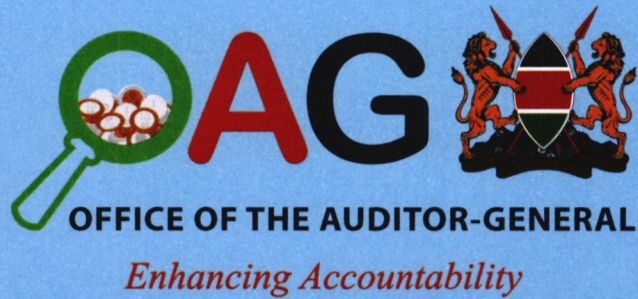


REPUBLIC OF KENYA



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

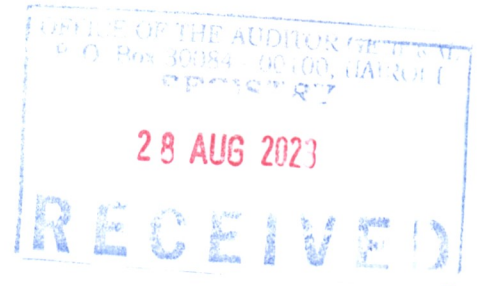
**ON**

**FRIENDS BOYS HIGH SCHOOL - MISIKHU**

**FOR THE SIX (6) MONTHS'  
PERIOD ENDED 30 JUNE, 2022**

**BUNGOMA COUNTY**





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**FRIENDS BOYS HIGH SCHOOL-MISIKHU**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2022**

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

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*Key School Information and Management (Continued)***The function of the School Board of Management include:**

- 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**

*(Provide the names of the various committees of the Board established by the Board and the names of the committee members):*

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Jim Nduruchi Maurice Oyake Benaiah Sisungu Morrison Misiko Eunice Wandili	Chairman Secretary Member Member Member	1
2	Audit Committee	Robai Kigalo Jim Nduruchi Maurice Oyake Benaiah Sisungu Morrison Misiko Eunice Wandili	Chairman Member Secretary Member	1
3	Finance, procurement and general purposes Committee	Morrison Misiko Jim Nduruchi Maurice Oyake Eunice Wandili Benaiah Sisungu	Chairman Member secretary Member Member	1
4	Academic Committee	Chrispinus Barasa Jim Nduruchi Maurice Oyake Eunice Wandili Benaiah Sisungu Morrison Misiko	Chairman Member Secretary Member Member Member	1
5	Development Committee	Benaiah Sisungu	Chairman	1

		Jim Nduruchi Maurice Oyake Eunice Wandili Morrison Misiko	Member Secretary Member Member	
6	Discipline and welfare Committee	Isaac Kasembeli Leonard Walubengo Jim Nduruchi Benaiah Sisungo Morrison Misiko Eunice Wandili Maurice Oyake	Chairman Member Member Member Member Member Secretary	1
7	Adhoc Committee (if any during the year)			

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	MAURICE OYAKE	357759
2	Deputy Principal	MIKE WANYONYI	349468
3	School Bursar	LUCY KIVAIRO	ICPAK NO. 29009

**(e) Schools contacts**

Post Office Box: 56 - 50225  
Telephone: 0740425125  
E-mail: misikhufriendsboys@gmail.com  
Website:  
Facebook:  
Twitter:

**(f) School Bankers**

The school operated 06 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB  
Branch: WEBUYE  
Account Number: 1108074944
2. Name of Bank: KCB  
Branch: WEBUYE  
Account Number: 1107125073
3. Name of Bank: KCB  
Branch: WEBUYE  
Account Number: 1108078737
4. Name of Bank: KCB  
Branch: WEBUYE  
Account Number: 1106465423
5. Name of Bank: KCB  
Branch: WEBUYE  
Account Number: 1264853475
6. Name of Bank: COOPERATIVE BANK  
Branch: WEBUYE  
Account Number: 01139610079900
7. MPESA Pay Bill No. 522123 A/C no.53276K attached to 1107125073 bank account

**(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*

YEAR	SURPLUS/DEFICIT
2021/2022	2,372,760
2021	1,301,683
2020	2,603,796

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

YEAR	TUITION	OPERATION	TOTAL
2021/2022	1,057,009	4,519,268	5,576,277
2021	404,740	2,711,325	3,116,065
2020	484,999	3,190,125	3,675,124

- *Ratio of capitation grant per student over the last three years*

YEAR	NO. OF STUDENTS	DISBURSEMENT	RATIO
2021/2022	357	5,576,277	15,619:1
2021	326	3,116,065	9560:1
2020	299	3,675,124	12291:1

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

YEAR	INCOME	GROWTH
2021/2022	21,353,670	11,801,195
2021	9,552,475	-2,588,077
2020	12,140,552	455,364

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

YEAR	EXPENDITURE	GROWTH
2021/2022	18,980,910	10,730,118
2021	8,250,792	1,221,830
2020	9,472,622	

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

*DEBTORS MOVEMENT*

YEAR	DEBTORS	MOVEMENT
2021/2022	31,224,855	1,695,492
2021	29,529,363	1,958,762
2020	27,570,601	

*CREDITORS MOVEMENT*

YEAR	CREDITORS	MOVEMENT
2021/2022	5,091,846	-3,044,878
2021	8,136,724	-169,686
2020	8,306,410	

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

YEAR	CASH	BANK	TOTAL	INCREASE/DECREASE
2021/2022	821	1,690,245	1,691,066	-721,110
2021	1753	2,410,423	2,412,176	1,934,508
2020	60	477,608	477,668	

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

**b) Teacher Student ratio:**

*Teacher/student ratio 1:15*

*Teachers recruited in 2021/2022: 1*

*Teachers transferred: 1*

*Teachers retired: 1*

*Teachers employed by TSC: 1*

Teachers employed by BOM: 0

SUBJECT	NO. OF TEACHERS	SHORTAGE
ENGLISH	4	1
KISWAHILI	3	1
MATHEMATICS	5	0
BIOLOGY	3	0
CHEMISTRY	2	0
PHYSICS	2	0
HISTORY	4	0
CRE	1	1
GEOGRAPHY	4	0
BUSINESS STUDIES	3	0
AGRICULTURE	2	0
COMPUTER STUDIES	0	2

c) Mean score in the 2021 KCSE:

YEAR	NO. OF STUDENTS TRANSITIONED TO INSTITUTION OF HIGHER LEARNING	MEAN SCORE	SCHOOL SET SCORE	COMMENT
2021	68	3.889	5	School set score not achieved
2020	69	4.89	5	School set score not achieved but an improvement in results
2019	51	4.45	4	School set score not achieved

d) Number of Candidates in the 2021 KCSE:

<i>YEAR</i>	<i>NO. OF CANDIDATES</i>
2021	80
2020	98
2019	73

e) Capacity of the school:

*Number of students in school 357*

*The school has a shortage in dormitories, toilets and dining hall*

*Summary Report of the Performance of the School (Continued)*

f) Development projects carried out by the school:

PROJECT	SOURCE OF FUNDS
DORMITORY CONSTRUCTION	MOE

*Maurice Dyake*

School Principal



### 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 be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of Friends Boys High School Misikhu 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 30<sup>th</sup> June, 2022, and of the school's financial position as at that date.

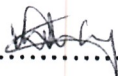


.....  
Name: Jim NDURUCHI  
Designation: Chairman, School Board of Management  
Date: 26/7/23



.....  
Name: Maurice Oyake  
Designation: School Principal & Secretary to Board of Management  
Date: 26/7/2023





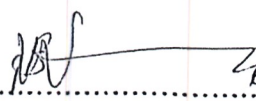
.....  
Name: Lucy KIVAIRO  
Designation: Bursar/ Finance Officer  
Date: 26/7/23

*IV. Report Of The Independent Auditors (To be attached)*

V. Statement of Receipts and Payments for the Year Ended 30<sup>th</sup> June 2022

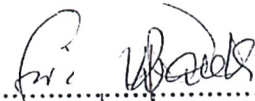
Description Of Vote Head	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts</b>			
Capitation grants for tuition	1	1,057,009	404,740
Capitation grants for operations	2	4,519,268	2,711,523
School fund income- parents' contributions	3	5,637,610	1,786,990
School fund income- other receipts	4	10,139,783	4,649,420
Proceeds from borrowings			0
<b>Total Receipts</b>		<b>21,353,670</b>	<b>9,552,475</b>
<b>Payments</b>			
Payments for tuition	5	998,058	316,011
Payments for operations	6	5,593,263	1,648,737
Boarding and school fund payments	7	12,389,589	6,286,044
<b>Total Payments</b>		<b>18,980,910</b>	<b>8,250,792</b>
<b>Surplus/Deficit</b>		<b>2,372,760</b>	<b>1,301,683</b>

The school financial statements were approved on 26/7/2023 2023 and signed by:




Name: JIM NDURVENJI  
Chair BOM

Date: 26/7/23



Name: Maurice Ojoko  
School Principal/ Secretary to BOM

Date: 26/07/2023



Name: LUCY KIVIRA  
Bursar/ Finance Officer

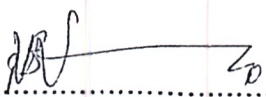
Date: 26/7/23



VI. Statement of Financial Assets and Financial Liabilities as at 30<sup>th</sup> June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	8	1,690,245	2,410,423
Cash balances	9	821	1,753
Short term investment	10	0	0
<b>Total cash and cash equivalent</b>		<b>1,691,066</b>	<b>2,412,176</b>
Account's receivables	11	31,224,855	29,529,363
<b>Total financial assets</b>		<b>32,915,921</b>	<b>31,941,539</b>
<b>Financial liabilities</b>			
Accounts payables	12	(5,091,846)	(6,490,224)
<b>Net financial assets</b>		<b>27,824,075</b>	<b>25,451,315</b>
<b>Represented by</b>			
Accumulated fund b/fwd	13	25,451,315	23,805,132
Prior year adjustment – Debt written off			1,646,500
Surplus/deficit for the year		2,372,760	1,301,683
<b>Net financial position</b>		<b>27,824,075</b>	<b>25,451,315</b>

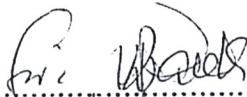
The school's financial statements were approved on 26/7/23 2023 and signed by:



Name: JIM NDURUM


Chair BOM

Date: 26/7/23



Name: Maurice Ojoo  
School Principal/ Secretary to  
BOM

Date: 26/07/2023



Name: Lucy KIVAIRO

Bursar/ Finance Officer

Date: 26/7/23

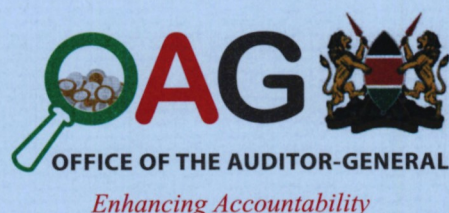


VII. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Operating activities</b>			
<b>Receipts</b>			
Capitation grants for tuition	1	1,057,009	404,740
Capitation grants for operations	2	4,519,268	2,711,325
School fund income- parents contributions/ fees	3	5,637,610	1,786,990
School fund income- other receipts	4	10,139,783	4,649,420
<b>Total receipts</b>		<b>21,353,670</b>	<b>9,552,475</b>
<b>Payments</b>			
Payments for tuition	5	998,058	316,011
Payments for operations	6	2,933,084	1,648,737
Boarding and school fund payments	7	12,389,589	5,225,544
<b>Total payments</b>		<b>16,320,731</b>	<b>7,190,292</b>
<i>Adjusted for:</i>			
Decrease/(Increase) in accounts receivables		(1,695,492)	802,511
Increase/(Decrease) in accounts payables		(1,398,378)	(169,687)
<b>Net cash flow from operating activities</b>		<b>1,939,069</b>	<b>2,995,007</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of assets		0	0
Acquisition of assets	6	(2,660,179)	(1,060,500)
Proceeds from investments		0	0
Purchase of investments		0	0
<b>Net cash flows from investing activities</b>		<b>(2,660,179)</b>	<b>(1,060,500)</b>
<b>Cash flow from borrowing activities</b>			
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings		0	0
<b>Net cash flow from financing activities</b>			
<b>Net increase in cash and cash equivalents</b>		<b>(721,110)</b>	<b>1,934,507</b>
<b>Cash and cash equivalent at beginning of the year</b>		<b>2,412,176</b>	<b>477,669</b>
<b>Cash and cash equivalent at end of the year</b>	8	<b>1,691,066</b>	<b>2,412,176</b>

# 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 FRIENDS BOYS HIGH SCHOOL MISIKHU FOR THE YEAR ENDED 30 JUNE, 2022 – BUNGOMA COUNTY**

---

### **PREAMBLE**

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

- A. Report on the 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 Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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 Friends Boys High School Misikhu – Bungoma County set out on pages 1 to 20, which comprise of the statement of

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*Report of the Auditor-General on Friends Boys High School-Misikhu for the year ended 30 June, 2022 – Bungoma County*

financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Friends Boys High School Misikhu – Bungoma County 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**

#### **1.0. Variances in Acquisition of Assets Amount**

The statement of cash flows reflects acquisition of assets amount of Kshs.2,660,179, while Annex 2 to the financial statements on summary of fixed assets register reflects Kshs.Nil additions during the period under review. This resulted to an unexplained and unreconciled variance of Kshs.2,660,179.

In the circumstances, the accuracy of the statement of cash flows and Annex 2 to the financial statements could not be confirmed.

#### **2.0. Unsupported Loan Balance**

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.5,091,846 as disclosed in Note 12 to the financial statements. The balance includes a long outstanding loan balance of Kshs.158,400 relating to the year 2007 and whose supporting documents were not provided for audit.

In the circumstances, the existence, accuracy and completeness of the loan balance of Kshs.158,400 could not be confirmed.

#### **3.0. Inaccuracies in Fixed Assets Balance**

The summary of fixed assets register at Annex 2 to the financial statements reflects total assets balance of Kshs.60,515,000. However, there was no valuation report provided for audit to support this balance. In addition, the balance omitted the costs of land, office equipment, furniture and fittings, tools and apparatus, and heritage and cultural assets. Also, omitted is Kshs.871,492 for text books analysed from text books schedule.

In the circumstances, the accuracy and completeness of fixed assets balance of Kshs.60,515,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Friends Boys High School Management in accordance with ISSAI 130 on 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.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Matter**

### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final income budget of Kshs.25,660,614 and actual on comparable basis amount of Kshs.21,353,670 resulting in an under-funding of Kshs.4,306,944 or 17%. Similarly, the School spent Kshs.18,980,910 against an expenditure budget of Kshs.25,660,614 resulting in an under-expenditure of Kshs.6,679,704 or 26%.

The under-funding and under-expenditure affected planned activities and may have impacted negatively on service delivery.

## **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 matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, 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**

#### **1.0. Payments for Operations**

The statement of receipts and payments reflects payments for operations amount of Kshs.5,593,263 as disclosed in Note 6 to the financial statements. However, review of the expenditure revealed the following unsatisfactory matters:

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*Report of the Auditor-General on Friends Boys High School-Misikhu for the year ended 30 June, 2022 – Bungoma County*

### **1.1. Irregular Transfers of Funds**

The amount includes Kshs.98,400 being co-curricular funds transferred to Kenya Secondary School Heads Association (KSSHA). However, KSSHA is a welfare organization that draws its membership from school principals only and it is not defined in Government funding.

In the circumstances, value for money on Kshs.98,400 transferred to KSSHA could not be confirmed.

### **1.2. Unauthorized Issuance of Airtime**

The balance of Kshs.5,593,263 also includes Kshs.131,600 in respect of airtime issued to the teaching and non-teaching staff on various dates for various reasons. However, there was no evidence of approving amounts to non-teaching staff and the rate at which the airtime was issued.

In the circumstances, the regularity and value for money of the expenditure of Kshs.131,600 could not be confirmed.

### **1.3. Failure to Withhold Retention Money**

The balance of Kshs.5,593,263 includes acquisition of assets amount Kshs.2,660,179 which relates to a contract for the construction of a dormitory that was done in two phases of substructure and superstructure at costs of Kshs.830,650 and Kshs.1,390,590 respectively. However, Management did not withhold 10% retention fees totalling to Kshs.222,124. In addition, there was no evidence of a retention bank account in place.

In the circumstances, in case of any defects, there was no assurance that the contractor would be liable for fixing the same.

The audit was conducted in accordance with 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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

## **Basis for Conclusion**

### **1. Long Outstanding Fees Arrears**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.31,224,855 as disclosed in Note 11 to the financial statements. The balance includes fees arrears of Kshs.31,218,655 out of which Kshs.27,166,943 had been outstanding for a period of more than two (2) years, some dating back to the year 2009. Further, the supporting schedule indicates that the fees arrears includes long outstanding balance of Kshs.13,032,940 whose ageing analysis was not provided for audit.

In the circumstances, the internal controls on management of fees arrears could not be confirmed.

### **2. Failure Update Asset Register**

The fixed assets register was not updated and was not maintained in the prescribed format. This was contrary to Regulation 143 of the Public Finance Management (National Government) Regulations, 2015, which states that (1) the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws; and (2) The register of land and buildings shall record each parcel of land and each building and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent management details.

In the circumstances, the effectiveness of internal controls on maintenance of the fixed asset register could not be confirmed.

### **3. Non-Functional Audit Committee**

Review of the School's Board of Management Sub-Committee minutes revealed that there were no minutes or invitations for audit committee meetings. Consequently, there was no evidence of providing oversight and direction in matters relating to risk management, control environment and independent review of audit reports.

In the circumstances, the effectiveness of internal controls, risk management and overall governance 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 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or 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 are in compliance 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 the 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

## **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be materials weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures, as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

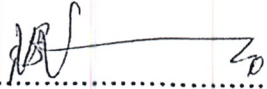
Nairobi

13 October, 2023

V. Statement of Receipts and Payments for the Year Ended 30<sup>th</sup> June 2022

Description Of Vote Head	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts</b>			
Capitation grants for tuition	1	1,057,009	404,740
Capitation grants for operations	2	4,519,268	2,711,523
School fund income- parents' contributions	3	5,637,610	1,786,990
School fund income- other receipts	4	10,139,783	4,649,420
Proceeds from borrowings			0
<b>Total Receipts</b>		<b>21,353,670</b>	<b>9,552,475</b>
<b>Payments</b>			
Payments for tuition	5	998,058	316,011
Payments for operations	6	5,593,263	1,648,737
Boarding and school fund payments	7	12,389,589	6,286,044
<b>Total Payments</b>		<b>18,980,910</b>	<b>8,250,792</b>
<b>Surplus/Deficit</b>		<b>2,372,760</b>	<b>1,301,683</b>

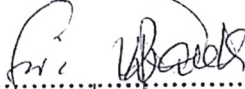
The school financial statements were approved on 26/7/2023 and signed by:



Name: JIM NDURUCHI

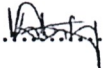
Chair BOM

Date: 26/7/23



Name: Maurice Ojoo  
School Principal/ Secretary to  
BOM

Date: 26/07/2023



Name: LUCY KIVAIRO  
Bursar/ Finance Officer

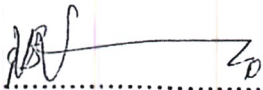
Date: 26/7/23



VI. Statement of Financial Assets and Financial Liabilities as at 30<sup>th</sup> June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	8	1,690,245	2,410,423
Cash balances	9	821	1,753
Short term investment	10	0	0
<b>Total cash and cash equivalent</b>		<b>1,691,066</b>	<b>2,412,176</b>
Account's receivables	11	31,224,855	29,529,363
<b>Total financial assets</b>		<b>32,915,921</b>	<b>31,941,539</b>
<b>Financial liabilities</b>			
Accounts payables	12	(5,091,846)	(6,490,224)
<b>Net financial assets</b>		<b>27,824,075</b>	<b>25,451,315</b>
<b>Represented by</b>			
Accumulated fund b/fwd	13	25,451,315	23,805,132
Prior year adjustment – Debt written off			1,646,500
Surplus/deficit for the year		2,372,760	1,301,683
<b>Net financial position</b>		<b>27,824,075</b>	<b>25,451,315</b>

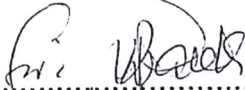
The school's financial statements were approved on 26/7/23 2023 and signed by:

  
.....

Name: JIM NDURUCHI

Chair BOM


Date: 26/7/23

  
.....

Name: Maurice Ojoo

School Principal/ Secretary to BOM

Date: 26/07/2023

  
.....

Name: Lucy Kivairo

Bursar/ Finance Officer

Date: 26/7/23



VII. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Operating activities</b>			
<b>Receipts</b>			
Capitation grants for tuition	1	1,057,009	404,740
Capitation grants for operations	2	4,519,268	2,711,325
School fund income- parents contributions/ fees	3	5,637,610	1,786,990
School fund income- other receipts	4	10,139,783	4,649,420
<b>Total receipts</b>		<b>21,353,670</b>	<b>9,552,475</b>
<b>Payments</b>			
Payments for tuition	5	998,058	316,011
Payments for operations	6	2,933,084	1,648,737
Boarding and school fund payments	7	12,389,589	5,225,544
<b>Total payments</b>		<b>16,320,731</b>	<b>7,190,292</b>
<i>Adjusted for:</i>			
Decrease/(Increase) in accounts receivables		(1,695,492)	802,511
Increase/(Decrease) in accounts payables		(1,398,378)	(169,687)
<b>Net cash flow from operating activities</b>		<b>1,939,069</b>	<b>2,995,007</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of assets		0	0
Acquisition of assets	6	(2,660,179)	(1,060,500)
Proceeds from investments		0	0
Purchase of investments		0	0
<b>Net cash flows from investing activities</b>		<b>(2,660,179)</b>	<b>(1,060,500)</b>
<b>Cash flow from borrowing activities</b>			
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings		0	0
<b>Net cash flow from financing activities</b>			
<b>Net increase in cash and cash equivalents</b>		<b>(721,110)</b>	<b>1,934,507</b>
<b>Cash and cash equivalent at beginning of the year</b>		<b>2,412,176</b>	<b>477,669</b>
<b>Cash and cash equivalent at end of the year</b>	8	<b>1,691,066</b>	<b>2,412,176</b>

VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2022

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis D	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Receipts						
<i>(1) Capitation Grant on Tuition</i>						
Tuition	1,060,500	0	1,060,500	1,057,009	3,491	99.7%
Exercise Books	0	0	0	0	0	0
Laboratory Equipment	0	0	0	0	0	0
Internal Exams	0	0	0	0	0	0
Teaching / Learning Materials	0	0	0	0	0	0
Chalks	0	0	0	0	0	0
Exams And Assessment	0	0	0	0	0	0
Teachers Guides	0	0	0	0	0	0
	1,060,500		1,060,500	1,057,009	3,491	99%
<i>(2) Capitation Grant on Operations</i>						
Personnel Emoluments	1,212,000	0	1,212,000	1,424,660	-212,660	118%
Repairs And Maintenance	1,515,000	0	1,515,000	1,705,500	-190,500	113%
Local Transport / Travelling	454,500	0	454,500	501,600	-47,100	110%
Electricity And Water	515,100	0	515,100	286,400	-228,700	56%
Medical	606,000	0	606,000	0	606,000	0%
Administration Costs	575,700	0	575,700	601,108	-25,408	104%
Activity	454,500	0	454,500	0		0
Bom teachers	143,000	0	143,000	0	143,000	0

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis D	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Smasse	0	0	0	0	0	
<b>(3) Fees Charged on Parents</b>						
Personnel Emoluments	1,969,500	0	1,969,500	1,843,645	125,754	94%
Repairs And Maintenance	909,000	0	909,000	826,450	82,550	91%
Local Transport / Travelling	909,000	0	909,000	847,870	-61,130	93%
Electricity And Water	1,112,010	0	1,112,010	1,004,975	-107,035	90%
Medical	0	0	0	0	0	0%
Administration Costs	1,060,500	0	1,060,500	968,960	-91,540	91%
Activity	151,500	0	151,500	145,710	-5,790	96%
Smasse	0	0	0	0	0	0%
Fee On Boarding Equipment and Stores	9,795,990	0	9,795,990	8,119,583	1,682,107	83%
<b>Other Income</b>						
Rent Income	0	0	0	0	0	0
Income From Farming Activities	0	0	0	0	0	0
Insurance Compensation	0	0	0	0	0	0
Income From Posho Mill	0	0	0	0	0	0
Income From Bus Hire	179,000	0	179,000	179,000	0	100%
KCSE Examination account	171,500	0	171,500	131,200	40,300	77%
Infrastructure account	1,515,000	1,160,814	1,705,500	1,710,000	-4,500	100%
Income From Any Other Investment	0	0	0	0	0	0
<b>Total Income</b>	<b>24,309,300</b>	<b>1,160,814</b>	<b>25,660,614</b>	<b>21,353,670</b>		<b>88%</b>

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis D	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
<i>(1) Expenditure For Tuition</i>						
Reference Materials	50,000	0	50,000	16,300	33,700	33%
Exercise Books	293,760	0	293,760	367,720	73,960	125%
Laboratory Equipment	200,000	0	200,000	95,220	104,780	48%
Internal Exams	0	0	0	0	0	0
Teaching / Learning Materials	300,000	0	300,000	293,400	6,600	98%
Chalks	19,500	0	19,500	21,765	-2,265	111%
Exams And Assessment	279,750	0	279,750	201,175	78,575	72%
Teachers Guides	0	0	0	0	0	0
Administration Costs	0	0	0	0	00	0
Bank Charges	3,000	0	3,000	2,478	522	83%
	1,143,010		1,143,010	998,058		87%
<i>(2) Expenditure For Operations</i>						
Personnel Emoluments	1,244,065	0	1,244,065	1,392,024	-147,959	112%
Repairs, Maintenance & Improvements	1,515,000	1,160,814	2,675,814	2,660,179	15,635	99%
Local Transport / Travelling	423,600	0	423,600	494,500	-70,900	117%
Electricity, Water and Conservancy	510,000	0	510,000	156,286	353,714	31%
Medical	658,140	0	658,140	145,085	513,055	22%
Administration Costs	999,250	0	999,250	534,339	464,911	53%
Activity Expenses	669,050	0	669,050	15,000	654,050	22%
Gratuity	233,135	0	233,135	50,000	183,135	21%
Bom teachers	143,000		143,000	143,000	0	100%

Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis D	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
<b>(3) Expenditure For School Fund</b>						
Personnel Emoluments	1,621,770		1,621,770	1,498,610	356,295	92%
Repairs, Maintenance and Improvements	909,000		909,000	368,525	535,668	41%
Local Transport / Travelling	909,000		909,000	1,014,070	-105,070	112%
Electricity, Water and Conservancy	1,112,010		1,112,010	488,379	623,631	44%
Medical Expenses			0	0	0	0
Administration Costs	549,260		549,260	944,357	-392979	171%
Activity	151,500		151,500	44,000	107,500	29%
Gratuity	0		0	0	0	0
Lunch Programme	0		0	0	0	
Boarding Equipment and Stores	9,654,500		9,654,500	6,049,668	3,604,832	61%
Bank charges cdf	500		500	480	20	
KCSE Examination account	171,500	0	171,500	171,500	0	100%
Bus expenses	177,010	0	177,010	100,000	77,010	44%
Bank Charges	0	0	0	0	0	0
Loan Interest Repayment	0	0	0	0	0	0
Loan Principal Repayment	0	0	0	0	0	0
Acquisition Of Assets	1,515,000	0	1,515,000	1,710,000	0	0
<b>Totals</b>	<b>24,309,300</b>	<b>1,160,814</b>	<b>25,660,614</b>	<b>18,980,910</b>		<b>74%</b>

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

- i. Due to poor fees payment some of the programmes budgeted for in voteheads like boarding, MI, in school fund account could not be accomplished.

## 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.

**Significant Accounting Policies (Continued)****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 30<sup>th</sup> June 2022.

X. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition	1,057,009	404,740
Exercise Books	0	0
Laboratory Equipment	0	0
Internal Exams	0	0
Teaching / Learning Materials	0	0
Chalks	0	0
Exams And Assessment	0	0
Teachers Guides	0	0
<b>Total</b>	<b>1,057,009</b>	<b>404,740</b>

2 Capitation Grant for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	1,424,660	828,589
Repairs And Maintenance	1,705,500	1,065,000
Local Transport / Travelling	501,600	225,600
Electricity And Water	286,400	186,370
Medical	0	0
Administration Costs	601,108	225,766
Activity	0	0
BOM teachers	0	180,000
<b>Total</b>	<b>4,519,268</b>	<b>2,711,325</b>

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	1,843,645	482,200
Repairs and maintenance	826,450	250,500
Local transport / travelling	847,870	244,000
Electricity and water	1,004,975	557,935
Medical	0	0
Administration costs	968,960	251,640
Activity	145,710	715

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Total</b>	<b>5,637,610</b>	<b>1,786,990</b>

## Notes To The Financial Statements (Continued)

## 4 Other Receipts – School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Fee On Boarding Equipment and Stores	8,119,583	3,186,161
Infrastructure account	1,710,000	1,060,500
Income From Farming Activities	0	0
Kese examination account	131,200	0
CDF	0	366,759
Income From Bus Hire	179,000	36,000
Fee For Hire of Ground and Equipment	0	0
Income From Grants and Donations*	0	0
Interest Income	0	0
Dividends Income	0	0
<b>Total</b>	<b>10,139,783</b>	<b>4,649,420</b>

*(Include an explanation on the kind and source of grants/ donations received by the school.)*

## 5 Payments For Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Reference/Library Materials	16,300	23,600
Exercise Books	367,720	0
Laboratory Equipment	95,220	245,465
Internal Exams	0	0
Teaching / Learning Materials	293,400	34,345
Chalks	21,765	3,720
Exams And Assessment	201,175	8,275
Teachers Guides	0	0
Administration Costs	0	0
Bank Charges	2,478	606
<b>Total</b>	<b>998,058</b>	<b>316,011</b>

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	1,392,024	896,573
Administration Cost	533,079	288,996
Repairs And Maintenance & Improvements	0	11,190
Local Transport / Travelling	494,500	115,400
Electricity And Water	156,286	12,300
Medical	145,085	97,958
Activity Expenses	17,850	0
Bank charges – infrastructure account	1,260	0
Gratuity	50,000	0
Bom teachers	143,000	72,000
Acquisition Of Assets	2,660,179	154,320
<b>Total</b>	<b>5,593,263</b>	<b>1,648,737</b>

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	1,498,610	316,343
Service Gratuity	0	0
Repairs And Maintenance & Improvements	368,525	501,215
Local Transport / Travelling	1,014,070	423,650
Electricity And Water	488,379	413,965
Medical Expenses	0	0
Administration Costs	944,357	366,933
Lunch Programme	0	
Bank Charges CDF account	480	0
Expenses On Income Generating Activities		
Fee On Boarding Equipment and Stores	6,049,668	3,163,638
Bus Expenses	100,000	36,000
Insurance Cost (Life Property)		
KCSE Examination account	171,500	0
Activity	44,000	3,800
Acquisition Of Assets	1,710,000	1,060,500
<b>Total</b>	<b>12,389,589</b>	<b>6,286,044</b>

Notes To The Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	1108074944	168,311	101,965
Operations Account	1108078737	192,647	411,761
School Fund Account/Boarding	1107125073	197,337	152,710
Savings Account	1106465423	694,037	354,155
CDF Account	01139610079900	419,038	419,518
Income Generating Activities Account	0	0	0
Infrastructural Account	1264853475	18,875	970,314
<b>Total</b>		<b>1,690,245</b>	<b>2,410,423</b>

9 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	0	0
Operation Account	0	0
School Fund account	821	1,753
<b>Total</b>	<b>821</b>	<b>1,753</b>

10 Short Term Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative Shares	0	0
Treasury Bills	0	0
Fixed Deposit	0	0
Equity Stock	0	0
Other Investments	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## Notes To The Financial Statements (Continued)

## 11 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	31,218,655	29,338,968
NSSF	0	86,927
R/D Cheque	0	5,000
Salary Advances	6,200	87,368
NHIF	0	11,100
<b>Total</b>	<b>31,224,855</b>	<b>29,529,363</b>

[Include an ageing of the fees / non fees arrears below]

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	4,051,712	1,807,425
Fees Arrears For The Previous Year	0	1,285,382
Fees Arrears For Prior Periods (Over Two Years)	27,166,943	26,246,161
<b>Total</b>	<b>31,218,655</b>	<b>29,338,968</b>

## 12 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	4,293,439	5,681,972
Prepaid Fees	70,907	39,567
Excess fees	20,310	3,945
Staff welfare	60,600	60,600
Staff sacco	488,190	545,740
Loan 2007	158,400	158,400
<b>Total</b>	<b>5,091,846</b>	<b>6,490,224</b>

[Include an ageing of the creditor's arrears below]

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors for Current Year	1,021,357	1,429,572
Trade Creditors for The Previous Year	100,000	117,145
Trade Creditors for Prior Periods (Over Two Years)	3,172,082	4,135,255
<b>Total</b>	<b>4,293,439</b>	<b>5,681,972</b>

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	2,410,423	477,609
Cash Balances	1,753	60
Short Term Investments	0	0
Receivables	29,529,363	30,361,406
Payables	(8,136,724)	(8,306,410)
Debt written off	1,646,500	1,646,500
<b>Total</b>	<b>25,451,315</b>	<b>24,179,165</b>

**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	2021-2022	2020-2021
	Kshs	Kshs
Bank Loan(S)	0	0
Outstanding Leases	0	0
Hire Purchase	0	0
Gratuity And Leave Provision	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**15 Biological assets**

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle		0	0
Goats		0	0
Trees		87	87
Coffee Or Tea Plantation		0	0
Poultry		0	0
<b>Total</b>		<b>87</b>	<b>87</b>

**16 Borrowings**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>a) Borrowings</b>	0	0
Borrowing at beginning of the year	0	0
Borrowings during the year	0	0
Repayments of during the year	0	0
<b>Balance at end of the year</b>	<b>0</b>	<b>0</b>

Other important disclosure notes

17 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>b) Inventory</b>		
Stock/ inventory at beginning of the year	301,694	262,820
Stock/ inventory purchased during the year	4,073,586	1,555,353
Stock/ inventory issued during the year	4,164,125	1,516,343
<b>Balance at end of the year</b>	<b>211,155</b>	<b>301,694</b>

**FRIENDS BOYS HIGH SCHOOL MISIKHU**  
**Reports and Financial Statements for the year ended 30<sup>th</sup> June 2022**  
**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)

-----  
 Sign and Date  
 Principal

*FRIENDS BOYS HIGH SCHOOL MISIKHU*

**Reports and Financial Statements for the year ended 30<sup>th</sup> June 2022**

**Annex 1 - Analysis of Pending Accounts Payable**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
	a	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
1. John Ngoya – Classroom Renovation	264,817	2,013		264,817		
2. John Ngoya – Classroom Construction	197,820	2,015		197,820		
3. John Ngoya – Toilets Construction	71,500	2,014	60,000	11,500		
<b>Sub-Total</b>	<b>534,137</b>		<b>60,000</b>	<b>474,137</b>		
<b>Supply Of Goods</b>						
4. Vaghela School Centre – Stationary	332,328	2,017	123,000	209,328		
5. John Ngoya – Firewood	30,000	2,014		30,000		
6. Kipkeino Sports House – Games Equip	22,850	2,014		22,850		
7. Stewan Hardware – Building Materials	110,490	2,015		110,490		
8. Isavo Blessed General Supplies – Stationary	26,880	2,015		26,880		
9. Summit Computer Tech – Catridges	23,000	2,015		23,000		
10. Douglas Wanyonyi – Firewood	26,620	2,015		26,620		
11. John Ngoya – Window And Door Frames	123,172	2,015		123,172		
12. Judith Wepukhulu – Maize	350,000	2,016	150,000	200,000		
13. Joseph Misiko – Meat	444,850	2,017		444,850		
14. Eldoline Enterprises – Catridges	179,800	2,017	80,000	89,800		
15. Komavi Enterprises – Paint	4,800	2,017		4,800		
16. Subira H/W – Building Materials	203,160	2,017	50,000	153,160		
17. Stephen Wepkhulu – Firewood	102,872	2,017		102,872		
18. Lucy Kilwake – Oranges	15,280	2,018		15,280		
19. Emp – Disinfectant	23,200	2,018		23,200		
20. Seropa Enterprises – Whiteboard Markers	76,800	2,018	30,000	46,800		
21. Jaribu General Stores – Newspapers	6,300	2,018		6,300		
22. Remo – Sports Equip	112,800	2,018	50,000	62,800		
23. Destiny Generations – Bread	22,260	2,022		22,260		
24. Mwenya Karani – Vegetables	10,990	2,022		10,990		
25. Elizabeth Kakai – Vegetables	8,575	2,022		8,575		
26. Stepheb Simiyu – Vegetables	12,040	2,022		12,040		

*FRIENDS BOYS HIGH SCHOOL MISIKHU*

**Reports and Financial Statements for the year ended 30<sup>th</sup> June 2022**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
27. Janerose Satia – Onions And Tomatoes	7,200	2,022		7,200		
28. Kiscen Enerprises – Balls	25,900	2,022		25,900		
29. Moses Namusasi – Trees	30,000	2,022		30,000		
30. Dagrif Investments – Notice Boards	135,000	2,022		135,000		
31. Mabby Con - Envelopes	64,765	2,022		64,765		
32. Kimilili Electricals – Elicitrical Services	25,480	2,022		25,480		
33. Sainath Books And General Supplies	35,600	2,022		35,600		
34. Stef And Alphones General Supplies	180,500	2,022		180,500		
35. Home Health Education Service	16,300	2,022		16,300		
36. Computer For Schools Kenya	240,000	2,021	120,000	120,000		
37. Nzoia Water Services	59,776	2,012		59,776		
38. Mta Enterprises – Meat	168,265	2,014		168,265		
39. Rosemary Walela – Maize	225,300	2,016	190,000	35,300		
40. John Ngoya - Timber	237,000	2,015		237,000		
41. Western Glass H/W - Paint	70,490	2,017	40,000	30,490		
<b>Sub-Total</b>	<b>3,789,471</b>		<b>833,000</b>	<b>2,956,471</b>		
<b>Supply Of Services</b>						
42. Shadrack Wanyonyi – Grinding	12,320	2,022		12,320		
43. Henry Mukhwana – Grinding	107,214	2,017		107,214		
44. Sakwa Motors Garage – Bus Repair	70,000	2,021		70,000		
45. Silvage Motors Garage – Bus Repair	9,500	2,021		9,500		
46. Mabby Con – Lab Repairs	40,365	2,022		40,365		
47. Osborne Kijuba – Electrical Repairs	7,000	2,022		7,000		
48. Kplc	26,467	2,022		26,467		
49. Lugulu Mission Hospital	61,993	2,006		61,993		
50. Salary March 2018	310,868	2,018	151,796	159,072		
51. Ombwede Eng Services Furniture And Beds Repair	332,900	2,018	100,000	232,900		
52. Evans Wafula – Furniture Repair	36,000	2,013		36,000		
53. Dalu Energy Systems – Repair Of Jikos	375,000	2,021	275,000	100,000		
<b>Sub-Total</b>	<b>1,389,627</b>		<b>526,796</b>	<b>862,831</b>		
<b>Grand Total</b>	<b>5,713,235</b>		<b>1,419,796</b>	<b>4,293,439</b>		

**FRIENDS BOYS HIGH SCHOOL MISIKHU**  
**Reports and Financial Statements for the year ended 30<sup>th</sup> June 2022**

**Annex 2 – Summary Of Fixed Assets Register**

Asset class	Date purchased	Location	Historical Cost		Disposals during the year	Historical Cost c/f
			b/f	Kshs		
			1 <sup>st</sup> July 2020	30 <sup>th</sup> June 2021		
			Kshs	Kshs	Kshs	Kshs
Land						
Land 1(0.68ha)	18/03/03	Misikhu		-	-	-
Land 2(0.16ha)	1/7/2008	Misikhu		-	-	-
Land 3(6 acres)	27/03/01	Misikhu		-	-	-
Land 4(0.44ha)	10/11/2000	Misikhu		-	-	-
Buildings and structures:						
Office and staffroom block			3,000,000			3,000,000
Form 3&4 block			3,320,000			3,320,000
Library block			3,320,000			3,320,000
Form 2 block			2,490,000			2,490,000
Computer lab			1,100,000			1,100,000
Form 1 block			2,490,000			2,490,000
Science laboratory			6,000,000			6,000,000
Dormitories			19,500,000			19,500,000
Dining hall and kitchen			5,000,000			5,000,000
Staff houses			7,300,000			7,300,000
Motor vehicles	2014	School	6,700,000	-	-	6,700,000
Office equipment, furniture and fittings		Administration Office		-	-	-
ICT Equipment, and Other ICT Assets	2021	Computer Lab	240,000	-	-	240,000

**FRIENDS BOYS HIGH SCHOOL MISIKHU**  
**Reports and Financial Statements for the year ended 30<sup>th</sup> June 2022**

Asset class	Date purchased	Location	Historical Cost b/f	Additions during the year	Disposals during the year	Historical Cost c/f
			Kshs	Kshs	Kshs	30 <sup>th</sup> June 2021
			1 <sup>st</sup> July 2020			
Tools and apparatus						-
Textbooks	2019	Library				-
Other Machinery and Equipment	2019	Generator	55,000	-	-	55,000
Heritage and cultural assets						
Intangible assets- soft ware						
<b>Total</b>			<b>60,515,000</b>	<b>-</b>	<b>-</b>	<b>60,515,000</b>