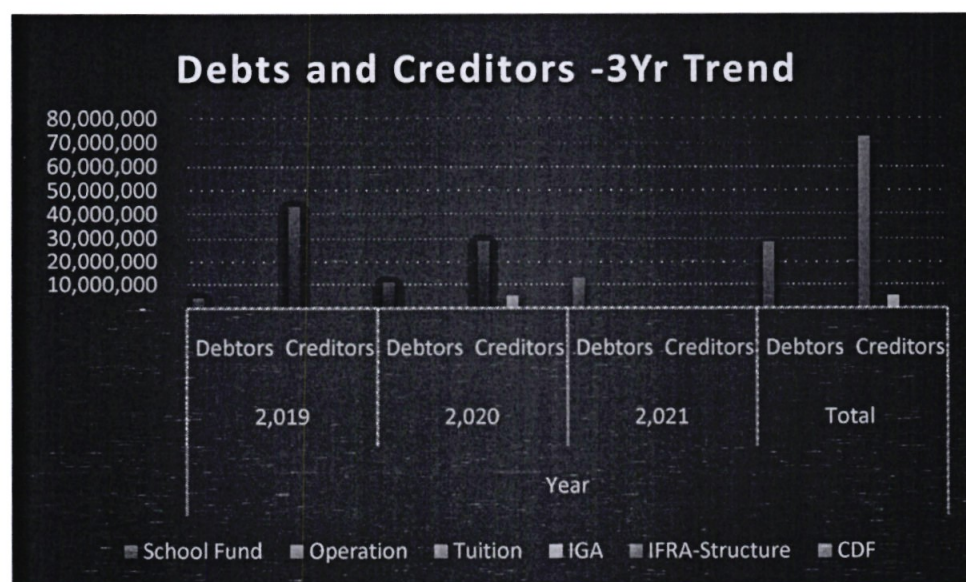
- A three-year overview of growth in expenditure of the school

Expenditure -3Yr Trend							
	School Fund	Operation	Tuition	IGA	IFRA-Structure	CDF	Yr Total
YEAR							
2,019	92,842,251	26,773,622	9,243,451	-	-	-	128,859,324
2,020	71,319,663	16,052,475	3,355,072	-	-	-	90,727,210
2,021	35,498,857	10,341,538	1,821,774	-	-	866,595	48,528,764
Total	199,660,771	53,167,635	14,420,297	-	-	866,595	268,115,298



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

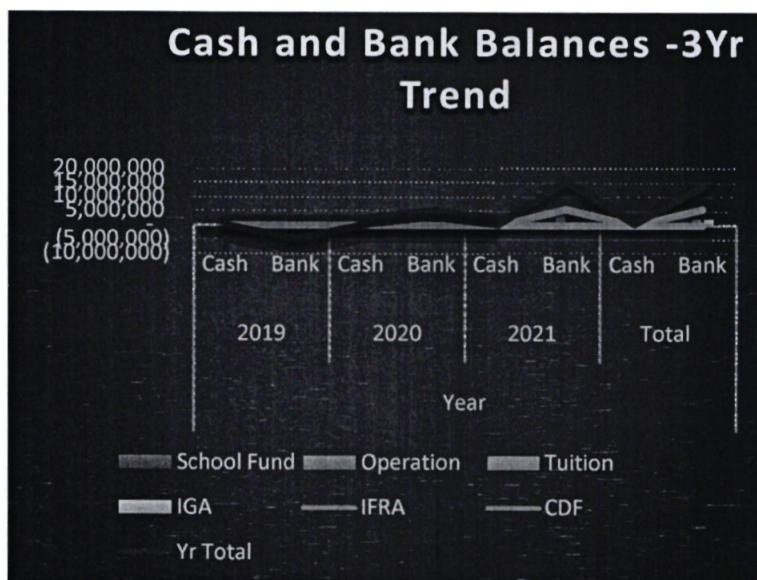
Debts and Creditors -3Yr Trend									
		Account							
			School Fund	Operation	Tuition	IGA	IFRA-	CD F	Yr Total
Year	2,019	Debtors	4,388,642	-	-	-	-	-	4,388,642
		Creditors	43,413,176	-	-	-	-	-	43,413,176
	2,020	Debtors	11,049,555	-	-	-	-	-	11,049,555
		Creditors	28,968,238	-	5,322,562	-	-	-	34,290,800
	2,021	Debtors	12,808,846	-	-	-	-	-	12,808,846
		Creditors	-	-	-	-	-	-	-
	Total	Debtors	28,247,043	-	-	-	-	-	28,247,043
		Creditors	72,381,414	-	5,322,562	-	-	-	77,703,976



- Movement of cash and bank balances over the last three years

Cash and Bank Balances -3Yr Trend

			Account						
			School Fund	Operation	Tuition	IGA	IFRA	CDF	Yr Total
Year	2019	Cash	6,896	181	-	-	-	-	7,077
		Bank	(3,136,279)	(2,535,972)	875,298	-	-	-	(4,796,953)
	2020	Cash	204,800	181	-	-	-	-	204,981
		Bank	824,111	1,299,370	854,041	-	-	-	2,977,522
	2021	Cash	335,927	181	-	-	-	-	336,108
		Bank	5,652,753	3,418,018	627,348	-	5,654,520	133,405	15,486,044
	Total	Cash	547,623	543	-	-	-	-	548,166
		Bank	3,340,585	2,181,416	2,356,687	-	5,654,520	133,405	13,666,613



Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends.

b) **Teacher Student ratio:**

Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources.

Ratio of students to Teachers	
Total enrolment	1598
Total No of Teachers	60
Students : Teachers ratio	26

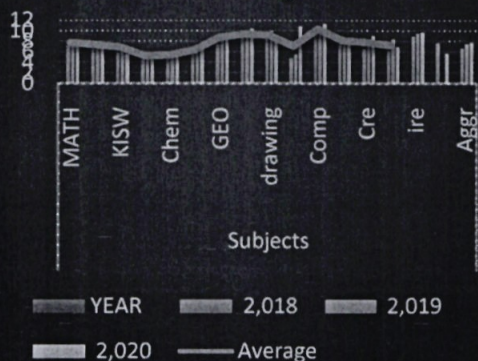
Teachers Turnover	
No of teachers recruited in the year	7
No of teachers transferred inwards in the year	5
No of teachers transferred outwards in the year	4
Net inflow of teachers	8

Teachers Employment	
No of teachers required by CBE	60
No of teachers employed by TSC	45
Shortage / Surplus No of teachers before BOM teachers	15
No of teachers employed by BOM	10
Net Shortage / Surplus No of teachers	5

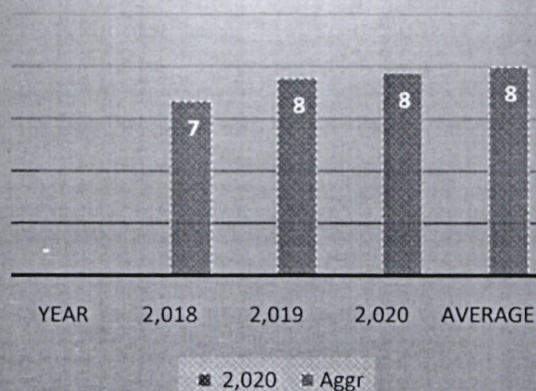
c) Mean score in the 2020 KCSE:

	Subjects																
	MATH	ENG	KISW	BIO	Chem	Phy	GEO	HIST	drawing	Agric	Comp	Bstud	Cre	French	ire	music	Aggr
YEAR																	
2,018	7	7	6	5	5	6	8	9	9	5	10	7	7	6	9	8	7
2,019	8	8	7	6	6	7	9	9	10	6	10	8	8	8	10		8
2,020	8	7	6	6	5	6	9	10	8	11	11	9	9	7	10	6	8
Average	8	7	7	5	5	6	9	9	9	7	10	8	8	7			8

Mean Scores -3 Yr
Trend- by
subjects



Mean Scores -3 Yr
Trend- by agg Mean



d) Number of Candidates in the 2020 KCSE:

Number of candidates sitting for KCSE over the last three years.

YEAR	NO. OF CANDIDATES
2018	301
2019	281
2020	387

e) **Capacity of the school:**

Number of students in the school visa vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities.

Capacity Analysis				
Area	Means of infrastructure measurement	Quantity of infrastructure required	Actual quantity of infrastructure available	Infrastructure gap
Classrooms	No	35	28	7
Laboratories	No	08	4	4
Toilet Doors	No	120	93	27
Offices	No	25	18	7
Dining Hall	Number of students well seated	1500	800	700
Library	Number of students well seated	200	55	145
Hostels	Number of Decker Beds well-spaced	1200	1000	200
Staffroom	Number of teachers well seated	70	50	20
Boardroom	Number of BOM members well seated	20	0	20
Textbooks	Average Students- Course book ratio	1:1	1:1	0
Water	Adequacy	ADEQUATE	adequate	0
Electricity	Adequacy	Adequate	adequate	0
Staff housing	No of staff properly housed	100	39	61

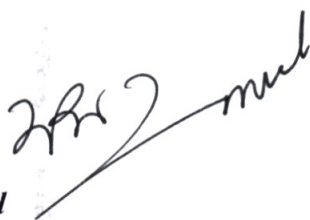
f) Development projects carried out by the school:

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

YEAR	PROJECT	SOURCE OF FUND
2020/2021	2 CLASSROOMS	GOVERNMENT- (MI FUNDING)
	1 CLASSROOM	MANYATTA CDF

Sign

School Principal

A handwritten signature in black ink, appearing to be 'M. M. M.', written over a horizontal line.

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 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 *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, 2021, and of the school's financial position as at that date.

Name: Joseph Njeru Mugoh
Designation: Chairman, School Board of Management
Sign:
Date: 23/03/2026

Name: Paul N. Muriuki
Designation: School Principal & Secretary to Board of Management
Sign:
Date: 23/03/2026

Name: Monicah Mutahi
Designation: Bursar/ Finance Officer
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 YEAR ENDED 30 JUNE, 2021 - 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kangaru School set out on pages 1 to 22, which comprise of the statement of financial assets and liabilities at

30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and 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 financial statements present fairly, in all material respects, the financial position of Kangaru School as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

1.1. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities and as disclosed in Note 8 to the financial statements reflects Kshs.15,486,044 in respect to bank balance. Included in this balance are two (2) bank accounts with balances of Kshs.3,418,018 and Kshs.5,652,753 in respect to operation account and school fund accounts respectively, which were not supported by bank balance certificates and bank reconciliation statements.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.15,486,044 could not be confirmed.

1.2. Undisclosed Bank Balance

The statement of financial assets and financial liabilities reflects bank balance of Kshs.15,486,044 as disclosed in Note 8, to the financial statements. However, it was noted that the farm account bank balance amounting to Kshs.854,182, as reflected in the bank statement, was not disclosed in the financial statements.

In the circumstances, the accuracy, completeness, existence and fair presentation of cash and cash equivalents balance of Kshs.15,486,044 could not be confirmed.

2. Unsupported Short-term Investments

The statement of financial assets and financial 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.

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.90,701,350 and Kshs.75,025,903 respectively, resulting in an under-funding of Kshs.15,675,447 or 17% of the budget. However, the School spent an amount of Kshs.35,498,857 against actual receipts amounting to Kshs.75,025,903, resulting in an under-utilization of Kshs.39,527,046 or 53% 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

Unaudited Comparative Balances

I draw attention to the fact that prior to the 2020/2021 financial year, Public Secondary Schools in Kenya did not prepare financial statements for audit. Consequently, the Public Sector Accounting Standards Board prescribed 30 June, 2021 as the first-time adoption of the International Public Sector Accounting Standards (IPSAS) – Cash Basis of Accounting by Public Secondary Schools.

The financial statements for the year ended 30 June, 2021 include comparative information. However, the comparative figures were based on unaudited figures. My audit procedures were, therefore, limited to the extent that comparative information does not contain misstatements that materially affect the current period's financial statements. Accordingly, I do not express an opinion or any form of assurance on the comparative information.

My audit opinion on the current period financial statements is not modified in respect of this matter.

Other Information

Management is responsible for the Other Information set out on pages II to XIX, 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 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 receipts and payments reflects operation fund payments amount of Kshs.10,341,538 as disclosed in Note 6 to the financial statements. Included in the expenditure is Kshs.110,000 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.110,000 could not be confirmed.

2. Long Outstanding Payables

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects payables balance of Kshs.67,888,977. However, included in the balance are trade payables balance of Kshs.64,596,296 which had been outstanding for more than two years (2) 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 period 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. Late Submission of Financial Statements to the Auditor-General

During the period under review, Management submitted the financial statements to the Auditor-General on 23 February, 2026 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education Circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the school's financial statements should be ready by 30 September, 2021 in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

5. Irregularities in Procurement Processes

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

5.1 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.

5.2 Unstructured Procurement Processes

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

5.3 Weaknesses in Record Keeping

During the period under review, the School did not 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.

6. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

Management presented the annual report and financial statements covering one year from July, 2020 to June, 2021 contrary to the Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in Kenya, dated 20 August, 2021 which requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021. Further, no disclosure was made on the change in the preparation of financial statements from calendar year to government fiscal year or on the lack of comparability due to longer period covered by the current financial period.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, 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), 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 effectiveness of internal control could not be confirmed.

2. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.34,853,129 in respect of fees arrears as disclosed in Note 11 to the financial statements which includes a balance of Kshs.18,179,618 on account of student debtors that has been outstanding for over a period of 2 years despite being collectable within one financial year. Further, there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the effectiveness of internal control on debt management could not be confirmed.

3. Weak Governance over Rental Income from School-Owned Houses

Audit inspection conducted in the School compound revealed 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 staffs occupying the houses, Board of Management minutes approving the rental rates and the school did not maintain a comprehensive register of all houses indicating; the total number of houses, occupancy status, approved rental rate per unit, rental period and rental arrears incase any occupant default.

In the circumstances, the effectiveness of internal control on rental income management could not be confirmed.

4. Lack of Approved Staff Establishment

During the period under review, the School did not have an approved staff establishment.

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

5. Lack of Approved Organization Structure

During the period under review, the School did not have a an approved organizational structure, and 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 internal control on reporting lines, roles, and responsibilities of staff members 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 control, 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 (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is

not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

19 March, 2026

KANGARU SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

	Note	2021 Kshs	2020 Kshs
Capitation grants for tuition	1	1,595,081	3,333,815
Capitation grants for operations	2	12,460,186	19,887,817
School Fund Income- Parents' Contributions	3	34,744,024	47,486,765
School Fund Income- Other receipts	4	15,361,507	20,174,901
Infrastructure Income	4a	5,654,520	-
Income -Farm	4b	-	-
DF Income	4c	1,000,000	-
Proceeds from borrowings		-	-
TOTAL RECEIPTS		70,815,318	90,883,298
PAYMENTS			
Payments for Tuition	5	1,821,774	3,355,072
Payments for operations	6	10,341,538	16,052,475
Boarding and school fund payments	7	35,498,857	71,319,663
Infrastructure Expenses	7a	-	-
Farm-Expenses	7b	-	-
DF Expenses	7c	866,595	-
TOTAL PAYMENTS		48,528,764	90,727,210
DEFICIT/SURPLUS		22,286,554	156,088

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

Sign:

Sign

Sign

.....

.....

.....

JOSEPH NJERU MUGOH , **PAUL MURIUKI**

MONICAH MUTAHI

Chair BOM

School Principal

Bursar

23/03/2026

23/03/2026

23/03/2026

VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021

	Note	2021 Kshs	2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	15,486,044	2,977,522
Cash Balances	9	336,108	204,981
Short term Investment	10	897,467	897,467
Total Cash and cash equivalent		16,719,619	4,079,970
Account's receivables	11	34,853,129	31,303,013
TOTAL FINANCIAL ASSETS		51,572,748	35,382,983
FINANCIAL LIABILITIES			
Accounts Payables	12	67,888,977	73,985,766
NET FINANCIAL ASSETS		(16,316,229)	(38,602,783)
REPRESENTED BY			
Accumulated Fund b/fwd	13	(38,602,783)	(38,758,871)
Surplus/Deficit for the year		22,286,554	156,088
NET FINANCIAL POSITION		(16,316,229)	(38,602,783)
		0	(0)

The School's financial statements were approved on _____ 20..... and signed by:

Sign:



JOSEPH NJERU MUGOH

Chair BOM

23/03/2026

Sign



PAUL MURIUKI

School Principal

23/03/2026

Sign



MONICAH MUTAHI

Bursar

23/03/2026

VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		2,021	2,020
	Note	Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition		1,595,081	3,333,815
Capitation grants for operations		12,460,186	19,887,817
School fund income- Parents contributions/ fees		36,333,813	49,358,402
School fund income- other receipts		12,746,461	12,185,821
Infrastructure Receipts		5,654,520	-
Farm Income		-	-
CDF Income		1,000,000	-
Total receipts		69,790,061	84,765,855
Payments			
Payments for Tuition		1,821,774	3,355,072
Payments for operations		10,341,538	18,588,447
Boarding and school fund payments		44,120,505	60,522,208
Farm Payments		-	-
Total payments		56,283,817	82,465,727
Net cash flow from operating activities		13,506,244	2,300,128
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		(866,595)	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from Investing Activities		(866,595)	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Overdraft		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		12,639,649	2,300,128
Cash and cash equivalents at BEGINNING of the year		4,079,970	1,779,842
Cash and cash equivalent at END of the year		16,719,619	4,079,970

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools' should therefore adopt the direct method of cashflow as recommended by PSASB.

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Reports and Financial Statements
For the year ended 30th June 2021

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

				Actual on Comparable Basis		
			Final		Budget Utilization	
Receipt/expenses Item	Original Budget	Adjustments	Budget		Difference	% of Utilizati on
	a	b	c=a+b		e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
TUITION	6,423,200	(6,423,200)	-	622,860	(622,860)	0!
TLM	-	-	-	972,221	(972,221)	0
	6,423,200	(6,423,200)	-	1,595,081	(1,595,081)	0
(2) CAPITATION GRANT ON OPERATIONS						
OTHERS	14,570,000	(14,570,000)	-	5,279,436	(5,279,436)	0
RMI	7,750,000	(7,750,000)	-	5,653,500	(5,653,500)	0
ACTIVITY	2,325,000	(2,325,000)	-	-	-	0
MEDICAL	3,100,000	(3,100,000)	-	-	-	0
SMASSE	310,000	(310,000)	-	-	-	0
SUSPENSE	-	-	-	1,527,250	(1,527,250)	0
	28,055,000	(28,055,000)	-	12,460,186	(12,460,186)	
(3) FEES CHARGED ON PARENTS						
P/EM	7,750,000	-	7,750,000	2,929,868	7,750,000	37.8
ACTIVITY	2,462,950	-	2,462,950	70,694	2,462,950	2.8

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BES	45,929,600	-	45,929,600	31,068,766	45,929,600	67.6
EWC	2,039,800	-	2,039,800	288,808	2,039,800	14.1
RMI	1,002,850	-	1,002,850	18,763	1,002,850	1.8
ADM	2,035,150	-	2,035,150	66,654	2,035,150	3.3
LT&T	1,581,000	-	1,581,000	100,580	1,581,000	6.4
SF Income -Votehead 10	-	-	-	12,460,186	(12,460,186)	0
UNIFORM	-	-	-	199,891	(199,891)	0
	62,801,350	-	62,801,350	47,204,210	15,597,140	
School Fund - OTHER INCOME						
PTA/DEVELOPMENT	3,100,000	-	3,100,000	93,454	3,006,546	3
BOM TEACHERS	6,975,000	-	6,975,000	4,744,578	2,230,422	68
ASP	6,975,000	-	6,975,000	4,710,153	2,264,847	68
PTA/INFRASTRUCTURE	7,750,000	-	7,750,000	2,851,058	4,898,942	37
WATER PROJECT	3,100,000	-	3,100,000	104,309	2,995,691	3
RENT	-	-	-	259,900	(259,900)	0
PENALTY	-	-	-	34,333	(34,333)	0
FARM ACCOUNT	-	-	-	153,900	(153,900)	0
LIBRARY BOOKS	-	-	-	64,912	(64,912)	0
BAKERY	-	-	-	2,138,510	(2,138,510)	0
KUCCPS	-	-	-	206,400	(206,400)	0
INFRASTRUCTURE INCOME						
INFRASTRUCTURE	-	-	-	5,654,520	(5,654,520)	0
	-	-	-	5,654,520	(5,654,520)	0
CDF INCOME						
CLASSROOM	1,000,000	(1,000,000)	-	1,000,000	(1,000,000)	0
	1,000,000	(1,000,000)	-	1,000,000	(1,000,000)	
TOTAL INCOME	27,900,000	-	27,900,000	15,361,507	12,538,493	
(I) EXPENDITURE						

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FOR TUITION						
TUITION	6,423,200	(6,423,200)	-	1,821,774	(1,821,774)	0
	6,423,200	(6,423,200)	-	1,821,774	(1,821,774)	0
(2) EXPENDITURE FOR OPERATIONS						
OTHERS	14,570,000	(14,570,000)	-	3,924,499	(3,924,499)	0
RMI	7,750,000	(7,750,000)	-	5,653,500	(5,653,500)	0
ACTIVITY	2,325,000	(2,325,000)	-	110,000	(110,000)	0
MEDICAL	3,100,000	(3,100,000)	-	653,539	(653,539)	0!
SMASSE	310,000	(310,000)	-	-	-	0!
	28,055,000	(28,055,000)	-	10,341,538	(10,341,538)	
(3) EXPENDITURE FOR SCHOOL FUND						
P/EM	7,750,000	-	7,750,000	4,144,752	3,605,248	53
ACTIVITY	2,462,950	-	2,462,950	63,000	2,399,950	3
BES	45,929,600	-	45,929,600	18,786,322	27,143,278	41
EWC	2,039,800	-	2,039,800	1,109,395	930,405	54
RMI	1,002,850	-	1,002,850	159,339	843,511	16
ADM	2,035,150	-	2,035,150	746,276	1,288,874	37
LT&T	1,581,000	-	1,581,000	1,252,713	328,287	79
PTA/DEVELOPMENT	3,100,000	-	3,100,000	2,000,000	1,100,000	65
BOM TEACHERS	6,975,000	-	6,975,000	988,720	5,986,280	14
ASP	6,975,000	-	6,975,000	3,275,137	3,699,863	47
PTA/INFRASTRUCTURE	7,750,000	-	7,750,000	668,550	7,081,450	9
WATER PROJECT	3,100,000	-	3,100,000	164,700	2,935,300	5
RENT	-	-	-	2,500	(2,500)	0
PENALTY	-	-	-	1,350	(1,350)	0
FARM ACCOUNT	-	-	-	310,538	(310,538)	0

*KANGARU SCHOOL***Annual Report and Financial Statements for the year ended 30th June 2021**

BAKERY	-	-	-	1,622,565	(1,622,565)	0
KUCCPS	-	-	-	203,000	(203,000)	0
TOTAL School fund Payments	90,701,350	-	90,701,350	35,498,857	55,202,493	
CDF PAYMENTS						
CLASSROOM	1,000,000	(1,000,000)	-	866,595	(866,595)	0
total CDF PAYMENTS	1,000,000	(1,000,000)	-	866,595	(866,595)	

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

This cash basis of accounting has been supplemented with accounting for; a) receivables that include 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 2021

X. NOTES TO THE FINANCIAL STATEMENTS**1 CAPITATION GRANT FOR TUITION**

	2020- 2021	2019- 2020
	Kshs	Kshs
TEXTBOOKS	-	187,191
SMASSE	-	306,870
TUITION	622,860	2,839,754
LAB EQUIPMENT	-	-
TLM	972,221	-
	1,595,081	3,333,815

2 CAPITATION GRANT FOR OPERATIONS

	2020- 2021	2019- 2020
	Kshs	Kshs
OTHERS	5,279,436	10,190,156
RMI	5,653,500	6,741,392
ACTIVITY	-	1,151,137
MEDICAL	-	306,973
NHIF-MOE	-	1,036,022
RD CHEQUE	-	42,137
SUSPENSE	1,527,250	-
Total	12,460,186	19,467,817

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020- 2021	2019- 2020
	Kshs	Kshs
UNIFORM	199,891	9,366,550
P/EM	2,929,868	5,673,923
ACTIVITY	70,694	2,813,714
BES	31,068,766	22,442,095
EWC	288,808	2,139,816
RMI	18,763	1,053,505
ADM	66,654	2,313,642
MEDICAL	-	-
LT&T	100,580	1,683,520
Sub-Total	34,744,024	47,486,765

KANGARU SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2021
4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
PTA/DEVELOPMENT	93,454	3,248,000
BOM TEACHERS	4,744,578	3,022,500
ASP	4,710,153	3,022,500
PTA/INFRASTRUCTURE	2,851,058	5,654,000
WATER PROJECT	104,309	3,248,000
RENT	259,900	141,080
PENALTY	34,333	57,440
FARM ACCOUNT	153,900	1,428,376
LIBRARY BOOKS	64,912	353,005
BAKERY	2,138,510	-
KUCCPS	206,400	-
	15,361,507	20,174,901

4a MIF RECEIPTS – INFRASTRUCTURE ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
INFRASTRUCTURE	5,654,520	-
Sub-Total	5,654,520	-

4C- CDF ACCOUNT- INCOME

	2020-2021	2019-2020
	Kshs	Kshs
CLASSROOM	1,000,000	0
sub-Total	1,000,000	0

KANGARU SCHOOL**Annual Report and Financial Statements for the year ended 30th June 2021****5 PAYMENTS FOR TUITION**

	2020-2021	2019-2020
	Kshs	Kshs
TEXTBOOKS	-	187,191
SMASSE	-	306,870
TUITION	1,821,774	2,599,671
LAB EQUIPMENT	-	261,340
Total	1,821,774	3,355,072

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
OTHERS	3,924,499	10,622,454
RMI	5,653,500	260,000
ACTIVITY	110,000	537,197
MEDICAL	653,539	130,682
NHIF-MOE	-	1,036,022
SCHOOL FUND	-	1,390,088
INFRASTRUCTURE	-	1,547,865
BOM TEACHERS	-	420,000
RD CHEQUE	-	42,137
TUITION	-	66,030
TOTAL	10,341,538	16,052,475

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7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
UNIFORM	-	8,132,030
P/EM	4,144,752	9,836,843
ACTIVITY	63,000	1,108,420
BES	18,786,322	18,193,776
EWC	1,109,395	3,593,661
RMI	159,339	4,094,452
ADM	746,276	5,206,269
MEDICAL	-	617,691
LT&T	1,252,713	3,072,927
PTA/DEVELOPMENT	2,000,000	1,825,800
BOM TEACHERS	988,720	20,000
ASP	3,275,137	4,042,735
PTA/INFRASTRUCTURE	668,550	8,064,818
WATER PROJECT	164,700	-
RENT	2,500	331,530
PENALTY	1,350	-
FARM ACCOUNT	310,538	2,241,125
TUITION	-	937,586
BAKERY	1,622,565	-
KUCCPS	203,000	-
TOTAL	35,498,857	71,319,663

Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.

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8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021 Kshs	2020 Kshs
COOP.Bank EMBUBranch(Tuition) c/f	-	627,348	854,041
COOP...Bank EMBU BRANCH (Operation) c/f	-	3,418,018	1,299,370
EQUITY BANK-EMBU BRANCH SCHOOL FUND	-	5,652,753	824,111
COOP BANK EMBU BRANCH(Infra-Str) c/fwd	-	5,654,520	-
COOPBANK EMBU BRANCH (CDF) c/fwd	-	133,405	-
Total Bank Balances		15,486,044	2,977,522

9 CASH IN HAND

Description	2020-2021 Kshs	2019-2020 Kshs
Tuition Account	00	00
Operation Account	181	181
School Fund account	335,927	204,800
Total	336,108	204,981

10 SHORT TERM INVESTMENTS

Description	2020-2021 Kshs	2019-2020 Kshs
Equity stock	00	00
Other investments	897,467	897,467
Total	897,467	897,467

KANGARU SCHOOL**Annual Report and Financial Statements for the year ended 30th June 2021****11a. ACCOUNTS RECEIVABLE**

Description	2,021	2,020
	Kshs	Kshs
School Fund -Fees Debtors	34,853,129	31,303,013
School Fund - Advances	-	
School Fund - DR SUSPENSE	-	
Total ACCOUNTS RECEIVABLE	34,853,129	31,303,013

11b. Includes an ageing of the fees arrears below

Description	2,021	2,020
	Kshs	Kshs
Fees arrears for current year (Listed)	12,808,846	11,049,555
Fees arrears for the previous year	3,864,665	(1,342,061)
Fees arrears for prior periods (over two years)	18,179,618	21,595,519
Total	34,853,129	31,303,013

12. ACCOUNTS PAYABLE

Description	2,021	2,020
	Kshs	Kshs
School Fund -Prepaid Fees	2,754,755	3,677,216
Trade Creditors -School Fund	59,273,734	64,452,162
Trade Creditors -Operation	-	-
Trade Creditors - Tuition	5,322,562	5,322,562
School Fund -Student Deposits	4,100	
Borrowings	533,826	533,826
Total Payables	67,888,977	73,985,766

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12b. Includes an ageing of the trade creditors below

Description	2,021	2,020
	Kshs	Kshs
Trade creditors for current year	-	28,968,238
Trade creditors for the previous year	(5,178,428)	(13,971,947)
Trade creditors for prior periods (over two years)	69,774,724	54,778,433
Total	64,596,296	69,774,724
	-	-

13. FUND BALANCE BROUGHT FORWARD

Description	2021	2020
	Kshs	Kshs
Bank balances	2,123,481	875,298
Cash balances	1,059,022	7,077
Short Term Investments	897,467	897,467
Receivables	31,303,013	21,595,519
Payables	(73,985,766)	62,134,232
Total	(38,602,783)	38,758,871

Other important disclosure notes

IPSAS 1 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.

14. Non-current Liabilities Summary

Description	2021	2020
	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 Jan,01 and June 30th -2021								
Source of Information: Livestock and Crop Register and/ or physical count on date								
NO	Location	Asset	Unit	QTY counted		Value Per unit - Purchase Price OR	Total value of stock	
		Description						
				Jan,01,2021	June,30,2021	FAIR VALUE	Jan,01,2021	June,30,2021
				(A)	(B)	(C)	D=A*C	E= B*C
1	e.g Farm	COWS	No	5	5	150,000	750,000	750,000
2	e.g Farm	Napier Grass	Acre				-	-
3		HEIFERS	NO	2	2	70,000	140,000	140,000
4		CALVES	NO	2	2	25,000	50,000	50,000
5		BULLS	NO	2	2	30,000	60,000	60,000
6		PIGS-LARGE	NO	2	4	25,000	50,000	100,000
7		PIG - MEDIUM	NO	5	9	5,000	25,000	45,000
8		PIGLETS	NO	7	13	4,500	31,500	58,500
9		MAIZE FIELD	BAGS	48	48	3,000	144,000	144,000
10	ALONG GTI	LARGE TREES	PCS	11	15	40,000	440,000	600,000
11	ALONG GTI	MEDIUM TREES	PCS	40	36	10,000	400,000	360,000
12	KIANUGU AREA	MEDIUM TREES	PCS	42	35	10,000	420,000	350,000
13	FARM CENTRAL AREA	MEDIUM TREES	PCS	228	228	10,000	2,280,000	2,280,000
14	SCHOOL AREA	LARGE TREES	PCS	30	30	40,000	1,200,000	1,200,000
15		MEDIUM TREES	PCS	84	84	5,000	420,000	420,000
16							-	-
17							-	-
Total Value							6,410,500	6,557,500

16. Borrowings

Description	2,021	2,020
	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	2,021	2,020
	KShs	KShs
Stock/ inventory at beginning of the year	4,082,724	-
Stock/ inventory purchased during the year	43,675,888	81,654,489
Stock/ inventory issued during the year	45,370,681	77,571,765
Balance at end of the year	2,387,931	4,082,724

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)

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	Comments
	a	b	c	d = a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4.						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
9.						
Sub-Total						
Grand Total						

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Non -Current Assets COUNTING & VALUATION		
	Value	
CATEGORY	as at 1/1/2021	as at 30/6/2021
LAND	1,275,000,000	1,275,000,000
BUILDINGS	130,200,000	130,200,000
PLANT AND MACHINERY	8,240,300	8,960,300
OFFICE EQUIPMENT	1,442,700	1,442,700
ICT LEARNING EQUIPMENT.	620,000	620,000
BOARDING EQUIPMENTS	13,614,000	15,419,000
KITCHEN EQUIPMENTS	4,669,085	4,669,085
LIBRARY	262,100	239,100
TEXT BOOKS	21,304,588	21,304,588
LAB EQUIPMENT	4,503,050	5,764,880
FARM EQUIPMENTS	283,000	283,000
TUITION EQUIPMENT	8,735,000	8,735,000
GAMES EQUIPMENTS	236,162	169,042
SOFTWARE EQUIPMENT	1,725,000	1,725,000
BIOLOGICAL ASSETS	6,410,500	6,557,500
	1,477,245,485.0	1,481,089,195.0

