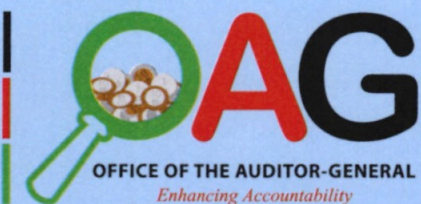


REPUBLIC OF KENYA

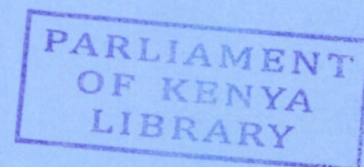


REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 13 JUN 2026	DAY: Tuesday
TABLED OF	Hon. Naomi Wago, CBS, MP (Deputy Majority Party Whip)
CLERK-AT THE-TABLE:	Lomale

THE AUDITOR-GENERAL

ON



KANGARU SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2023

EMBU COUNTY

Revised 30th June 2023.



KANGARU SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

KANGARU SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

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1.0 Acronyms and Glossary of Terms

Provide a list of all applicable acronyms and glossary of terms e.g.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education

2. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

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

The school is a boarding school and had 1619 number of students as at 30th June 2023. It has 8 streams and 71 teachers of which 11 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

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

The function of the School Board of Management includes:

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

		Mr. Paul Muriuki Mr. Mugo Brasio Mr. Joseph Murage	Member Member Member	
6	Discipline Ethics and Integrity Committee	Ileri Waithabu Mrs. Murugi Mugo Mr. Joseph Murage Mr. James Ndwiga Mr Paul muriuki Dr Peter Nyaga	Chairman Member Member Member Member Member	1
7	Adhoc Committee (if any during the year)			

(d) School operation Management

For the financial year ended 30th June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Mr. Paul Muriuki	322761
2	Deputy Principal	Mr. Abur Christopher Mr. Mugo Brasio	468536 323879
3	School Bursar	Monicah Mutahi	22824028

(e) Schools contacts

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

(f) School Bankers

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

1. Name of Bank: Cooperative (Tuition)
 Branch: Embu
 Account Number: 01139051721200
2. Name of Bank: Cooperative (Operations)
 Branch: Embu
 Account Number: 01139051721201
3. Name of Bank: Cooperative (Farm)
 Branch: Embu
 Account Number: 01120051721200

4. Name of Bank: Cooperative (CDF)
 Branch: Embu
 Account Number: 01141051721200

5. Name of Bank: Equity (School Fund)
 Branch: Embu
 Account Number: 0190296644447

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

7. MPESA Pay Bill No. 906900 attached to Equity Bank Account.
 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

3. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

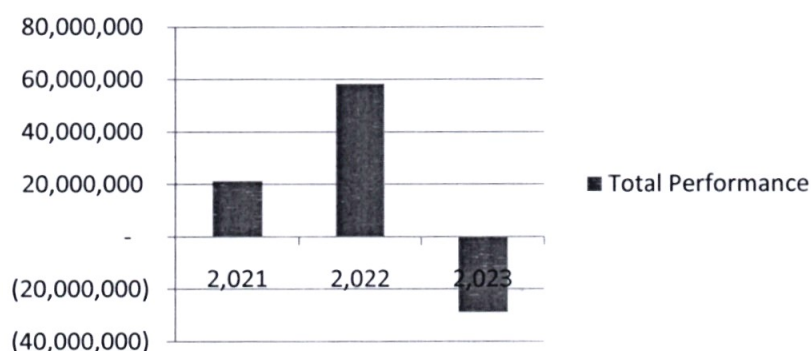
a) **Financial performance:** *Under this section, the following information should be given:*

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

Financial Performance - Deficits and/or Surpluses_ 3 Year Trend							
	Account						
	School Fund	OPERATION	Tuition	Infrastructue	Farm	CDF	Total
Year							
2,021	14,606,674	2,118,648	(226,693)	5,654,520	-	(866,595)	21,286,554
2,022	51,543,342	7,796,032	(396,362)	(1,370,784)	960,050	(132,570)	58,399,707
2,023	(16,735,390)	(11,369,163)	(1,964,433)	2,105,250	(957,556)	35,730	(28,885,562)
Total	49,414,626	(1,454,483)	(2,587,488)	6,388,986	2,494	(963,436)	50,800,699

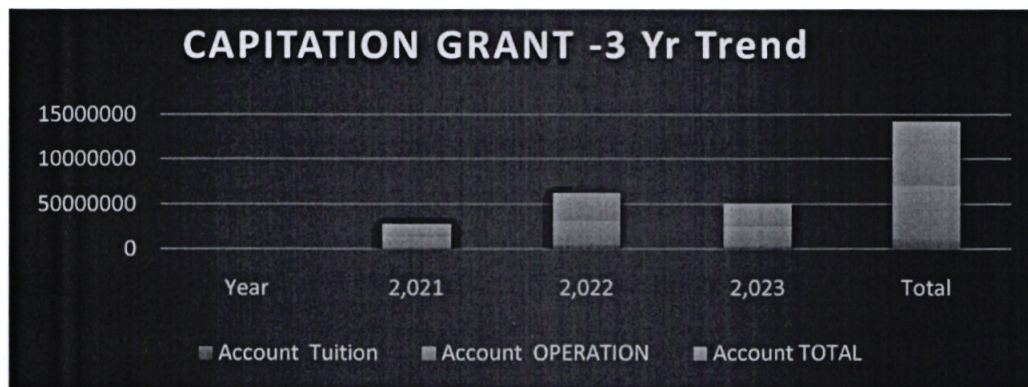
		Total Performance
Year		
	2,021	21,286,554
	2,022	58,399,707
	2,023	(28,885,562)

Total Financial Performance



Capitation grants from the ministry of education for the last three years

CAPITATION GRANT -3 Yr Trend				
		Account		
		Tuition	OPERATION	TOTAL
	Year			
	2,021	1,595,081	12,460,186	14,055,267
	2,022	5,863,350	25,621,390	31,484,740
	2,023	4,174,637	21,327,705	25,502,342
	Total	11,633,068	59,409,281	71,042,349

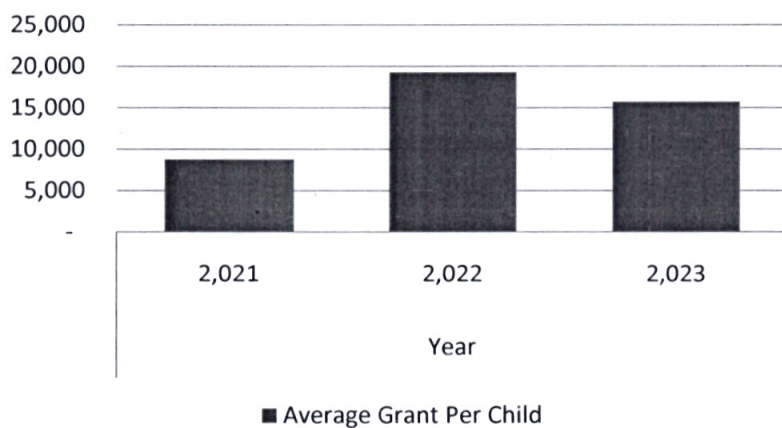


Ratio of capitation grant per student over the last three years

Capitation Grant Per CHILd -3 Yr Trend			
	Year		
	2,021	2,022	2,023
TOTAL GRANT RECEIVED	14,055,267	31,484,740	25,502,342
Highest Enrolment in the Year	1,594	1,630	1,619
Average Grant Per Child	8,818	19,316	15,752

	Year		
	2,021	2,022	2,023
Average Grant Per Child	8,818	19,316	15,752

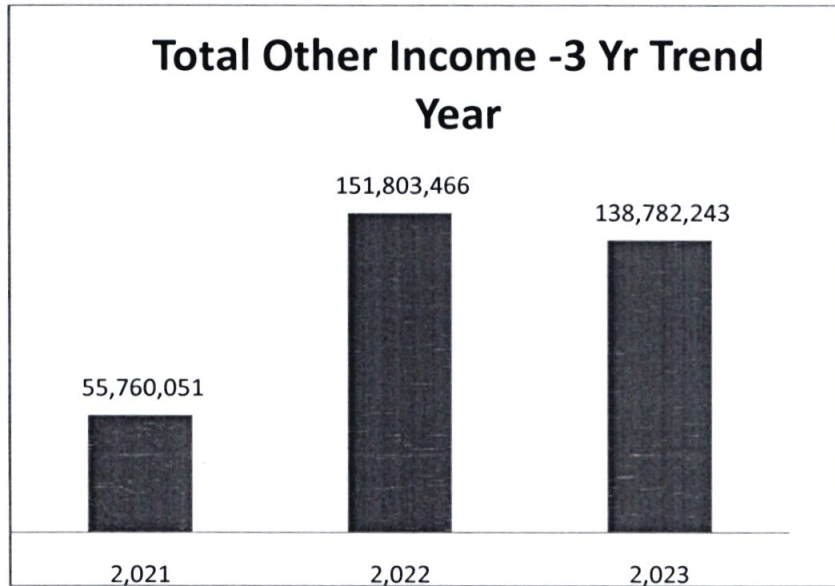
Average Grant Per Child



A three years overview of growth of other income(S) earned by the school

Growth of Other Incomes -3 Yr Trend						
		Income Source				
		School Fund	Farm	Infrastructue	CDF	Total
YEAR						
	2,021	50,105,531	-	5,654,520	-	55,760,051
	2,022	144,490,596	964,370	6,348,500	-	151,803,466
	2,023	130,556,298	401,710	7,787,185	37,050	138,782,243
	Total	325,152,425	1,366,080	19,790,205	37,050	346,345,760

Total Other Income -3 Yr Trend		
Year		
	2,021	55,760,051
	2,022	151,803,466
	2,023	138,782,243

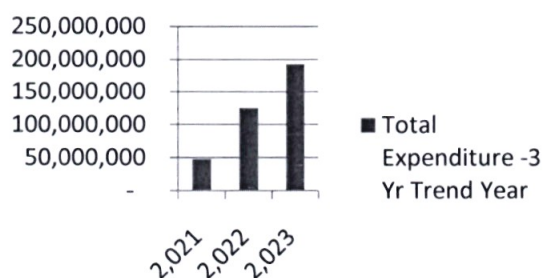


A three years overview of growth in expenditure of the school

Expenditure -3Yr Trend							
	School Fund	OPERATION	Tuition	Farm	Infrastructue	CDF	Yr Total
YEAR							
2,021	35,498,857	10,341,538	1,821,774	-	-	-	47,662,169
2,022	92,947,254	17,825,358	6,259,712	4,320	7,719,284	132,570	124,888,498
2,023	147,291,688	32,696,868	6,139,070	1,359,266	5,681,935	1,321	193,170,147
Total	275,737,799	60,863,764	14,220,556	1,363,586	13,401,219	133,891	365,720,814

Total Expenditure -3 Yr Trend		
Year		
	2,021	47,662,169
	2,022	124,888,498
	2,023	193,170,147

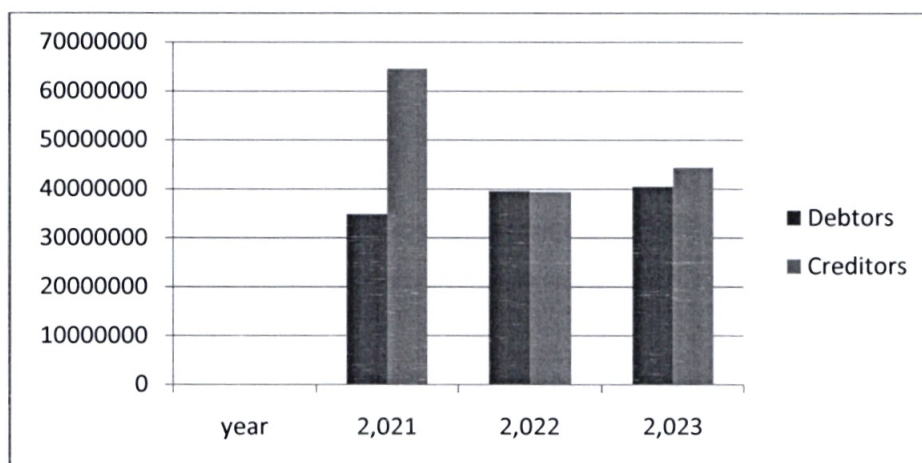
Total Expenditure -3 Yr Trend Year



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

Debts and Creditors -3Yr Trend									
			Account						
			School Fund	OPERATION	Tuition	Farm	INFRASTRUCTURE	CDF	Yr Total
Year	2,021	Debtors	34,853,129						34,853,129
		Creditors	59,273,734	-	5,322,562	-	-	-	64,596,296
	2,022	Debtors	39,620,422	-	-	-	-	-	39,620,422
		Creditors	34,074,752	-	5,322,562	-	-	-	39,397,314
	2,023	Debtors	40,517,985	-	-	-	-	-	40,517,985
		Creditors	37,112,553	45,342	7,072,422	520,000	(324,270)	-	44,426,047
	Total	Debtors	114,991,536	-	-	-	-	-	114,991,536
		Creditors	130,461,039	45,342	17,717,546	520,000	(324,270)	-	148,419,657

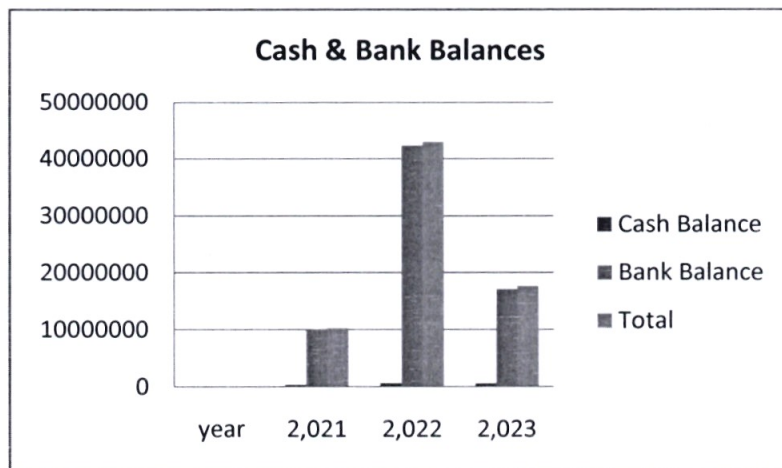
	Debtors	Creditors
year		
2,021	34,853,129	64,596,296
2,022	39,620,422	39,397,314
2,023	40,517,985	44,426,047



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

Cash and Bank Balances -3Yr Trend									
			Account						
			School Fund	OPERATION	Tuition	Farm	INFRASTRUCTURE	CDF	Yr Total
Year		Cash	335,927	181	-	-	-	-	336,108
		Bank	5,652,753	3,418,018	627,348	133,405	-	133,405	9,964,928
2,022		Cash	643,975	181	-	550	-	-	644,706
		Bank	25,635,046	11,214,050	230,986	959,500	4,283,736	835	42,324,152
2,023		Cash	570,633	-	-	950	-	-	571,583
		Bank	10,463,867	-	16,413	521,544	6,064,716	36,565	17,103,104
Total		Cash	1,550,535	362	-	-	-	-	1,550,897
		Bank	41,751,666	14,632,068	874,747	1,614,448	10,348,452	170,804	69,392,184

	Cash Balance	Bank Balance	Total
year			
2,021	336,108	9,964,928	10,301,036
2,022	644,706	42,324,152	42,968,858
2,023	571,583	17,103,104	17,674,687



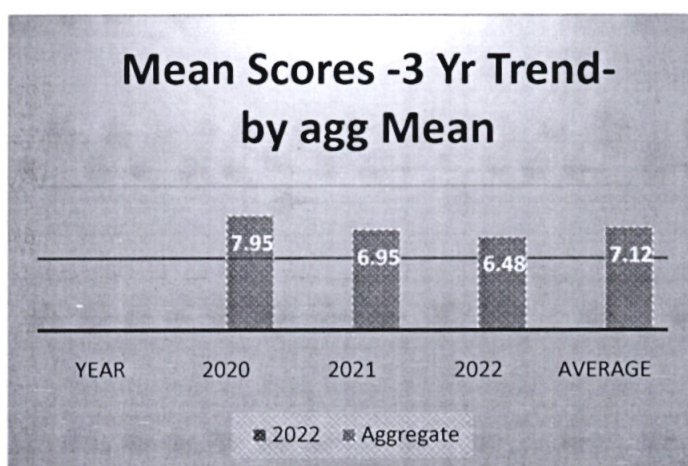
b) Teachers student ratio

Ratio of students to Teachers	
Total enrolment	1,619
Total No of Teachers	1
Students : Teachers ratio	1,619
Teachers Turnover	
No of teachers recruited in the year	5
No of teachers transferred inwards in the year	3
No of teachers transferred outwards in the year	2
Net inflow of teachers	6
Teachers Employment	
No of teachers required by CBE	70
No of teachers employed by TSC	60
Shortage / Surplus No of teachers before BOM teachers	10
No of teachers employed by BOM	10
Net Shortage / Surplus No of teachers	-

c) MEAN SCORE IN THE 2022 KCSE

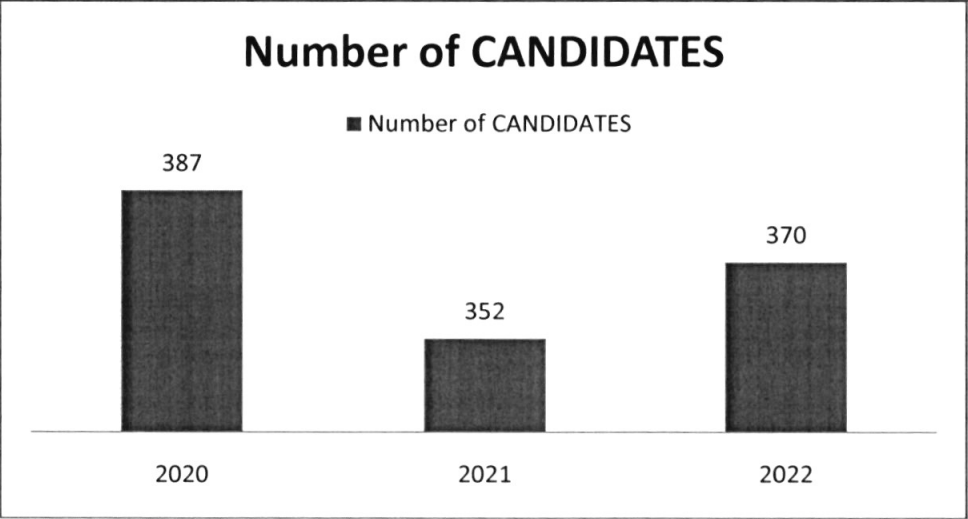
Mean Scores -3 Yr Trend

YEAR	Subject Means														
	MATH	ENG	KISW	BIO	Chem	Phy	GEO	HIST	CRE	Agric	Bstud	Comp	D/D	French	Aggregate
2020	8.00	7.07	6.90	5.48	5.30	6.40	9.30	10.40	9.04	10.80	8.76	11.30	8.20	6.90	7.95
2021	6.90	7.30	7.46	5.82	4.18	5.40	9.68	8.17	6.80	7.68	7.02	10.00	9.70	6.54	6.95
2022	5.17	7.22	6.50	5.56	4.40	4.90	8.05	8.30	7.30	8.70	5.15	10.79	8.00	6.10	6.48
Average	6.69	7.20	6.95	5.62	4.63	5.57	9.01	8.96	7.71	9.06	6.98	10.70	8.63	6.51	7.12



d) NUMBER OF CANDIDATES IN THE 2022 KCSE

NUMBER OF CANDIDATES		
Year		
2020		387
2021		352
2022		370



e) CAPACITY OF THE SCHOOL

	NO OF STREAMS	Teachers' CBE	Required No of NTS				
	8	70	42				

Capacity Analysis

Infrastructure TYPE	Unit of infrastructure measurement	Quantity of infrastructure required	Quantity of infrastructure available today	Infrastructure gap	Comment-Indicate if gap is - Very critical, Critical or Not so critical (tick as appropriate)		
					Very Critical	Critical	Not Critical
Classrooms	Number	32	32	Shortage of classrooms equivalent to:			
				-			
				classroom(s)			
Laboratories	Number	8	6	Shortage of laboratory facilities equivalent to:			
				2			
				Laboratories			
Toilet Doors	Number	120	93	Shortage of toilet facility equivalent to:			
				27			
				toilet doors			
Offices	Number	25	18	Shortage of office facilities equivalent to:			
				7			
				offices			
Dining Hall	Number of students well seated	1,600	800	Shortage of dining facilities equivalent to:			
				800			
				students not seated			
Library	Number of students well seated	400	218	Shortage of library facilities equivalent to:			
				182			

KANGARU SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

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

f) Development projects carried out by the school:

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

Name of project						
(i) 3 STORY DORM	(ii) CBC CLASSROOM	(iii) LIBRARY SANITATION UNIT	(iv) REPAIR OF DRIVEWAYS	(v) ABLUTION BLOCK (SCH GATE)	NEW STUDENTS	NEW LIBRARY
	- FINAL WORKS		& PATHS		LOCKERS(729PCS)	CHAIRS(300PCS)
PARENTS CONTRIBUTION	MI FUNDING	MI FUNDING	MI FUNDING	MI FUNDING	MI FUNDING	MI FUNDING
FULL CONTRACT	LABOUR	LABOUR	LABOUR	LABOUR	LABOUR	FULL CONTRACT
47,152,457	64,000	160,900	292,200	210,000	356,310	1,230,000
2022 5th MAY						
31.12.2022	15.07.2022	15.07.22	2.08.2022	13.12.2022	10.12.2022	29.01.23
COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE	COMPLETE
47,152,457	64,000	160,900	292,200	210,000	356,310	1,230,000
42,749,415	64,000	160,900	292,200	210,000	356,310	1,230,000
4,403,042	-	-	-	-	-	-

SIGN
SCHOOL PRINCIPAL

4. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

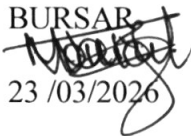
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *Kangaru School* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, 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: SECRETARY BOARD OF MANAGEMENT
Sign: 
Date: 23/03/2026

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

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KANGARU SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – 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 24, which comprise of the statement of assets and liabilities for the year ended 30 June, 2023, statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year ended, and a summary of

significant accounting policies and other explanatory information 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, 2023 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. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflect bank balance of Kshs.17,103,104 as disclosed in Note 8 to the financial statements. Included in the balance are six (6) bank accounts with account balances of Kshs.16,413, Kshs.10,463,867, Kshs.6,064,717, Kshs.521,544, Kshs.36,565 and Kshs.0 (Nil). However, these bank balances were not supported with bank reconciliation statements.

In the circumstances, the accuracy, completeness, existence of cash and cash equivalents balance of Kshs.18,572,154 could not be confirmed.

2. Unsupported Short-term Investments

The statement of assets and liabilities and as disclosed in Note 10 to the financial statements reflects short-term investments balance of Kshs.897,467. However, the balance was not supported by a ledger, investment certificates or any other relevant documents. 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.87,911,350 and Kshs.164,284,585 respectively, resulting in an over-funding of Kshs.76,373,235 or 87% of the budget. However, the School spent an amount of Kshs.87,911,350 against actual receipts amounting to

Kshs.193,170,147, resulting in an under-utilization of Kshs.105,258,797 or 112% of actual receipts. However, the School spent an amount of Kshs.87,911,350 against actual receipts amounting to Kshs.193,170,147, resulting in an under-utilization of Kshs.105,258,797 or 120% of actual receipts.

The over-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 Information

Management is responsible for the Other Information set out on page iii to xv which comprise of Key School Information and Management, Summary Report of Performance of the School and the Statement of School's Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the school's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unapproved Expenditure

The statement budgeted versus actual amounts reflects final approved expenditure budget and actual of Kshs.87,911,350 and Kshs.193,170,147 resulting in an over expenditure of Kshs.105,258,797 whose approval was not provided for audit review. This

was contrary to Regulations 40(1) of the Public Finance Management (National Government) Regulations, 2015 stipulates that each Accounting Officer shall, within the guidelines of the supplementary budget circular and in conformity with budget guidelines issued by the Cabinet Secretary, prepare revised budget estimates in the format to be issued by the Cabinet Secretary. Further, Regulations 40(2) of the Public Finance Management (National Government) Regulations, 2015 stipulates states that prior to incurring any expenditure under paragraph (1), Accounting Officers shall seek the approval of The National Treasury, and if approval is granted by the Cabinet Secretary, it shall be communicated to the Accounting Officers through a notification which shall be copied to the Auditor-General and the Controller of Budget.

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

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

The statement of receipts and payments reflects operation payments amount of Kshs.32,696,868 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.2,751,000 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.2,751,000 could not be confirmed.

3. Long Outstanding Payables

The statement of statement of assets and liabilities and as disclosed in Note 12 to the financial statements reflects payables balance of Kshs.45,892,223. However, included in the balance are trade payables balance of Kshs.30,113,620 which had been outstanding for more than three (3) years, and risk of loss of public funds through litigations, interests and penalties. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that, 'service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

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

4. Failure to Prepare School Improvement Plan

During the year under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

5. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.21,327,705 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.6,165,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.5,084,000 was transferred to infrastructure account, leaving a balance of Kshs.1,081,000 as at 30 June, 2023. This was contrary to the Ministry of Education Circular Ref. No:MOE,HQS/3/13/3, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

6. Irregularities in Procurement Processes

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

6.1. 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.

6.2. Unstructured Procurement Processes

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

6.3. Weaknesses in Record Keeping

During the year 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.

7. Late Submission of Financial Statements to the Auditor-General

During the year under review, Management submitted the financial statements to the Auditor-General on 23 February, 2026 instead of the statutory deadline of 30 September, 2023. 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.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the School did not constitute an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the existence of an effective oversight mechanisms could not be confirmed.

2. Lack of Approved Organization Structure

During the year under review, the School did not have an approved organizational structure. There was no evidence of an organizational chart approved by the Board of Management outlining reporting lines, roles, and responsibilities of staff members.

In the circumstances, the effectiveness of controls on staff performance could not be confirmed.

3. Lack of Approved Staff Establishment

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

structure in each department, optimal staffing levels, schemes of service and career progression guidelines.

In the circumstances, the effectiveness of controls on staff optimum levels could not be confirmed.

4. Long Outstanding Receivables

The statement of assets and liabilities reflect accounts receivable balance of Kshs.40,517,985 in respect of fees arrears as disclosed in Note 11 to the financial statements. However, Management did not provide accounts receivable ageing analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 March, 2026

6. Statement of Receipts and Payments Year Ended 30th June 2023

Description Of Vote Head	Note	2023	2022
		Kshs	Kshs
RECEIPTS			
Government grants for tuition	1	4,174,637	5,863,350
Government grants for operations	2	21,327,705	25,621,390
Parents' Contributions income In school fund	3	84,988,897	103,577,375
Income- Other receipts in school fund	4	45,567,401	40,913,221
Government grants for infrastructure	4a	7,787,185	6,348,500
Income in farm	4b	401,710	964,370
Income in CDF	4c	37,050	-
Proceeds from borrowings		-	-
Total Receipts		164,284,585	183,288,205
PAYMENTS			
Tuition	5	6,139,070	6,259,712
OPERATION	6	32,696,868	17,825,358
Boarding and-School Fund	7	147,291,688	92,947,254
INFRASTRUCTURE	7a	5,681,935	7,719,284
Farm	7b	1,359,266	4,320
CDF	7c	1,321	132,570
Total Payments		193,170,147	124,888,498
Deficit/Surplus		(28,885,562)	58,399,707

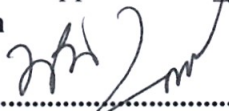
The school financial statements were approved on _____ and signed by:

Sign:



Joseph Njeru Mugoh
Chair BOM
23/03/2026

Sign



Paul Muriuki
School Principal
23/03/2026

Sign



Monicah Mutahi
Bursar
23/03/2026

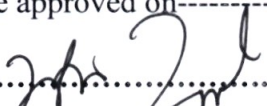
7. Statement Of Assets And Liabilities As At 30th June 2023

Description	Note	2023	2022
		Kshs	Kshs
Financial Assets			
Cash and Cash Equivalents			
Bank Balances	8	17,103,104	42,324,152
Cash Balances	9	571,583	644,706
Short term Investment	10	897,467	897,467
Total Cash and cash equivalent		18,572,154	43,866,325
Account's receivables	11	40,517,985	39,620,422
Total Financial Assets		59,090,139	83,486,747
Financial Liabilities			
Accounts Payables	12	45,892,223	41,403,269
Net Financial Assets		13,197,916	42,083,478
Represented By			
Accumulated Fund b/fwd	13	42,083,478	(16,316,229)
Surplus/Deficit for the year		(28,885,562)	58,399,707
Net Financial Position		13,197,916	42,083,478

The school financial statements were approved on----- and signed by:

.....


Joseph Njeru Mugoh
Chair BOM
23/03/2026

.....


Paul Muriuki
School Principal
23/03/2026

.....


Monicah Mutahi
Bursar
23/03/2026

8. Statement Of Cash Flows For The Year Ended 30th June 2023

Description		2023	2022
	Note	Kshs	Kshs
Cash from operating activities			
Government grants for Tuition	1	4,174,637	5,863,350
Government grants for operation	2	21,327,705	25,621,390
School Fund Income- Parents contributions/ fees		92,449,028	105,580,248
School fund Income- other receipts		42,553,585	39,211,760
Government grants for infrastructure	4a	7,787,185	6,348,500
Other income- farm	4b	401,710	964,370
Other income – CDF		37,050	-
Total receipts		168,730,900	183,589,617
Payments			
Cash outflow for Tuition		4,389,210	6,259,712
Cash outflows for Operation		32,651,526	17,825,358
Cash outflows Boarding and school fund payments		150,247,134	124,501,667
Cash outflow for farm		839,266	4,320
Total payments		188,127,136	148,591,057
Net cash flow from operating activities		(19,396,236)	34,998,560
Cashflow From Investing Activities			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		(6,007,526)	(7,851,854)
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from Investing Activities		(6,007,526)	(7,851,854)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Overdraft		-	-

KANGARU SCHOOL

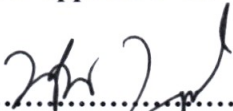
Annual Report and Financial Statements For the year ended 30th June 2023

		109,590	
Net cash flow from financing activities		109,590	-
Net Increase In Cash And Cash Equivalents		(25,294,171)	27,146,706
Cash and cash equivalents at Beginning of the year		43,866,326	16,719,619
Cash and cash equivalent at End of the year		18,572,154	43,866,325
Cash and cash equivalents as per FA&FL		18,572,154	43,866,325

The schools financial statements were approved on2026 and signed by:

.....


Joseph Njeru Mugoh
Chair BOM
23/03/2026

.....


Paul Muriuki
School Principal
23/03/2026

.....


Monicah Mutahi
Bursar
23/03/2026

9. Statement Of Budgeted Versus Actual Amounts For The Year Ended 30th June 2023

			Final	Actual On	Budget	
Receipt/expenses Item	Original Budget	Adjustments	Budget	Comparable Basis	Utilization	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) Capitation Grant On Tuition						
Teaching & L. mat.	-	-	-	4,174,637	(4,174,637)	0
Total Capitation Grant On Tuition Income	-	-	-	4,174,637	(4,174,637)	0
(2) Capitation Grant On Operations						
Devt -RMI	-	-	-	6,165,000	(6,165,000)	0
Activity	-	-	-	1,276,912	(1,276,912)	0
Medical & ins.	-	-	-	335,000	(335,000)	0
OTHERS	-	-	-	13,470,525	(13,470,525)	0
NHIF -EDU AFYA	-	-	-	80,268	(80,268)	0
Total CAPITATION GRANT ON OPERATIONS	-	-	-	21,327,705	(21,327,705)	0
(3) Fees Charged On Parents						
Uniform	-	-	-	3,334,617	(3,334,617)	0
Development -MI	1,002,850	-	1,002,850	4,166,315	(3,163,465)	415
Activity	2,462,950	-	2,462,950	881,346	1,581,604	36
B.E and Stores	45,929,600	-	45,929,600	50,594,456	(4,664,856)	110
P/EMOLUMENTS	7,750,000	-	7,750,000	16,865,221	(9,115,221)	218
EWC	2,039,800	-	2,039,800	2,831,391	(791,591)	139
ADM.COST	2,035,150					

		-	2,035,150	3,389,497	(1,354,347)	167
LTT	1,581,000	-	1,581,000	2,926,054	(1,345,054)	185
(3) FEES CHARGED ON PARENTS	62,801,350	-	62,801,350	84,988,897	(22,187,547)	135
School Fund -OTHER INCOME						
PTA-DEVELOPMENT	3,100,000	-	3,100,000	3,430,685	(330,685)	111
Rent Income	-	-	-	191,200	(191,200)	0
BOM TEACHERS	6,975,000	-	6,975,000	8,823,815	(1,848,815)	127
ASP	6,975,000	-	6,975,000	8,702,309	(1,727,309)	125
PTA -INFRASTRUCTURE	7,750,000	-	7,750,000	15,277,556	(7,527,556)	197
PENALTY	-	-	-	34,000	(34,000)	0
FARM ACCOUNT	-	-	-	716,838	(716,838)	0
LIBRARY BOOKS	-	-	-	1,230,002	(1,230,002)	0
BAKERY	-	-	-	6,706,965	(6,706,965)	0
KUCCPS	-	-	-	211,200	(211,200)	0
CANTEEN RENT	-	-	-	154,615	(154,615)	0
LABORATORY DAMAGES	-	-	-	88,216	(88,216)	0
School Fund -OTHER INCOME	25,110,000	-	25,110,000	45,567,401	(20,457,401)	181
4)FDSE INFRASTRUCTURE						
INFRASTRUCTURE	7,750,000	(7,750,000)	-	7,787,185	(7,787,185)	0
Total INFRASTRUCTURE	7,750,000	(7,750,000)	-	7,787,185	(7,787,185)	0
5) FARM INCOME						
RENT	-	-	-	74,800	(74,800)	0
COFFEE	-	-	-	326,910	(326,910)	0
Total Farm Income	-	-	-	401,710	(401,710)	0
-						
6) CDF INCOME						
CLASSROOM	1,000,000	(1,000,000)	-	37,050	(37,050)	0
Total CDF INCOME	1,000,000					0

		(1,000,000)	-	37,050	(37,050)	
TOTAL INCOME	96,661,350	(8,750,000)	87,911,350	164,284,585	(76,373,235)	187
(1) EXPENDITURE FOR TUITION						
Teaching & L. mat.	-	-	-	6,138,830	(6,138,830)	0
Library & ref materials/TUITION	-	-	-	240	(240)	0
Total EXPENDITURE FOR TUITION	-	-	-	6,139,070	(6,139,070)	#DIV /0!
(2) EXPENDITURE FOR OPERATIONS						
Devt -RMI	-	-	-	7,444,000	(7,444,000)	0
Activity	-	-	-	2,999,270	(2,999,270)	0
Medical & ins.	-	-	-	816,291	(816,291)	0
OTHERS	-	-	-	21,437,307	(21,437,307)	0
TOTAL EXPENDITURE FOR OPERATIONS	-	-	-	32,696,868	(32,696,868)	0
(3) EXPENDITURE FOR SCHOOL FUND						
Uniform	-	-	-	4,012,045	(4,012,045)	0
Development -MI	1,002,850	-	1,002,850	4,355,864	(3,353,014)	434
Activity	2,462,950	-	2,462,950	1,438,519	1,024,431	58
B.E and Stores	45,929,600	-	45,929,600	59,730,449	(13,800,849)	130
P/EMOLUMENTS	7,750,000	-	7,750,000	7,115,281	634,719	92
EWC	2,039,800	-	2,039,800	2,032,929	6,871	100
ADM.COST	2,035,150	-	2,035,150	4,911,651	(2,876,501)	241
LTT	1,581,000	-	1,581,000	4,282,769	(2,701,769)	271
BOM TEACHERS	6,975,000	-	6,975,000	3,748,070	3,226,930	54
ASP	6,975,000	-	6,975,000	10,317,880	(3,342,880)	148
PTA -INFRASTRUCTURE	7,750,000	-	7,750,000	32,260,641	(24,510,641)	416
FARM ACCOUNT	-					0

KANGARU SCHOOL

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		-	-	1,352,142	(1,352,142)	
LIBRARY BOOKS	-	-	-	2,100	(2,100)	0
BAKERY	-	-	-	5,535,348	(5,535,348)	0
KUCCPS	-	-	-	198,400	(198,400)	0
TOTAL School fund Payments	87,911,350	-	87,911,350	147,291,688	(59,380,338)	168
INFRASTRUCTURE PAYMENTS						
INFRASTRUCTURE	7,750,000	(7,750,000)	-	5,681,935	(5,681,935)	0
TOTAL INFRASTRUCTURE PAYMENTS	7,750,000	(7,750,000)	-	5,681,935	(5,681,935)	0
FARM PAYMENTS						
RENT	-	-	-	129,138	(129,138)	0
ADM COST	-	-	-	6,978	(6,978)	0
COFFEE	-	-	-	752,380	(752,380)	0
COWS	-	-	-	103,400	(103,400)	0
SCHOOL FUND	-	-	-	367,370	(367,370)	0
TOTAL FARM PAYMENTS	-	-	-	1,359,266	(1,359,266)	0
CDF PAYMENTS						
CLASSROOM	1,000,000	(1,000,000)	-	-	-	0
BANK CHARGES	-	-	-	1,321	(1,321)	0
total CDF PAYMENTS	1,000,000	(1,000,000)	-	1,321	(1,321)	0
GRAND TOTAL PAYMENTS	96,661,350	(8,750,000)	87,911,350	193,170,147	(105,258,797)	220

10 Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

This cash basis of accounting has been supplemented with accounting for; a) receivables that include 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 2023

11. Notes To The Financial Statements

Note 1 Governments Grant For Tuition		
Description	2023	2022
	Kshs	Kshs
Teaching & L. mat.	4,174,637	5,825,702
Library & ref materials/TUITION	-	10,000
RD CHEQUE	-	27,648
Total	4,174,637	5,863,350

Note. 2. Government Grant For Operation		
Description	2023	2022
	Kshs	Kshs
Devt -RMI	6,165,000	8,708,500
Activity	1,276,912	-
Medical & ins.	335,000	-
OTHERS	13,470,525	16,596,490
NHIF -EDU AFYA	80,268	316,400
Total	21,327,705	25,621,390

3. School Fund income parents Contribution/Fees School Fund

Description	2023	2022
	Kshs	Kshs
Uniform	3,334,617	6,663,233
Development -MI	4,166,315	2,798,478
Activity	881,346	2,719,727
B.E and Stores	50,594,456	66,893,362
P/EMOLUMENTS	16,865,221	14,358,377
EWC	2,831,391	3,126,769
ADM.COST	3,389,497	4,034,167
LTT	2,926,054	2,983,262
Sub-Total	84,988,897	103,577,375

4. OTHER RECEIPTS SCHOOL FUND ACCOUNT**Note 4 OTHER RECEIPTS School Fund**

	2023	2022
	Kshs	Kshs
PTA-DEVELOPMENT	3,430,685	4,487,637
Rent Income	191,200	194,250
BOM TEACHERS	8,823,815	6,799,531
ASP	8,702,309	6,834,637
PTA -INFRASTRUCTURE	15,277,556	11,450,547
WATER PROJECT	-	2,360,702
PENALTY	34,000	82,850
FARM ACCOUNT	716,838	1,293,887
LIBRARY BOOKS	1,230,002	521,133
BAKERY	6,706,965	6,483,500
KUCCPS	211,200	190,200

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CANTEEN RENT	154,615	202,150
LABORATORY DAMAGES	88,216	12,197
Total	45,567,401	40,913,221

4a . OTHER RECEIPTS - INFRASTRUCTURE

Note 4a – RECEIPTS	INFRASTRUCTURE	
Description	2023	2022
	Kshs	Kshs
INFRASTRUCTURE	7,787,185	6,348,500
Sub-Total	7,787,185	6,348,500

4b OTHER RECEIPTS---- FARM

Note 4b RECEIPTS	Farm	
Description	2023	2022
	Kshs	Kshs
RENT	74,800	82,800
COFFEE	326,910	881,570
sub-Total	401,710	964,370

4c . OTHER RECEIPTS - CDF

Note 4 c - INCOME	CDF	
Description	2023	2022
	Kshs	Kshs
CLASSROOM	37,050	-
sub-Total	37,050	

Note 5 . Payments For Tuition

Description	2023	2022
	Kshs	Kshs
Teaching & L. mat.	6,138,830	4,105,235
Library & ref materials/TUITION	240	2,126,829
RD CHEQUE	-	27,648
Total	6,139,070	6,259,712

Note 6 - Payments For Operation

	2023	2022
	Kshs	Kshs
Devt -RMI	7,444,000	6,348,500
Activity	2,999,270	247,100
Medical & ins.	816,291	274,972
OTHERS	21,437,307	10,918,457
NHIF -EDU AFYA	-	36,329
TOTAL	32,696,868	17,825,358

Note 7 - Boarding/Lunch Payments School Fund

Description	2023	2022
	Kshs	Kshs
Uniform	4,012,045	6,488,590
Development -MI	4,355,864	4,210,984
Activity	1,438,519	686,400
B.E and Stores	59,730,449	42,375,666
P/EMOLUMENTS	7,115,281	10,273,526
EWC	2,032,929	874,133
ADM.COST		

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	4,911,651	3,328,018
LTT	4,282,769	2,345,285
PTA-DEVELOPMENT	5,997,600	1,566,150
BOM TEACHERS	3,748,070	1,683,100
ASP	10,317,880	9,336,244
PTA -INFRASTRUCTURE	32,260,641	5,505,000
FARM ACCOUNT	1,352,142	998,300
LIBRARY BOOKS	2,100	11,275
BAKERY	5,535,348	3,073,083
KUCCPS	198,400	191,500
TOTAL	147,291,688	92,947,254

Note 7 A -Payments Infrastructure

Description	2023	2022
	Kshs	Kshs
INFRASTRUCTURE	5,681,935	7,719,284
Sub-Total	5,681,935	7,719,284

Note 7 b -PAYMENTS		Farm	
Description	2023	2022	
	Kshs	Kshs	
RENT	129,138	-	
ADM COST	6,978	4,320	
COFFEE	752,380	-	
COWS	103,400	-	
SCHOOL FUND	367,370	-	
sub-Total	1,359,266	4,320	

Note 7 c -PAYMENTS		CDF	
Description	2023	2022	
	Kshs	Kshs	
CLASSROOM	-	132,570	
BANK CHARGES	1,321	-	
sub-Total	1,321	132,570	

Note 8 -Bank Accounts

Name of Bank, and Branch	Account Name	Bank Account Number	2023	2022
			Kshs	Kshs
BankBRANCH.....TUITION c/f	Tuition	01139051721200	16,413	230,986
BankBRANCH.....OP C/f	OPERATION	01139051721201	-	11,214,050
BankBRANCH.....SF C/f	School Fund	0190296644447	10,463,867	25,635,046
BankBRANCH.....INFRA C/f	INFRASTRUCTURE	01139051721202	6,064,716	4,283,736
BankBRANCH.....FARM C/f	Farm	01120051721200	521,544	959,500
BankBRANCH..... CDF b/f	CDF	01141051721200	36,565	835
Total Bank Balances			17,103,104	42,324,152

Note 9 - CASH IN HAND

Description	2023	2022
	Kshs	Kshs
School Fund	570,633	643,975
Operation	-	181
Farm	950	550
Total Cash Balances	571,583	644,706

Note 10 - SHORT TERM INVESTMENTS

Description	2023	2022
	Kshs	Kshs
Inv/ SAVINGS ACC no,,,,,,,,,,,,,	114,619	114,619
Inv/ SAVINGS ACC no,,,,,,,,,,,,,	44,078	44,078
Inv/ SAVINGS ACC no,,,,,,,,,,,,,	738,770	738,770
Total	897,467	897,467

Note 11 - Accounts Receivable

	2,023	2,022
Description	Kshs	Kshs
School Fund -Fees Debtors	40,517,985	39,620,422
School Fund - Advances	-	-
School Fund - DR SUSPENSE	-	-
Total ACCOUNTS RECEIVABLE	40,517,985	39,620,422

11b. Includes an ageing of the fees arrears below

Description	Current financial year 2023		Comparative year 2022	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	12,642,273	31.20%		
Between 1 – 2 years	-	-		
Between 2 – 3 years	5,831,429	14.39%		
Over 3 years	22,044,283	54.41%		
Total (should tie to note 13 a)	40,517,985	100%		

Note 12 - ACCOUNTS PAYABLE

Description	2,023	2,022
	Kshs	Kshs
School Fund -Prepaid Fees	818,660	1,468,029
Trade Creditors -School Fund	37,112,553	34,074,752
Trade Creditors -Operation	45,342	-
Trade Creditors - Tuition	7,072,422	5,322,562
Trade Creditors - Farm	520,000	-
Trade Creditors - Infrastructure	(324,270)	-
School Fund -Student Deposits	4,100	4,100
Borrowings	533,826	533,826
Bank OverDrawings	109,570	-
Cash Overdrawings:	20	-
Total Payables	45,892,223	41,403,269

12 b. Includes an ageing of the trade creditors below

Description	2,023	2,022
	Kshs	Kshs
Trade creditors for current year (less than year)	15,774,495	2,758,684
Between 1-2 years	4,100	0)
Between 2-3 years		38,644,585
Over 3 years	30,113,620	
Total	45,892,223	41,403,269
		-

Note 13 - Fund Balance Brought Forward

Description	2023	2022
	Kshs	Kshs
Bank balances	42,324,153	15,486,044
Cash balances	644,706	336,108
Short Term Investments	897,467	897,467
Receivables	39,620,422	34,853,129
Payables	(41,403,269)	(67,888,977)
Total	42,083,479	(16,316,229)

Other important disclosure notes.

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

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

14. Non-current Liabilities Summary

Description	2023	2022
	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

S/No	Location	Asset	Unit	QTY counted		Value Per unit -	Total value of stock	
		Description				Purchase Price		
						OR		
				As at July,01,2022	As at June,30,2023	FAIR VALUE	As at July,01,2022	As at June,30,2023
				(A)	(B)	(C)	D=A*C	
1	Farm	COWS	No	5	5	150,000	750,000	750,000
3		HEIFERS	NO	2	5	70,000	140,000	350,000
4		CALVES	NO	2		25,000	50,000	-
5		BULLS	NO	2	2	30,000	60,000	60,000
6		PIGS- MATURE	NO	20	22	25,000	500,000	550,000
7		PIG -MEDIUM	NO	-	12	5,000	-	60,000
8		PIGLETS	NO	12	37	4,500	54,000	166,500
9		BANANA	STEMS	-		-	-	-
10		COFFEE	STEMS	-		-	-	-
11		MAIZE FIELD	BAGS	48	50	3,000	144,000	150,000
12	ALONG GTI	LARGE TREES	PCS	12	15	40,000	480,000	600,000
13	ALONG GTI	MEDIUM TREES	PCS	33	30	10,000	330,000	300,000
14	KIANUGU AREA	MEDIUM TREES	PCS	28	23	10,000	280,000	230,000
15	FARM CENTRAL AREA	MEDIUM TREES	PCS	228	228	10,000	2,280,000	2,280,000
16	SCHOOL AREA	LARGE TREES	PCS	30	20	40,000	1,200,000	800,000
17		MEDIUM TREES	PCS	84	84	5,000	420,000	420,000
Total Value							6,688,000	6,716,500

16. Borrowings

Description	2023	2022
	Kshs	Kshs
Borrowing at the beginning	0	0
Borrowing during the year	-	-
Repayment during the year	-	-
Balance at the end of year	0	0-

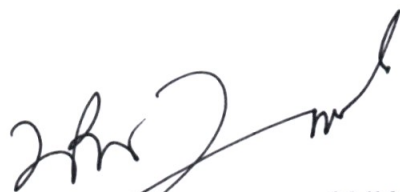
Other Important Disclosure Notes**17. .Stock/ Inventory**

Description	2,023	2,022
	KShs	KShs
Stock/ inventory at beginning of the year	5,727,222	2,144,798
Stock/ inventory purchased during the year	173,853,133	112,399,648
Stock/ inventory issued during the year	170,601,337	108,817,224
Balance at end of the year	8,979,018	5,727,222

18. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Ref. No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0				



23/03/2026

Sign and date
Principal

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

					Outstanding Balance	Outstanding Balance	Comments
		Original Amount	Date Contracted	Amount paid To-Date	2,023	2,022	
		a	b	c	d=a-c		
		Kshs	Kshs	Kshs	Kshs	Kshs	
	Names of suppliers who supplied Common user goods						
1	DADDY MILLERS LIMITED	696,000.00		-	696,000	-	
2	WEAVER BIRD GARMENT LTD	809,690.00		-	809,690	-	
3	GATONDO FARM	188,100.00		-	188,100	-	
4	KEYNERRY ENTERPRISES	359,680.00		-	359,680	-	
5	ZEN DAIRY LIMITED	554,400.00		-	554,400	-	
6	JACQWA ENTERPRISES	723,000.00		-	723,000	-	
7	ALFATAAH MEAT SUPPLIES	745,300.00		-	745,300	-	
8	DUNANN INVESTMENT	973,082.00		-	973,082	-	
9	NGEWA STORES	2,800,500.00		-	2,800,500	-	
10	JAMLECK MWANGI	3,534.00		-	3,534	-	
11	HEMSOFT SOLUTION	10,680.00		-	10,680	-	
12	LENHAM ENTERPRISES	18,000.00		-	18,000	-	
13	TD CONCEPT LTD	113,020.00		-	113,020	-	
14	TRIMARCH INVESTMENT	195,760.00		-	195,760	-	
15	NECHAL	390,500.00		-	390,500	-	
16	NAIROBI SPORT HOUSE LTD	666,964.00		-	666,964	-	
17	ELSHADAI ENTERPRISES	100,000.00		-	100,000	-	
18	EDWIN OGADA	100,000.00		-	100,000	-	
	NECHAL					-	

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19		322,100.00		-	322,100		
20	KYENI GIRLS	3,000.00		-	3,000	-	
21	KANGARU GIRLS	3,000.00		-	3,000	-	
22	KANGARU DEB SECONDARY SCH	3,000.00		-	3,000	-	
23	JOZAWA ELECTRICALS COMPANY	20,100.00		-	20,100	-	
24	SAMMIA ENGINEERING & DESIGN LTD	46,300.00		-	46,300	-	
25	BYINTEK TECHNOLOGIES	184,000.00		-	184,000	-	
26	EWASCO	317,023.00		-	317,023	-	
27	MODERN FARM AGROVET	3,000.00		-	3,000	-	
28	UPCOUNTRY SECURITY SERVICES LTD	207,200.00		-	207,200	-	
29	kamwati garage	7,500.00		-	7,500	-	
30	PALUMA LIMITED	231,147.00		-	231,147	-	
31	SCANIA EAST AFRICA LTD	583,453.00		-	583,453	-	
32	EFARY SCALE TECH	9,450.00		-	9,450	-	
33	ATANASIVS SALESIVS FUNDI	18,000.00		-	18,000	-	
34	PAPA GENERAL SUPPLIERS	28,440.00		-	28,440	-	
35	SIMON NYAGA	33,800.00		-	33,800	-	
36	BEEKAY SUPPLIERS LTD	397,010.00		-	397,010	-	
37	NECHAL ENTERPRISES	2,278,700.00		-	2,278,700	-	
38	TRIMARCH	136,470.00		-	136,470	-	
39	TD CONCEPT LTD	45,342.00		-	45,342	-	
40	NECHAL ENTERPRISES	520,000.00		-	520,000	-	
41	Cash and bank overdrawn	109,590.00			109,590.00		
	Grand Total	14,955,835		-	14,955,835	-	

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Non -Current Assets COUNTING & VALUATION		
	Value	
CATEGORY	as at 1/7/2022	as at 30/6/2023
LAND	1,275,000,000	1,275,000,000
BUILDINGS	130,200,000	131,200,000
PLANT AND MACHINERY	8,960,300	8,960,300
OFFICE EQUIPMENT	1,442,700	1,442,700
ICT LEARNING EQUIPMENT.	620,000	620,000
BOARDING EQUIPMENTS	15,419,000	15,419,000
KITCHEN EQUIPMENTS	4,669,085	5,196,705
LIBRARY	262,100	269,100
TEXT BOOKS	21,304,588	21,304,588
LAB EQUIPMENT	5,764,880	6,209,383
FARM EQUIPMENTS	283,000	283,000
TUITION EQUIPMENT	8,735,000	8,925,000
GAMES EQUIPMENTS	236,162	549,146
SOFTWARE EQUIPMENT	1,725,000	1,725,000
BIOLOGICAL ASSETS	6,688,000	6,716,500
	1,481,309,815.0	1,483,820,422.0