

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

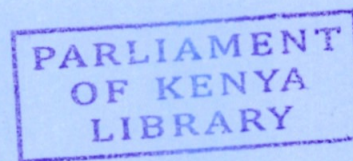
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 JUN 2026	DAY: Wed
TABLED BY CLERK AT THE TABLE	Hon. Owen Paa Deputy Majority Leader Mudo Afabo

REPORT

OF

THE AUDITOR-GENERAL

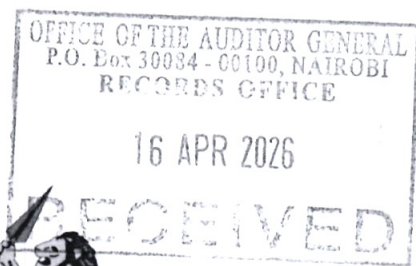
ON



KIHEO
SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2025

NYANDARUA COUNTY



KIHEO SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

Transitional Financial Statements Prepared under the International Public Sector Accounting Standards (IPSAS)

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

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1. Acronyms and Definition of Key Terms

A. Acronyms.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

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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 in NYANDARUA County, GATHANJI Sub-County.

The school was registered in MARCH 3 2016 under registration number 18-S-0030-0362 and is currently categorized as a SUB-COUNTY public school established, owned or operated by the Government.

The school is a day/boarding school and had **119** number of students as at 30th June 2025. It has **1** stream and **10** teachers of which **3** 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	Mrs.Magdaline w. Gichia	Chairman	22/5/2025
2	Mr. Stephen Kimani	Secretary	22/5/2025
3	Mr.Joseph Muta Kamau	Member	22/5/2025
4	Mr.David N. Mwangi	Member	22/5/2025
5	Mr.James Gathu	Member	22/5/2025
6	Mrs. Susan Kuruga	Member	22/5/2025
7	Mr. Joseph N. Gathecha	Member	22/5/2025
8	Mrs.Millicent W. Karue	Member	22/5/2025
9	Mr. Harun Kimani K.	Member	22/5/2025
10	Mr. Elijah Mugo N.	Member	22/5/2025
11	Mr.Edward Kariuki	Member	22/5/2025
12	Mrs. Grace Mabui	Member	22/5/2025
13	Mr. Cleophas Kiragu	Member	22/5/2025
14	Miss. Esther kigwa	Member	22/5/2025
15	Fr- in – Charge(igwamiti)	Member	22/5/2025
16	Mrs Ruth Kimani	Member	22/5/2025
17	Mr. Duncan Ndegwa	Member	22/5/2025

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

The functions of the School Board of Management are to:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, of 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(CEB)
- Determine cases of pupils' discipline and make reports to the CEB.
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB.
- Administer and manage the resources of the School.
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Mrs. Magdaline W.Gichia 2. Mr. Stephen Kimani 3. Mr. Joseph Muta 4. Mr. Duncan Ndegwa	Chairman Secretary Vice chairperson PA Chair	1
2	Audit Committee	1.Mr. David Ndung'u 2.Mr. Stephen Kimani 3.Mrs. Grace Mabui 4.Mr. Duncan Ndegwa	Chairman Secretary Member Member	NIL
3	Finance,procurement and general purposes Committee	1.Mr. Elijah Mugo Ngunjiri 2. Mr. Joseph Muta 3.Mrs. Magdaline Gichia 4.Mrs. Millicent Karue	Chairman Secretary Member Member	NIL
4	Academic Committee	1.Mr.James Gathu G. 2.Mr. Harun Kimani 3.Mr. Stephen Kimani	Chairman Secretary Member	NIL
5	Development Committee	1. Mr. Joseph Muta 2.Mr. Stephen Kimani 3. Mr. Duncan Ndegwa	Chairman Secretary Member Member	1

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

		4.Mrs. Susan Kuruga		
6	Discipline and welfare Committee	1.Mr. David Ndung'u M. 2.Mr. Cleophas Kiragu 3.Fr-in-Charge-Fr.Karatu 4.Area assistant Chief	Chairman Secretary Member Member	NIL
7	Human Rights Committee	1.Mr.Joseph N Gathecha 2. Mr. Duncan Ndegwa 3.Mrs.Millicent Karue 4.Miss.Esther Kigwa	Chairman Member Member Member	NIL

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

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Mr. Stephen Kimani	337099.
2	Deputy Principal	Mr. Cleophas Kiragu	336596.
3	School Bursar	Miss Mary Njeri	-
4	Other (specify)		

(e) Schools contacts

Post Office Box: 2228-20300; Nyahururu
Telephone: 0726492193
E-mail: kiheosecondaryschl@gmail.com
Website: None
Facebook:
Twitter:

(f) School Bankers

Provide details of the school bankers.

Name of Bank: EQUITY BANK

Branch : NYAHURURU

Postal Address.2228-20300 NYAHURURU ACCOUNT NAME

Account Number : 1	0160262316687	school fund a/c
: 2	0160262288306	Operations a/c
: 3	0160262288338	Tuition a/c
: 4	0160264930294	Building fund a/c
:5	0160277423735	CDF a/c
:6	0160262316558	County fund a/c

(g) Independent Auditors

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

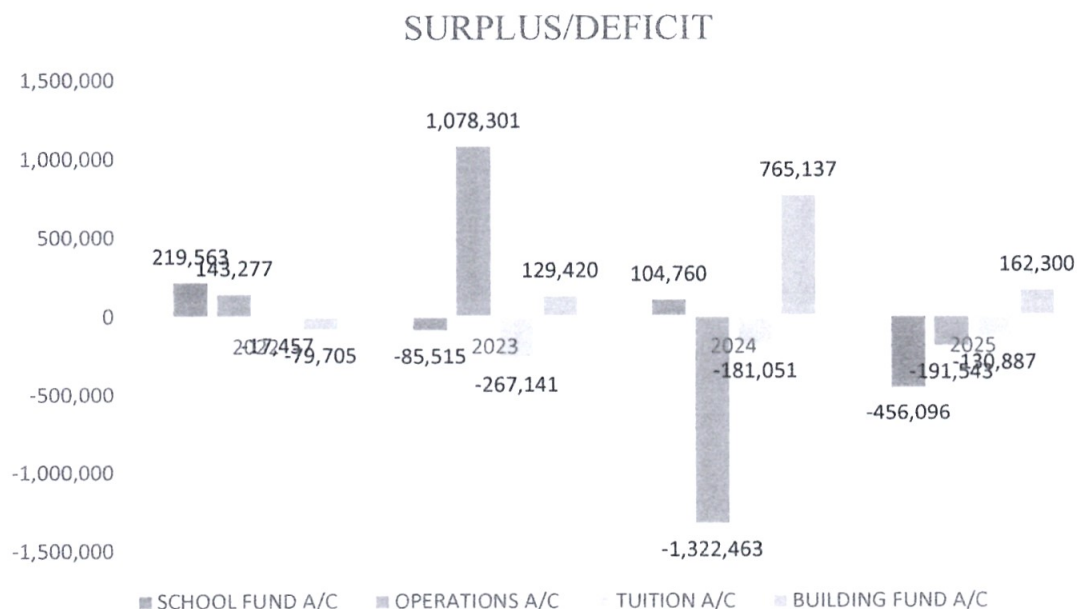
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Annual Report and Financial Statements For the year ended 30th June 2025

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:

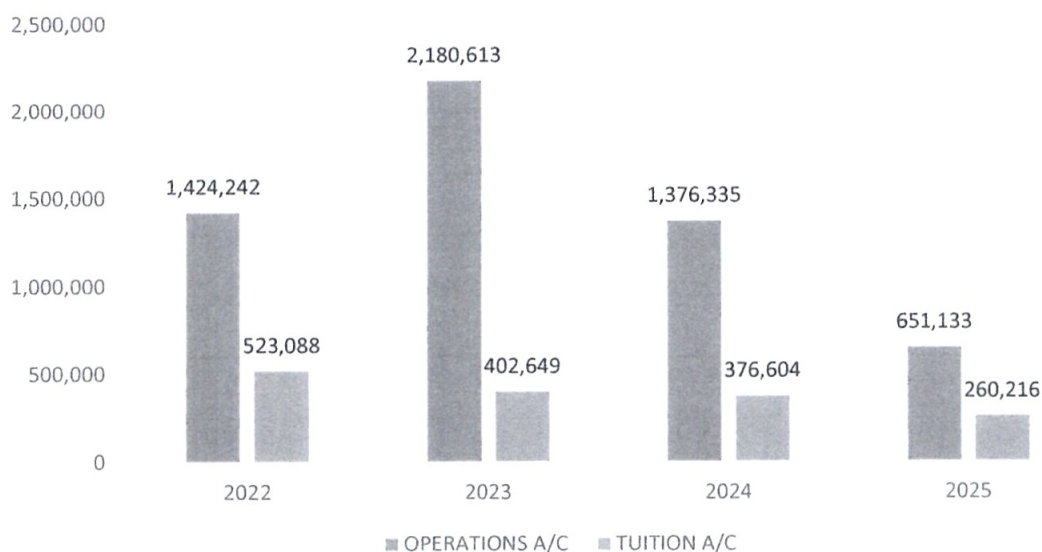
- SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST FOUR YEARS					
SNO	ACCOUNTS	2025	2024	2023	2022
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	(456,096)	104,760	(85,515)	219,563
2	Operations Account	(191,543)	(1,322,463)	1,078,301	143,277
3	Tuition Account	(130,887)	(181,051)	(267,141)	(17,457)
4	Infrastructure Account	162,300	765,137	129,420	(79,705)
	TOTAL	(616,226)	(633,617)	855,065	265,678
	Increase/Decrease	(17,391)	(1,488,682)	589,387	(889,096)



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

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST FOUR YEARS					
SNO	ACCOUNTS	2025	2024	2023	2022
		KSHS	KSHS	KSHS	KSHS
1	Operations Account	651,133	1,376,335	2,180,613	1,424,242
2	Tuition Account	260,216	376,604	402,649	523,088
	Total	911,349	1,752,939	2,583,262	1,947,330
	Increase/Decrease	(841,590)	(830,323)	635,932	681,501
	No of Students	119	151	175	180
	Ratio of Capitation per student	1:7,658	1: 11,609	1: 14,761	1:10,819

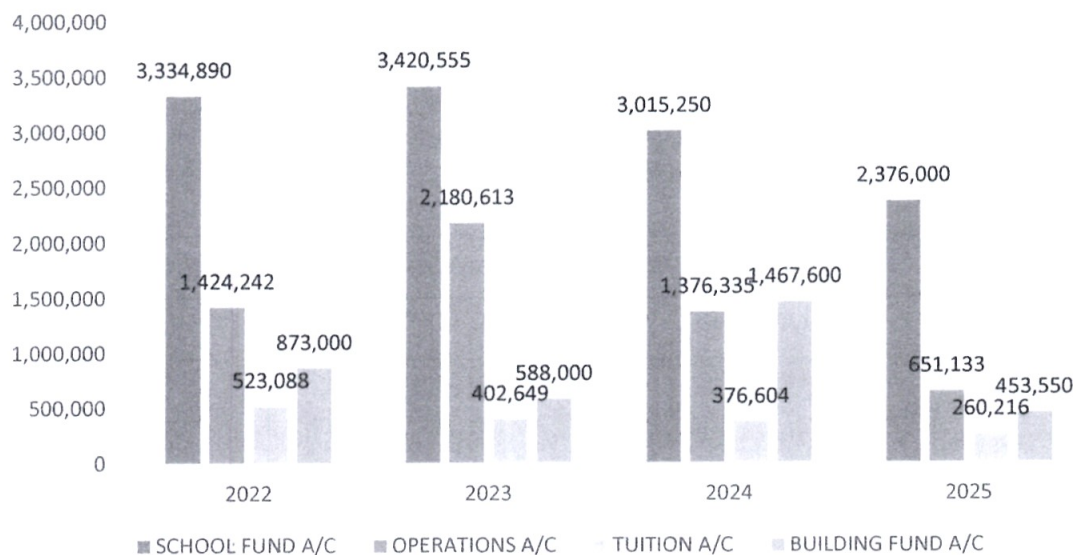
CAPITATION



OVERVIEW OF GROWTH IN INCOME OF THE SCHOOL					
SNO	ACCOUNTS	2025	2024	2023	2022
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	2,376,000	3,015,250	3,420,555	3,334,890
2	Operations Account	651,133	1,376,335	2,180,613	1,424,242
3	Tuition Account	260,216	376,604	402,649	523,088
4	Infrastructure Account	453,550	1,467,600	588,000	873,000
	Total	3,740,899	6,235,789	6,591,817	6,155,220
	Increase/Decrease	(2,494,890)	(356,028)	436,597	2,885,230

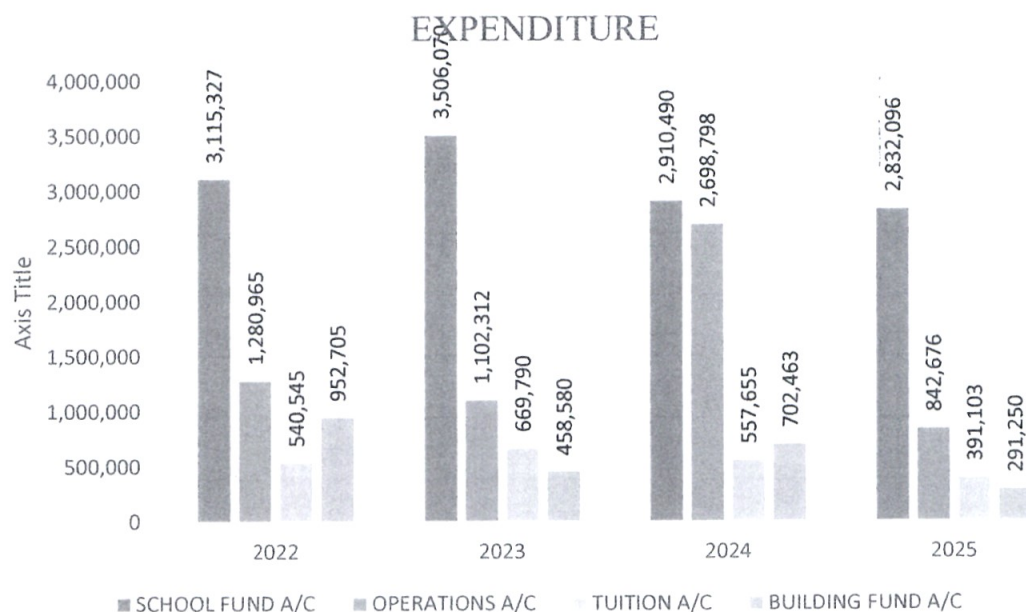
KIHEO SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

INCOME

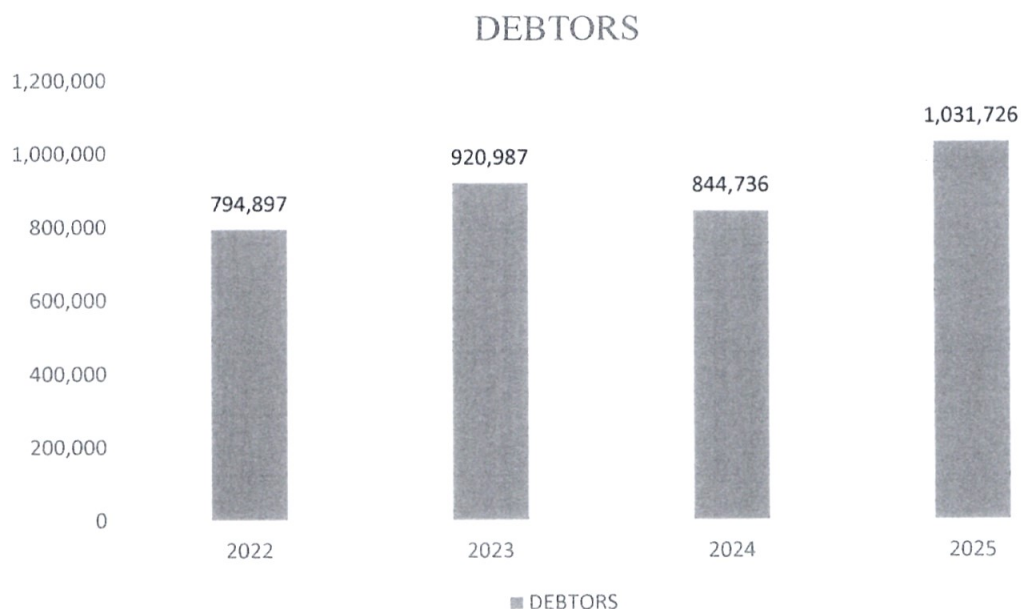


OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	ACCOUNTS	2025	2024	2023	2022
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	2,832,096	2,910,490	3,506,070	3,115,327
2	Operations Account	842,676	2,698,798	1,102,312	1,280,965
3	Tuition Account	391,103	557,655	669,790	540,545
4	Infrastructure Account	291,250	702,463	458,580	952,705
	Total	4,357,125	6,869,406	5,736,752	5,889,542
	Increase/Decrease	(2,512,281)	1,132,654	(152,790)	3,774,326

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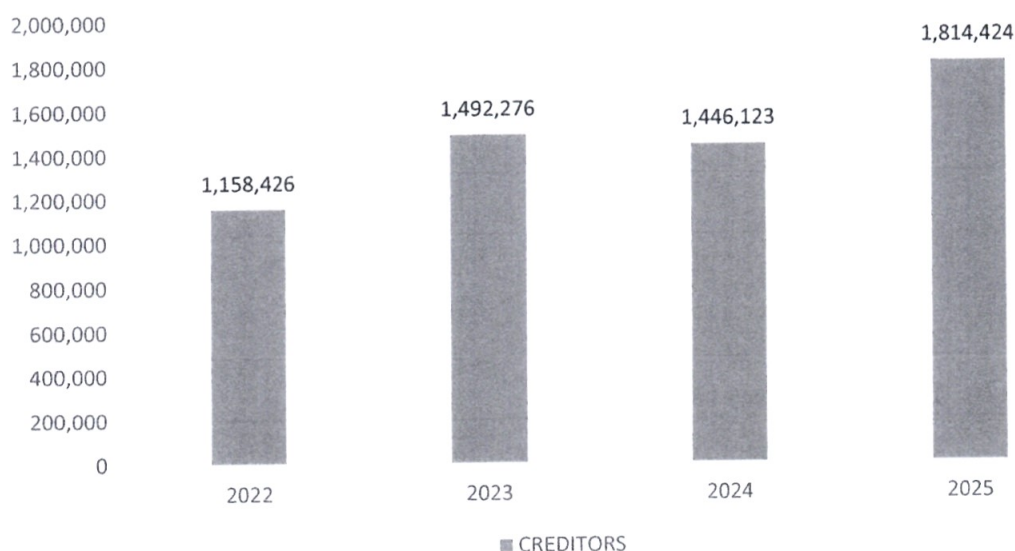
MOVEMENT OF DEBTORS OF THE SCHOOL					
SN O	ACCOUNTS	2025	2024	2023	2022
1	Accounts(I,II,III,I V.	KSHS	KSHS	KSHS	KSHS
a	Debtors	1,031,726	844,736	920,987	794,897
	Total	1,031,726	844,736	920,987	794,897
	Increase/Decrease	186,990.00	(76,251.00)	126,090.00	223,920



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

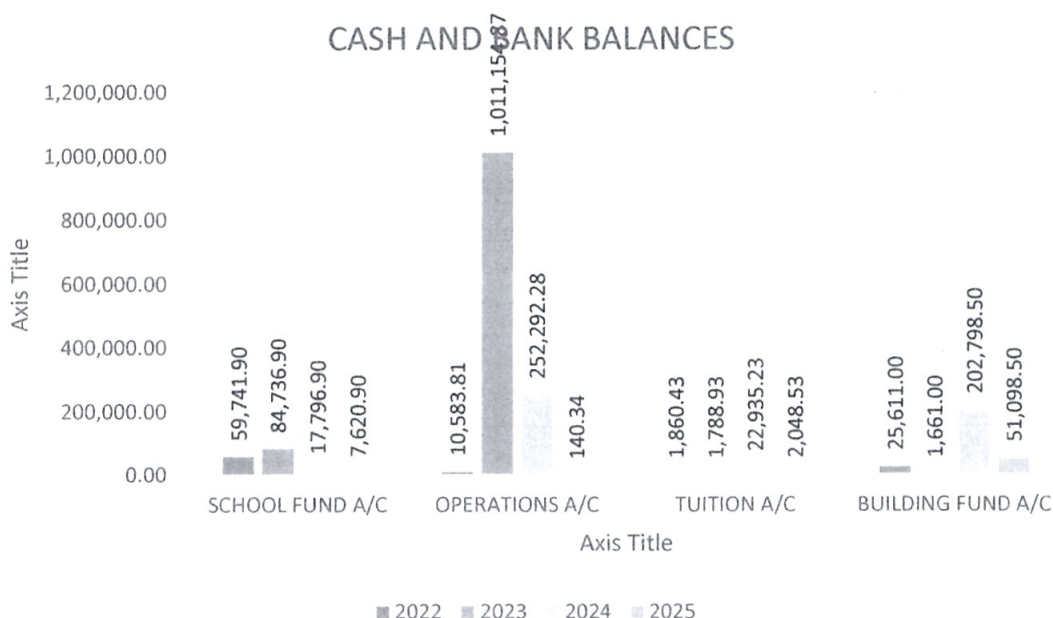
MOVEMENT OF CREDITORS OF THE SCHOOL					
SNO	ACCOUNTS	2025	2024	2023	2022
1	Account (I,II,III,IV)	KSHS	KSHS	KSHS	KSHS
a	Creditors	1,814,424	1,446,123	1,492,276	1,158,426
	Total	1,814,424	1,446,123	1,492,276	1,158,426
	Increase/Decrease	368,301	(46,153)	333,850	(146,320)

CREDITORS



MOVEMENT OF CASH AND BANK BALANCES					
SNO	ACCOUNTS	2025	2024	2023	2022
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account	7,621	17,797	84,737	59,742
2	Operations Account	140	252,292	1,011,155	10,584
3	Tuition Account	2,049	22,935	1,789	1,860
4	Infrastructure Account	51,099	202,799	1,661	25,611
	Total	60,908	495,823	1,099,342	97,797
	Increase/Decrease	(434,915)	(603,519)	1,001,545	(143,242)

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



b) Teacher Student ratio:

Between the month of July 2024 and June 2025, the status of the teaching staff is as follows:

There are 7 teachers posted by the Teachers Service Commission and 3 recruited by the Board of Management.

Although the teacher student ratio lies at 1: 13. We have a shortage of 3 teachers from the given CBE.

c) The mean score in the 2022,2023 and 2024 KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2024	37	1.829	35	94.6	2.800	Negative deviation of 0.6028 in the mean grade
2023	61	2.4318	44	72.1	3.036	Negative deviation of 0.193 in the mean grade
2022	34	2.625	32	94.1	3.109	Positive deviation of 0.220 in the mean grade.

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

d) Number of Candidates in the 2022,2023 and 2024 KCSE:

YEAR	2025	2024	2023	2022
KCSE CANDIDATES	37	35	44	34

e) The capacity of the school:

NO.OF STUDENT	DORMITORIES	DINING HALL	LABORATORIES	TOILETS
119	Day school	In progress	1	8

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

g) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Dining hall	Ministry of education(TIG)	In-Progress	3,300,000	790,210	3year



.....
School Principal

KIHEO SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2023

V. Statement Of Receipts And Payments Period To 30th June 2023

Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	402,649	523,088
Capitation grants for operations	2	2,180,613	1,424,242
School fund income- parents' contributions	3	3,420,555	3,334,950
School fund income- other receipts	-	-	-
Infrastructure Income	4	588,000	873,000
Total Receipts		6,591,817	6,155,280
Payments			
Payments for tuition	5	669,790	540,545
Payments for operations	6	1,102,312	1,280,965
Boarding and school fund payments	7	3,506,070	3,115,327
Payment for Infrastructure	8	458,580	
Total Payments		5,736,752	5,889,542
Surplus/Deficit		855,065	265,678

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

.....

Name: MAGDALENE GICHU

Chair BOM

Date: 14/4/2026

.....

Name: STEPHEN KIMANI
School Principal/ Secretary to
BOM

Date: 14/04/2026

.....

Name: MARY NJERI

Bursar/ Finance Officer

Date: 14/4/2026

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KIHEO SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – NYANDARUA 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 transitional IPSAS financial statements of Kiheo Secondary School set out on pages 1 to 20, which comprise of the statement of assets

and liabilities as at 30 June, 2025, and the statement of financial performance, statement of cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of Kiheo Secondary School at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards - Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the , Basic Education Act, 2023, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the School's records revealed variances between the amounts reported in the financial statements and those reflected in the supporting documents as indicated in the below:

	Amount as per Financial Statements Kshs.	Amount as per Supporting Documents Kshs.	Variance Kshs.
Payments for operations	842,676	734,396	108,280
Infrastructure payments	291,250	208,840	82,410
School fund payments	2,832,096	2,102,525	729,571
Accounts Receivables	1,031,726	883,842	147,884

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

2. Undisclosed Bank Account

The statement of assets and liabilities reflects a cash and cash equivalents balance of Kshs.60,908 as disclosed in Note 9 and Note 10 to the financial statements. However, review of records provided for audit revealed that the school operated an active bank account, Kiheo Secondary School - County Fund account with a closing balance of Kshs.1,240 which was not disclosed in the financial statements and had not been included in the cash and cash equivalents balance. Further, receipts and payments amounting to Kshs.60,865 and Kshs.62,403 respectively relating to the account were not disclosed in the financial statements, resulting in understatement of revenue and expenditure by the same amounts.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.60,908 could not be confirmed.

3. Unsupported Accounts Payables

The statement of assets and liabilities reflect accounts payables balance of Kshs.1,814,424 as disclosed in Note 12 to the financial statements. However, supporting documents such as invoices, payment vouchers, delivery notes, and contracts were not provided for audit.

In the circumstances, the accuracy, existence and completeness of payables balance of Kshs.1,814,424 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kiheo Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Significant Exemptions by PSASB in the Financial Reporting Template

The financial statements have been prepared using the 2024/2025 financial year reporting template issued by the Public Sector Accounting Standards Board (PSASB). As communicated by PSASB on 25 February 2026, the template was designed to facilitate a phased transition to accrual-based IPSAS for public secondary schools and, therefore, does not include certain statements and disclosures required under the full IPSAS transition. These omissions include the Opening Statement of Financial Position, the Statement of Changes in Net Assets/Equity, detailed disclosures of transitional provisions under IPSAS 33, and a reconciliation of budgeted amounts to actual accrual amounts. The absence of these elements arises from limitations inherent in the prescribed template and does not constitute non-compliance on the part of the School.

My opinion is not modified in respect of this matter.

Other Information

The Management is responsible for the Other Information set out on pages iii to xv which comprise of Key Entity Information and Management, Summary Report of Performance

and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

The statement of financial performance reflects payments for operation amount of Kshs.842,676 as disclosed in Note 6 to the financial statements. The payments include an amount of Kshs.611,750 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.611,750 could not be confirmed.

2. Irregular Transfer of Funds to Catholic Schools Principals Association

The statement of financial performance reflects payments for operation amount of Kshs.842,676 as disclosed in Note 6 to the financial statements. Included in the payments is an amount of Kshs.115,920 transferred to Catholic Schools Principals Association (CSPA). However, CSPA is a welfare organization that draws its membership from Catholic sponsored schools' 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 CSPA amounting to Kshs.115,920 could not be confirmed.

3. Lack of a Procurement Plan

During the year under review, Management did not prepare an Annual Procurement Plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

4. Long Outstanding Accounts Payables

The statement of assets and liabilities reflects accounts payables balance of Kshs.1,814,424 as disclosed in Note 12 to the financial statements. However, payables include trade payables balance of Kshs.852,426 which had been outstanding for more than two (2) years, exposing the school to the risk of loss of public funds through litigations, interests and penalties. This was contrary to The National Treasury Circular Ref: ES1/03 'W'(41) dated 9 August, 2024 which provides that Accounting Officers should ensure that carry-over payments emanating from the 2023/2024 financial year are treated as first charge against the 2024/2025 financial year budgetary allocation.

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

5. Excess Supply of Books

Physical verification of textbooks supplied to the School since 2021 carried out during the audit in March, 2026, revealed that a total of nine hundred and ninety-eight (998) new textbooks had not been utilized and there was no likelihood of their utilization following the transition from 8-4-4 system of education to the Competency Based Curriculum (CBC). Further, the School did not have a store or a library for proper custody and safeguarding of both used and unused textbooks.

In the circumstances, value for money on the excess text books and security of the textbooks could not be confirmed.

6. Under-Utilization of School Facilities and Resources

Audit inspection conducted on 6 March, 2026 revealed that the School had an actual enrollment of forty-seven (47) students against a capacity of one hundred and sixty (160) students. Further, grade 10 had an enrolment of five (5) students for the academic year commencing 12 January, 2026, against an established capacity of ninety (90) students. In addition, the school had received a total of two hundred and fifty-seven (257) textbooks which were in excess relative to the actual student enrolment of five (5) students and the specific learning pathways offered by the school, indicating under-utilization of available

resources. This pointed to poor planning and lack of coordination between the agencies charged with ensuring that textbook distributed do not significantly vary from the requirements in the school.

In the circumstances, value for money on the under-utilized resources may not have been realized.

7. Poor Workmanship on Construction of CBC Classroom

Review of records revealed that the Ministry of Education entered into a contract for construction and completion of a standard classroom. The contractor constructed the classroom and the works were certified as complete on 20 June, 2022. However, physical verification conducted on 6 March, 2026, revealed poor workmanship on the floor, walling and verandah, disproportionate structural dimensions not aligned to approved drawings, and incomplete mechanical and electrical installations. Despite these shortcomings, the project had been handed over and was in use by the school. The condition of the works indicates possible non-compliance with approved specifications and raises concerns on the basis upon which the completion certificate was issued.

In the circumstances, the value for money for the expenditure on projects totalling Kshs.788,220 could not be confirmed.

8. Stalled Construction of a Dining Hall Project

The School initiated the construction of a dining hall in January 2024 at an estimated cost of Kshs.3,649,900. However, audit inspection carried out in March 2026 and review of project records revealed that an amount of Kshs.1,000,000 had been spent on laying of the foundation slab and walling up to lintel level before the project stalled in October 2024 due to inadequate funding.

In the circumstances, the value for money for the expenditure of Kshs.1,000,000 incurred on the stalled project could not be confirmed.

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. Long Outstanding Receivables

The statement of assets and liabilities reflects accounts receivable balance of Kshs.1,031,726 in respect of fees arrears as disclosed in Note 11 to the financial statements. The receivables include a balance of Kshs.818,816 which had been outstanding for more than two (2) years. However, ageing analysis of the receivables and a policy on the impairment of long outstanding fees arrears were not provided for audit.

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

2. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register which includes land of undisclosed value measuring three point three four (3.34) hectares. However, land ownership documents were not provided for audit. Further, review of the asset register provided for audit revealed that the register was incomplete since not all assets were recorded, and lacked the requisite details prescribed in the template issued by The National Treasury. In addition, physical verification established the existence of obsolete assets within the School. However, there was no evidence of an established or documented disposal process.

In the circumstances, the existence of effective measures in the management of assets could not be confirmed.

3. Uncollected Kenya Certificate of Secondary Education Certificates

Review of the School's records relating to the collection of Kenya Certificate of Secondary Education (KCSE) certificates revealed that, as at 30 June, 2025, a total of two hundred and twenty-five (225) certificates out of three hundred and twenty-four (324) issued between the years 2013 and 2023 had not been collected. Further the Board of Management had not instituted adequate measures to facilitate or ensure the collection of certificates. In addition, the uncollected certificates were being stored in the School offices without adequate security arrangements. Consequently, the safety and integrity of the certificates could not be assured, particularly in the event of risks such as fire or theft, which may result in loss or damage of these critical documents.

In the circumstances, adequacy of measures to facilitate or ensure the collection of certificates and the security of the certificates against risk of loss or damage to 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

22 May, 2026

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

6. Statement Of Financial Performance for the Year Ended 30th June 2025

Description Of Vote Head	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue			
Government grants for tuition	1	260,216	376,604
Government grants for operations	2	651,133	1,376,335
Government Grants for infrastructure	3	453,550	1,467,600
School fund income- parents' contributions	4	2,376,000	3,015,250
Miscellaneous incomes		-	-
Total Revenue		3,740,899	6,235,789
Expenditure			
Tuition	5	391,103	557,655
Operations	6	842,676	2,698,798
Infrastructure	7	291,250	702,463
Boarding and school fund	8	2,832,096	2,910,490
Total Expenditure		4,357,125	6,869,406
Surplus/Deficit		(616,226)	(633,617)

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

.....
M. M. M. M.

Name: MARGARET GICHU

Chair BOM

Date: 14/4/2026

.....
S. K. K.

Name: STEPHEN KIMONYI
School Principal/ Secretary to BOM

Date: 14/04/2026

.....
M. N. N.

Name: MARY NGERI
Bursar/ Finance Officer

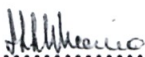
Date: 14/4/2026

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

7. Statement of Assets and Liabilities As At 30th June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	9	32,318	495,823
Cash balances	10	28,590	-
Short term investments	-	-	-
Total cash and cash equivalent		60,908	495,823
Account's receivables	11	1,031,726	844,736
Total financial assets (a)		1,092,634	1,340,559
Financial liabilities			
Accounts payables	12	1,814,424	1,446,123
Total Financial Liabilities (b)		-	-
Net financial assets (a-b)		(721,790)	(105,564)
Represented by			
Accumulated fund b/fwd	13	(105,564)	528,053.
Surplus/deficit for the year		(616,226)	(633,617)
Net Assets		(721,790)	(105,564)

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

 Name: MAGGATEWE Cichwa Chair BOM Date: 14/4/2026	 Name: STEPHEN KIMANI School Principal/ Secretary to BOM Date: 14/04/2026	 Name: MART NUGRI Bursar/ Finance Officer Date: 14/4/2026
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KIHEO SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

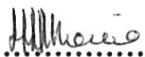
8. Statement of Cash Flows for the Year Ended 30th June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	260,216	376,604
Government grants for operations	2	651,133	1,376,335
Government grants for infrastructure	3	453,550	1,467,600
School fund income- parents contributions/ fees	4	2,394,735	2,919,940
Other income		-	-
Total receipts		3,759,634	6,140,479
Payments			
Cash outflows for tuition	5	391,103	557,655
Cash outflows for operations	6	664,395	2,698,798
Cash outflow for infrastructure	7	291,250	702,463
Cash outflows Boarding/lunch and school fund payments	8	2,969,317	2,785,082
Total payments		4,316,065	6,743,998
Net cash inflow/outflow from operating activities		(556,431)	(603,519)
Cash flow from investing activities			
Acquisition of assets		-	-
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		(556,431)	(603,519)
Cash flow from Financing activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		(556,431)	(853,519)
Cash and cash equivalent at beginning of the FY		495,823	1,099,342
Cash and cash equivalent at end of the FY		60,908	495,823

The above presentation of the cash flow statement uses the direct method of cash flow presentation.

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

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

..... 

Name: MACDONENE CICHIA

Chair BOM

Date: 14/4/2026

..... 

Name:
**School Principal/ Secretary to
BOM**

Date: 14/04/2026

..... 

Name: MARY NJERI

Bursar/ Finance Officer

Date: 14/4/2026.

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	493,136	-	493,136	260,216	52.8%
Exams And Assessment	-	-	-	-	-
(2) Capitation Grant on Operations					
Personnel Emoluments	1,237,600	-	1,237,600	651,133	52.6%
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
Gratuity	-	-	-	-	-
	-	-	-	-	-
3) FDSE for infrastructure					
Maintenance &Improvement MoE	476,000	-	476,000	453,550	95.3%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
(4) Fees Charged on Parents					
Personnel Emoluments	-	-	-	-	-
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
SMASSE	-	-	-	-	-
Lunch Programme	2,194,500	-	2,194,500	2,394,735	109%
5) Miscellaneous Income					
Loans / Borrowing	-	-	-	-	-
Rent income	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-
Insurance Compensation	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-
Income From Bus Hire	-	-	-	-	-
Fee For Hire of Ground and Equipment	-	-	-	-	-
Interest Income	-	-	-	-	-

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Income From Any Other Investment	-	-	-	-	-
Total Income	4,401,236	-	4,401,236	3,759,634	85%
(6) Expenditure For Tuition					
Textbooks	-	-	-	-	-
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	493,136	-	493,136	391,103	79.3%
Chalks	-	-	-	-	-
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
Bank Charges	-	-	-	-	-
(7) Expenditure For Operations					
Personnel Emoluments	1,237,600	-	1,237,600	664,395	54%
Repairs, Maintenance & Improvements	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity Expenses	-	-	-	-	-
Gratuity	-	-	-	-	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
SMASSE	-	-	-	-	-
<i>(8) Expenditure For infrastructure</i>					
Construction of classrooms	-	-	-	-	-
Maintenance and Improvement	476,000	-	476,000	291,250	61.2%
Construction of DORMS	-	-	-	-	-
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
<i>(9) Expenditure For school fund/lunch/boardng</i>					
Personnel Emoluments	-	-	-	-	-
Repairs, Maintenance and Improvements	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-
Medical Expenses	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
Gratuity	-	-	-	-	-
Lunch Programme	2,194,500	-	2,194,500	2,969,317	135%
Boarding Equipment and Stores	-	-	-	-	-
Expenditure For Income Generating Activity	-	-	-	-	-
Insurance Costs	-	-	-	-	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Other Expenses On Investments	-	-	-	-	-
Rent Expenses	-	-	-	-	-
Bank Charges	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-
Totals	4,401,236	-	4,401,236	4,316,065	98%

- i. The school has only received 85% of the total income from 1st July 2024 to 30th June 2025.
- ii. The school has only utilized 98% of the amount received from 1st July 2024 to 30th June 2025.

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

Statement of Compliance

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

Basis of Preparation

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

2. Recognition of revenue and expenditure

The school recognizes all revenue from various sources when earned and all expenses when incurred.

The capitation grants include recurrent and development grants. Recurrent capitation are recognised in the statement of financial performance while development grants are recognised in the statement of financial position after meeting the revenue recognition criteria. The conditional grants will be recognised as revenue upon fulfilment of the set conditions.

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

For the purposes of these financial statements, deposits, and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

11. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	260,216	376,604
Transfer from Operations A/c	-	-
Transfer from Infrastructure A/c	-	-
Transfer from School Fund A/c	-	-
Total	260,216	376,604

2 Government Grants for Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments(Other voteheads)	651,133	1,376,335
Repairs And Maintenance	-	-
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical	-	-
Administration Costs	-	-
Activity	-	-
Transfer from Infrastructure A/c	-	-
Total	651,133	1,376,335

3 Government Grants for infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance & Improvement	453,550	1,467,600
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (<i>specify</i>)(NGCDF and County govt.	-	-
Total	453,550	1,467,600

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

4 School Fund Income - Parents Contribution/Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	-	643,965
Repairs and maintenance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	10,700
Activity	-	-
Lunch Programme	2,376,000	1,462,285
PA Levies*	-	-
Transfer from Infrastructure A/c	-	-
Total	2,376,000	2,116,950
Adjustment for cashflow		
Statement of receipt and payment	2,376,000	2,116,950
less:receivables paid during the year	(171,400)	(289,485)
Add:receivables for the year	190,135	194,175
cashflow	2,394,735	2,919,940

5 Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Exercise Books & Stationaries	-	-
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	-	-
Teaching / Learning Materials	391,103	287,585
Internal Exams	-	-
Teachers Guides	-	-
Bank Charges	-	-
Others (<i>specify</i>)	-	-
Total	391,103	287,585
Adjustment for cashflow		
Tuition as per receipt and payment	391,103	287,585
Add:creditors paid over the year	195,879	270,070
cashflow	586,982	557,655

6 Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	77,380	213,660
Other voteheads	-	-
Administration Cost	50,130	751,960
Repairs And Maintenance & Improvements	4,100	-
Local Transport / Travelling	2,600	1,100
Electricity And Water	-	-
Medical	-	-
Activity Expenses	217,010	225,320
Insurance Cost	34,663	35,653
Transfer to Tuition A/c	-	-
Transfer to Infrastructure A/c	453,550	1,467,600
Bank charges	3,243	3,505
Total	842,676	2,698,798
Operations as per receipt and payment	842,676	-
Add:creditors paid	390,000	-
cashflow	1,232,676	2,698,798

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

7.Infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Transfer to School Fund A/c	-	-
Transfer to Tuition A/c	-	-
Transfer to Operations A/c	-	-
Bank Charges	1,460	4,402
Maintenance and improvement funds	289,790	698,060
Total	291,250	702,463

8.Boarding And School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	965,663	1,083,500
Service Gratuity	-	-
Repairs And Maintenance & Improvements	66,410	27,965
Local Transport / Travelling	31,900	34,990
Electricity And Water	2,100	33,780
Medical Expenses	-	-
Administration Costs	611,074	716,265
Lunch Programme	1,106,999	907,500
Bank Charges	6,955	8,840
Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	-	-
Tuition(ses)	24,005	39,565
Insurance Cost (<i>Life Property</i>)	-	-
Farm	7,210	4,900
Activity Expenses	9,780	53,185
Acquisition Of Assets	-	-
Transfer to Tuition A/c	-	-
Others (specify)	-	-
Total	2,832,096	2,910,490
Add:payable during the year	137,221	-
Cashflow	2,969,317	2,910,490

9. Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
	Active/Dormant		Kshs	Kshs
Tuition Account			2,049	22,935
Operations Account			140	252,292
School Fund Account/Boarding			7,621	17,797
Savings Account			-	-
Parent Association Development Account			-	-
Income Generating Activities Account			-	-
Infrastructural Account			22,509	202,799
Total			32,318	495,823

10. Cash In Hand

Description	2024-2025	2023-2024
	Kshs	Kshs
Building Fund A/c	28,590	-
Total	28,590	-

11a. Accounts Receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees Arrears	1,031,726	844,736
Other Non-Fees Receivables	-	-
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	1,031,726	844,736

11b) Ageing Analysis of Accounts Receivable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	190,135	15.8 %	194,175	17.1 %
Between 1- 2 years	194,175	16.1 %	595,465	52.5 %
Between 2-3 years	818,816	68.1 %	344,581	30.4 %
Over 3 years	-	- %	-	- %
Total	1,203,126	100 %	1,134,221	100 %
Less:paid over the year	171,400		(289,485)	
Total receivables	1,031,726		844,736	

12a.Accounts Payable

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,814,424	1,446,123
Prepaid Fees	-	-
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other Non-Creditors	-	-
Total	1,814,424	1,446,123

12b. Ageing Analysis of Accounts Payable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	810,449	36.0 %	593,697	38.3 %
Between 1- 2 years	593,697	26.3 %	798,850	51.5 %
Between 2-3 years	852,426	37.7 %	693,426	10.3 %
Over 3 years	-	- %	-	%
Total	2,256,572	100 %	2,085,973	100 %
Less :paid over the year	442,148		(751,850)	
Total payables	1,814,424		1,446,123	

13.Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Balances	495,823	1,030,342
Cash Balances	-	69,000
Short Term Investments	-	-
Receivables	844,736	920,987
Payables	(1,446,123)	(1,492,276)
Total	(105,564)	528,053

14.Biological assets

Description	Numbers	2024-2025	2023-2024
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		35	25
Coffee Or Tea Plantation		-	-
Poultry		-	-
Ram		3	1
Sheep		7	4
Total		45	30

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15. Stock/ Inventory

Description	2024-2025	2023-2024
	Kshs	Kshs
Food stuffs	16,400	20,200
Lab consumables	13,300	62,125
Farm produce	-	-
Medication	-	-
Construction Materials	30,800	125,850
Others (specify)	-	-
	60,500	208,175

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16. 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 14/04/2026
Principal

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17. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024-2025	Outstanding Balance Comparative 2023-2024	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Supply Of Goods						
1. RUSADIV GENERAL AGENCIES	348,079	2020	-	348,079		
2. QWEST GENERAL MERCHANTS	314,233	2023-2025	172,148	142,085		
3. GENERAL SCI-SCOPE SUPPLY HOUSE	484,900	2023-2025	234,000	250,900		
4. ALPHA-G SACCO	2,790	2025	-	2,790		
5. PAUL THIONG'O (FIREWOOD)	10,000	2025	-	10,000		
6. MAIZE(DAVID MWANGI)	13,500	2025	-	13,500		
Sub-Total	1,173,502		406,148	767,354		
Supply Of Services						
7. WORLDNET ENTERPRISES	15,000.00	2024	6,000	9,000		
8. HYPERLINK	65,500.00	2025	20,000	45,500		
9. HIGHMARK SERVICES	44,000.00	2025	10,000	34,000		
10. STEPHEN KIMANI (WORKSHOPS)	495,000	2024-2025	-	495,000		
11. MRS BEATRICE NJENGA(W/SHOP)	85,500	2020	-	85,500		
12. TEACHING STAFF (SALARIES)	142,700	2020		142,700		

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Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024-2025	Outstanding Balance Comparative 2023-2024	Comments
13. NON-TEACHING STAFF(SALARIES)	225,370	2020	-	225,370		
14. MARY NJERI(WORKSHOP)	10,000	2024-2025		10,000		
Sub-Total	1,083,070		36,000	1,047,070		
Grand Total	2,256,572		442,148	1,814,424		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2025
Land	1(3.34Ha)			
Buildings And Structures	15			
Motor Vehicles	-			
Office Equipment, Furniture and Fittings	57			
Textbooks	3,225			
ICT Equipment	2			
Tools And Apparatus	3,920			
Other Machinery and Equipment	-			
Heritage And Cultural Assets	3			
Intangible Assets- Soft Ware	2			
Total	7,225			