REPUBLIC OF KENYA

REPUBLIC OF KENYA

OAG

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

OUR LADY OF FATIMA CHINGA GIRLS SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2025

NYERI COUNTY

OUR LADY OF FATIMA CHINGA GIRLS
PUBLIC 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)

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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.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

(a) Background information

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

The school was registered in under registration number 19S00300064 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a boarding school and had 835 number of students as at *30th June 2025*. It has 4 streams and 33 teachers of which 4 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. KING'ORI KURAIHU	Chairman	28/02/2025
2	MS. JANE WAITHAKA	Vice- chair	28/02/2025
3	MRS. ESTHER NJIRU	Secretary - Principal	28/02/2025
4	PETER MAINA	Member	28/02/2025
5	DANIEL KARURU	Member	28/02/2025
6	SIMON NJOROGE	Member	28/02/2025
7	MAINA	Member	28/02/2025
8	SOPHIA WACHIRA	Member – Rep CEB	28/02/2025
9	GLADYS KARIUKI	Member Rep Teachers	28/02/2025
10	SIMON KINGORI KURAIHU DR. ANN WANJIRA LAURA WANGAI JANE WAITHAKA	3 Members - Sponsor	28/02/2025
11	DANIEL GITHIGA HERMAN WANJAU DR. EVA MAINA	Member - Community	28/02/2025
12	BEATRICE WAITITU	Member Special Needs	28/02/2025
13	TABITHA RITA JUMA	Rep Students	28/02/2025

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.
- 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.KINGORI KURAIHU 2.JANE WAITHAKA 3.ESTHER NJIRU 4.DANIEL KARURI 5.SOPHIA WACHIRA	B.O.M CHAIR B.O.M V.CHAIR B.O.M SECRETARY P.A C HAIR MEMBER- REP CEB	3 out of 3
2	Audit Committee	1.DANIEL GITHIGA 2.SIMON NJOROGE 3.BEATRICE WAITHTU 4.JANE WAITHAKA 5.ESTHER NJIRU 6.DANIEL KARURI	MEMBER MEMBER MEMBER B.O.M V.CHAIR B.O.M SECRETARY P.A C HAIR	1
3	Finance,procurement and general purposes Committee	1.DANIEL GITHIGA 2.SIMON NJOROGE 3.BEATRICE WAITITU 4.JANE WAITHAKA 5.ESTHER NJIRU 6.DANIEL KARURI	MEMBER MEMBER MEMBER B.O.M V.CHAIR B.O.M SECRETARY P.A C HAIR	1
4	Academic Committee	1.HERMAN WANJAU 2.EVERLYN MAINA 3.ANN NDUNGU 4.SOPHIA WACHIRA 5.DANIEL KARURI	MEMBER MEMBER MEMBER MEMBER MEMBER	0

		6.MARGARET RUGA	DEPUTY PRINCIPAL	
5	Development Committee / SIC	1.DANIEL KARURI 2.PETER NDIRANGU 3.HERMAN WEANJAU 4.ESTHER NJIRU 5.SCDE 6.ONE OF DEPUTIES 7.KINGORI KURAIHU	MEMBER MEMBER MEMBER B.O.M SECRETARY DIR. EDUCATION D/P B.O.M CHAIR	1
6	Discipline and welfare Committee	1.LAURA WANGARI 2.EVELYN MAINA 3.ANN NDUNGU 4.SOPHIA WACHIRA 5.GLADYS KARIUKI 6.ONE OF DEPUTIES	MEMBER MEMBER MEMBER MEMBER MEMBER D/P	0
7	Adhoc Committee (if any during the year)	1.TABITHA KIRAGU 2.MARGARET RUGA 3.JOSEPH NDERITU 4.CHARLES NJONJO 5.NANCY MWANGI 6.DANIEL WANJAU 7.CHARLE GITHUKU	D/P D/P SCHOOL BURSAR ACCOUNTS CLERK TEACHER STORE KEEPER TEACHER	2

(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	Estcher W. Njiru	TSC No. 291415
2	Deputy Principal	Mrs. Tabitha kiragu	TSC No. 352349
3	Deputy Principal	Mrs Margaret Ruga	TSC No. 371989
4	School Bursar	Joseph T. Nderitu	ID 29360464
5	Accounts Clerk	Charles Njonjo	ID 11629966

(e) Schools contacts

Post Office Box: 79-10106, OTHAYA
Telephone: +254703 753 811
E-mail: chingagirlshighschool@gmail Website
Website:
Facebook:
Twitter:

(f) School Bankers

The following school operated 7 number of bank accounts in the following banks:

NO.	NAME		BANK
1	Tuition kcb – othaya postal address 79,10106 othaya	5	School fund kcb –othaya postal address 79,10106 othaya
2	Operations kcb othaya postal address 79,10106 othaya	6	School fund equity –othaya postal address 79,10106 othaya
3	Infrastructure kcb –othaya postal address 79,10106 othaya	7	Development equity –othaya postal address 79,10106 othaya
4	CDF kcb –othaya postal address 79,10106 othaya		

MPESA Pay Bill No.522123 Attached to School Fund 1103535110 KCB bank account

(g) Independent Auditors

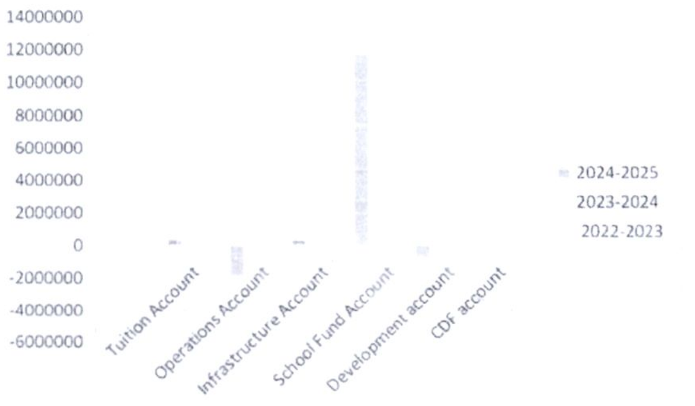
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

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

a) **Financial performance**:

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

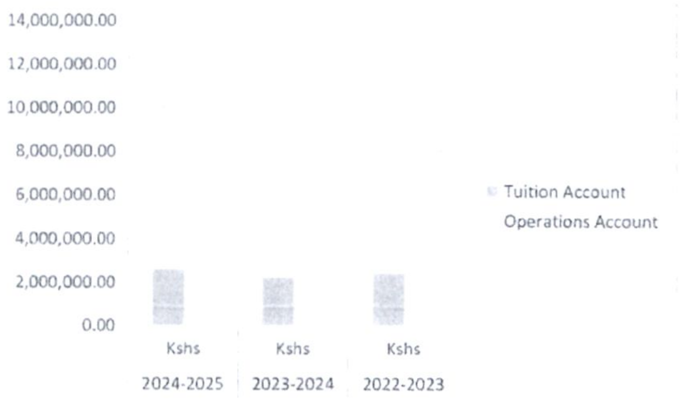
SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS				
ACCOUNTS		**2024-2025**	**2023-2024**	**2022-2023**
		Kshs	**Kshs**	**Kshs**
Tuition Account	598106	348,966.00	695,097.00	122,623.00
Operations Account	(2393 084)	(1,904,142.00)	3,623,132.00	(2,197,249.00)
Infrastructure Account	4371800	283,670.00	(1,477,137.00)	(1,013,413.00)
School Fund Account	11,211,033	11,782,185.00	(3,647,264.00)	(4,046,057.00)
Development account	(4467 084)	(764,138.00)	1,209,532.00	(2,015,468.00)
CDF account		13340-771	(23,705.00)	-
TOTAL	13340771	~~**9,746,541.00**~~	**379,655.00**	**(9,149,563.00)**
	Increase/Decrease	**Increase**	**Increase**	**Decrease**



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

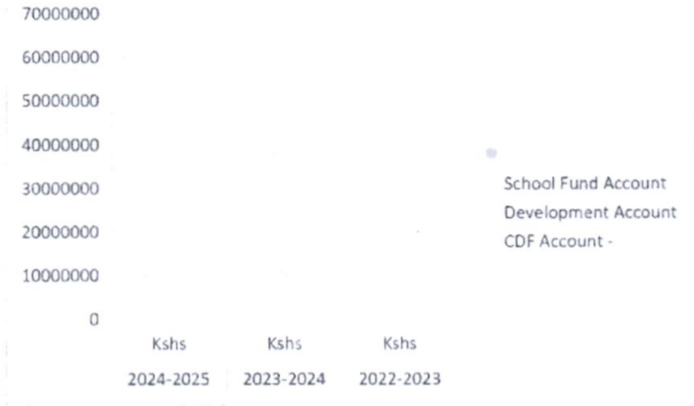
CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS			
ACCOUNTS	**2024-2025 Kshs**	**2023-2024 Kshs**	**2022-2023 Kshs**
Tuition Account	2,611,101.00	2,230,642.00	2,442,412.00
Operations Account	11,093,545.00	12,384,364.00	10,115,426.00
Total	**13,704,646.00**	**14,615,006.00**	**12,557,838.00**

Increase / (Decrease)	**(910,360.00)**	**2,057,168.00**	**(2,355,933.00)**
No of Students	835	1056	830
Ratio per student	**1:16,413.00**	**1:13,818**	**1:15,130.00**



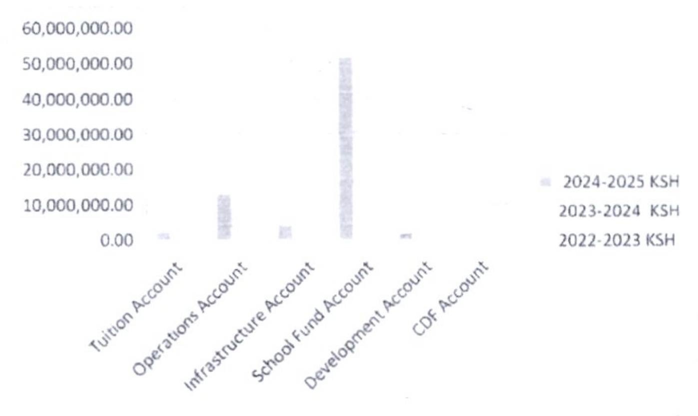
- *A three-year overview of growth of other income(s) earned by the school.*

OVERVIEW OF GROWTH OF OTHER INCOME(S) EARNED BY THE SCHOOL			
ACCOUNTS	**2024-2025 Kshs**	**2023-2024 Kshs**	**2022-2023 Kshs**
School Fund Account	43,387,293.00	37,946,771.00	46,041,388.00
Miscellaneous income / other receipts	20,157,214.00	9,437,309.00	
Development Account	1,028,265.00	1,242,777.00	864,479.00
CDF Account	-	-	
Total 64 721 119	~~**64,572,772.00**~~	**48,626,857.00**	**46,905,867.00**
Increase / (Decrease) 16074262	~~**15,945,915.00**~~	**1,720,990.00**	**(66,725.00)**



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

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL				
ACCOUNTS		**2024-2025**	**2023-2024**	**2022-2023**
		2012193 **KSH**	**KSH**	**KSH**
Tuition Account	2012175	2,262,135.00	1,535,545.00	2,319,789.00
Operations Account	13486624	12,997,687.00	8,761,232.00	12,312,674.00
Infrastructure Account	~~5164767~~	4,089,280.00	2,982,537.00	4,176,413.00
School Fund Account	52164764	51,762,322.00	51,031,344.00	50,087,446.00
Development Account		1,792,403.00	33,245.00	2,879,946.00
CDF Account		-	23,705.00	-
Total	93546074	~~**72,903,827.00**~~	**64,367,608.00**	**71,776,267.00**
Increase / (Decrease)	9178466	~~**8,536,219.00**~~	**(7,408,659.00)**	**9,752,319.00**



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

II. MOVEMENT OF DEBTORS OF THE SCHOOL (accumulated)			
ACCOUNTS	**2024-2025**	**2023-2024**	**2022-2023**
	Kshs	**Kshs**	**Kshs**
Debtors	12,326,676.00	13,634,056.00	8,345,124.00
Total	**12,326,676.00**	**13,634,056.00**	**8,345,124.00**
Increase/Decrease	**(1,307,380.00)**	**5,288,932.00**	**2,647,042.00**

MOVEMENT OF CREDITORS OF THE SCHOOL (accumulated)			
ACCOUNTS	**2024-2025**	**2023-2024**	**2022-2023**
	Kshs	**Kshs**	**Kshs**
Creditors	2,440,595.00	7,342,205.00	2,338,023.00
	2,440,595.00	**7,342,205.00**	**2,338,023.00**
Increase /(Decrease)	**(4,901,610.00)**	**5,004,182.00**	**570,946.00**

Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends unless the school is new).

b) **Teacher Student ratio**:

Between the month of July 2024 and June 2024, the status of the teaching staff is as follows: There are 29 teachers posted by the Teachers Service Commission and 4 recruited by the Board of Management. We are looking forward that more teachers will be posted to school in the future. There was no (0) retiree in 2025. Although the teacher student ratio lies at 1:25. We have a shortage of teachers from the given CBE. This is due to subject specialization in Form 3 and Form 4 and more streams in form 2.

c) **The mean score in the *2024* KCSE**:

YEAR	ENROLMENT	MEAN	TRNSITION	TRNSITION (%)	SCHOOL TARGET	COMMENTS
2024	189	6.185	79	42%	7.01	Negative deviation due to class ability.
2023	190	6.342	127	67%	7.01	Negative deviation due to covid effects, lack of adequate time and class ability.
2022	169	6.509	131	77.51%	7.01	Positive deviation in transition rate & mean.

d) :Number of Candidates in the 2024 KCSE

YEAR	*2024*	*2023*	*2022*
CANDIDATES	189	*190*	*169*

e) The capacity of the school:

FACILITIES	*dormitories*	*dining hall*	*laboratories*	*classrooms*	*Toilets(in& out)*
UNITS	*11*	*1*	*3*	*20*	*100*
CAPACITY	*1100*	*1100*	*120*	*1100*	-
No. of students in the school	*835*	*835*	*835*	*835*	*835*

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).

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Cabro phase 3 installation	R.M.I & Parents	100% complete	834,400.00	834,400.00	Completed

27/3/26

School Principal

Statement of School Management Responsibility

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

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

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2025, and of the school's financial position as at that date.

....

Name:

Designation: Chairman, School Board of Management

Date:

MARGARET WANJIKU
....

Name:

Designation: School Principal & Secretary to Board of Management

Date: 27/3/26

....

Name: JOSEPH NGANGA

Designation: Bursar/ Finance Officer

Date: 27/03/2026

REPUBLIC OF KENYA

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REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON OUR LADY OF FATIMA CHINGA GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 - NYERI 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 Our Lady of Fatima Chinga Girls Secondary School - Nyeri County set out on pages 1 to 23, which comprise 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 Our Lady of Fatima Chinga Girls Secondary School as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Non-Compliance with Transitional IPSAS Reporting Requirements

As disclosed in Note 1 to the financial statements on Statement of Compliance and Basis of Preparation of the Financial Statements, the School has advantage of the transitional provisions under IPSAS 33. However, Management has not indicated the elements of the financial statements that have not been fully recognized as per the respective IPSAS and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

2. Misstatements in the Financial Statements

The statement of financial performance and the supporting schedules revealed variances as shown below; -

Component	Financial Statements (Kshs.)	Schedules (Kshs.)	Variance (Kshs.)
School Fund Income-Parents Contribution	58,977,948	66,410,243	(7,432,295)
Development-Rent arrears	320,395	0	320,395
Development-2024 Prepayments	98,435	0	98,435

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

3. Misstated Accounts Receivable Balance and Trade Creditors Paid in Ageing Analysis

The statement of assets and liabilities reflects accounts receivable balance of Kshs.12,236,676 as disclosed in Note 16 to the financial statements. However, the aging analysis in Note 16 reflect fees recoveries of Kshs.8,438,130 and rent recoveries of Kshs.101,776 which have been included in the ageing analysis as negative balances. Inclusion of these recoveries distorts the ageing profile and does not reflect the true position of receivables and payables at the reporting date.

In the circumstances, the accuracy and completeness of receivables balance of Kshs.12,236,676 could not be confirmed.

4. Misstated Accounts Payable Balance

The statement of assets and liabilities reflects accounts payable balance of Kshs.2,440,595 as disclosed in Note 17 to the financial statements. However, it was noted that trade creditors paid and refunds made during the year of Kshs.5,984,913 and Kshs.1,482,382 have been included in the ageing analysis as negative balances which distorts the ageing profile and does not reflect the true position of payables at the reporting date.

In addition, sundry creditors amounting to Kshs.249,140 under tuition and Kshs.1,647,643 under the school fund were not included in the accounts payable balance of Kshs.2,440,595.

In the circumstances, the accuracy and completeness of payables balance of Kshs.2,440,595 could not be confirmed.

5. Inaccuracies in the Financial Statements

Review of the financial statements revealed inconsistencies between the figures in the performance information pages and the reported figures in the financial statements as shown below;

Performance Information Page No.	Item Description	Reported Amount (Kshs.)	Correct Amount (Kshs.)	Variance (Kshs.)
vii	Surplus for the year	9,746,541	13,340,771	3,594,230
viii	School fund account	43,387,293	51,656,716	8,269,423
viii	Miscellaneous income	20,157,214	13,064,403	(7,092,811)
Ix	Tuition account	2,262,135	2,012,995	(249,140)
Ix	Operations account	12,997,687	13,486,629	488,942
ix	School fund account	51,762,322	52,164,767	402,445

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

6. Inconsistent Basis of Accounting in Preparation of Statements of Cash Flows

Review of the cash flow statement revealed that Management applied both the direct and indirect methods of cash flow presentation, contrary to the recommended direct method in the Public Sector Accounting and Standards Board approved template.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

7. Misclassification of Government Grants for Infrastructure

The statement of financial performance reflects government grants for operations and infrastructure balances of Kshs.11,093,545 and Kshs.4,372,950 as disclosed in Note 2 and Note 3 respectively to the financial statements. It was however noted that the amount of Kshs.4,372,950 reported as grants for infrastructure was RMI transfers from operations to the infrastructure account and not funds received for infrastructure. The School did not receive any funds specifically for Infrastructure during the year under audit and thus the amount is captured twice.

In the circumstances, the accuracy and completeness of the operations and infrastructure balances of Kshs.11,093,545 and Kshs.4,372,950 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Our Lady of Fatima Chinga Girls 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.

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.80,765,330 and Kshs.82,650,368 respectively. However, the School spent an amount of Kshs.72,903,827 against actual receipts amounting to Kshs,82,650,368, resulting in an under-utilization of Kshs.9,746,541 or 12% of actual receipts.

In the circumstances, the underutilization may have affected service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1. Significant Exemptions in the PSASB Reporting Templates

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

Other Information

The Management is responsible for the Other Information set out on pages I to XIV which comprise of Key School Information and Management, Summary Report of Performance of the School and the Statements 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. Based for Qualified Opinion. I confirm that Other Information is not materially inconsistent with the financial statements.

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 boarding and school fund payments amount of Kshs.52,164,767 as disclosed in Note 10 to the financial statements. Included in the expenditure is an amount of Kshs.896,250 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.896,250 could not be confirmed.

2. Long Outstanding Trade and Other Payables Balance

The statement of assets and liabilities and as disclosed in Note 17 to the financial statements reflects payables balance of Kshs.2,440,595. However, included in the balance are trade payables balance of Kshs.1,463,211 which has been outstanding for more than one (1) year which could lead to risk of loss of public funds through litigations, interests and penalties. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates'.

In the circumstances, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

3. Under Funding of Capitation Grants

The statement of financial performance reflects capitation grants for tuition and capitation grants for operations amount of Kshs.2,611,101 and Kshs.11,093,545, respectively as disclosed in Note 1 and Note 2 to the financial statements. However, inconsistencies in the enrolled number of students between NEMIS and the School's student registers were noted as at the date of disbursements, resulting to an under funding by an amount of Kshs.1,343,584 as shown in the table below;

Term	Tuition capitation received (Kshs)	Operations capitation received (Kshs)	Total capitation received (Kshs)	Expected capitation as per school enrolment (Kshs)	Under-funding (Overfunding) (Kshs)
Term 3 2024	627,748	2,857,545	3,485,293	3,449,193	36,100
Term 1 2025	1,435,982	5,900,032	7,336,014	8,821,680	(1,485,666)
Term 2 2025	547,371	2,256,356	2,803,727	2,697,744	105,983
	2,611,101	**11,013,932**	**13,625,033**	**14,968,617**	**(1,343,584)**

In the circumstances, the under-funding of the School may have affected service delivery to the public.

4. Irregularities in Procurement Processes

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

5.0 Lack of Signed Opening Minutes

Review of the School's procurement records revealed that the opening minutes were not signed and initialized by all the committee members contrary to section 78(11) of the Public Procurement and Asset Disposal Act, 2015 that states that to acknowledge that the minutes are true reflection of the proceedings held, each member of the tender opening committee shall—initial each page of the minutes; append his or her signature as well as initial to the final page of the minutes indicating their full name and designation".

5.1 Failure to Issue Professional Opinion Prior to Contract Award

Review of the procurement process for all the 2024-2025 procurements revealed that no professional opinion was issued by the Accounting Officer prior to the award of the contract. This contravened the provision of Regulation 79 (1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that, upon receipt of the evaluation report and professional opinion, the accounting officer shall take into account the contents of the professional opinion and shall within a day, in writing approve award to the successful tenderer.

5.2 Lack of an Inspection and Acceptance committee

The audit review of procurement records revealed that there was no evidence of an inspection and acceptance committee established to verify goods, work or services received prior to payment. This contrary to Section 48 (1) of Public Procurement and

Asset Disposal Act, 2015 states that requires a procuring entity to establish an inspection and acceptance committee responsible for verifying goods, works or services before acceptance.

5.3 Weaknesses in Record Keeping

During the year, the school failed to 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.

5.4 Procurement of Goods Outside the Approved Procurement Plan

The statement of financial performance reflects total expenditure of Kshs.117,298,177 for the year under review. However, audit examination revealed that goods amounting to Kshs.11,987,260 were procured during the year without evidence of being in the approved and duly signed procurement plan in accordance with the prescribed guidelines.

In the circumstances, Management was in breach of law.

5.5 Non-compliance with the Public Sector Accounting Standards Board Reporting Requirements

Review of the financial statement revealed the following inconsistencies;

i. Inclusion of instruction under the definition of key terms on page ii;
ii. All the figures in the financial statements are not rounded off to the nearest whole number;
iii. Number of meetings attended during the year on page iv is not reported as per the guidelines;
iv. The School bankers' information on page vi does not include the account numbers;
v. The statement comparison of budget versus actual amounts did not provide explanation to differences between actual and budgeted amounts (10% over/ under) as per IPSAS 24.14, explanation for changes between original and final budget indicating whether the difference is due to reallocations or other causes as per (IPSAS 24.29);
vi. Accounts payables under the statement of assets and liabilities not to be in brackets;
vii. The statement of cash flows is prepared using a combination of both the direct and indirect methods instead of direct method as per the PSASB guideline.

In the circumstances, Management did not comply with the PSASB guidelines.

6. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of financial performance reflects government grants for operations amount of Kshs.11,093,545 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount was

Kshs.3,801,900 in respect to infrastructure funds. However, the transfer of the funds to the infrastructure account was delayed by between 25 to 62 days as shown in the table below. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/10/18/ (112) of 15 November, 2022 which directed that maintenance and improvement funds be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

Date the operation grant was received in operation account	Date the infrastructure grant was received in infrastructure account	Amount (Kshs)	Number of days
4/06/2024	24/07/2024	999,900	30
31/01/2024	27/02/2024	900,000	27
31/01/2024	25/02/2024	123,000	25
14/03/2025	15/05/2025	223,000	62
14/03/2025	15/05/2025	800,000	62
21/05/2025	17/06/2025	756,000	27

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

7. Unapproved Fees on Parents Association Support Programme

The statement of financial performance reflects school fund income - parents' contributions amount of Kshs.51,656,716 as disclosed in Note 4 to the financial statements. Examination of the records revealed that the School charged an amount of Kshs.50,535 per student for forms three (3) and form four (4) to support the programme which had not been approved by the Ministry of Education through the County Education Board. This was contrary to Government Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day and Secondary Education programme which stipulates that a parent will only pay for school uniforms, boarding related costs as reflected in the boarding fee structure and lunch for the day scholars.

In the circumstances, Management was in breach of 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. Long Outstanding Accounts Receivable Balance

The statement of assets and liabilities reflects accounts receivable balance of Kshs.12,326,676 in respect of fees arrears as disclosed in Note 16 to the financial statements. Included in the balance is accounts receivable balance of Kshs.5,474,472 which had been outstanding for more than one (1) year. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

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

2. Lack of Internal Audit Function

During the year under review, the School did not constitute an internal audit unit as required by Section 73 subsection (1) (a) and subsection 5 of the Public Finance Management Act, 2012 which states that "every National Government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board."

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

3. Weaknesses in Management of Assets

Annex 2 to the financial statements shows a summary of the fixed assets register; however, the values of the assets have not been indicated. The register also includes approximately 13.606 hectares of land on which the School is built, but the School does not have ownership documents for this land. Management only provided a letter dated 19 September 2018 indicating that documents had been submitted to the Nyeri Lands Management Board to obtain a title deed. No further follow up has been made since then to ensure that the School obtains a title deed.

In the circumstances, the ownership of the land occupied by the School 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 Management and Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards

(Accrual) 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.

The Board of Management 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

07 May, 2026

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

Description Of Vote Head	Note	2024-2025 Kshs	2023-2024 Kshs
Revenue			
Government grants for tuition	1	2.611.101.00	2.230,642.00
Government grants for operations	2	11,093,545.00	12,384,364.00
Government grants for Infrastructure / (Transfer From Operation /R.M.I)	3	4.372.950.00	1,505,400.00
School fund income- parents' contributions	4	51,656,716.00	37,946,771.00
Miscellaneous incomes/other receipts	5	13.064.403.00	9.437.309.00
Development account	6	-	1.242,777.00
Total Revenue		**82,798,715.00**	**64,747,263.00**
Expenditure			
Tuition	7	2,012,995.00	1.535.545.00
Operations	8	13.486.629.00	8.761,232.00
Infrastructure	9	1.150.00	2,982.537.00
Boarding and school fund	10	52,164.767.00	51.031.344.00
Development account	11	1,792,403.00	33,245.00
CDF account	12	-	23,705.00
Total expenditure		**69,457,944.00**	**64,367,608.00**
Surplus		**13,340,771.00**	**379,655.00**

The school financial statements were approved on 27th Mrch 2026 and signed by:

....	....	....
Name:	**Name:** MARGARET WANJIKU	**Name:** JOSEPH NDEGITU
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date:	**Date:**	**Date:** 27/03/2026

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	13	21,835,440.00	12,024,062.00
Cash balances	14	73,336.00	138,173.00
Short term investments	15	-	-
Total cash and cash equivalent		**21,908,776.00**	**12,162,235.00**
Account's receivables	16	**12,326,676.00**	**13,634,056.00**
Total financial assets (a)		**34,235,452.00**	**25,796,291.00**
Financial liabilities			
Accounts payables	17	(2,440,595.00)	(7,342,205.00)
Total Financial liabilities (b)			
Net financial assets (a-b)		**31,794,857.00**	**18,454,086.00**
Represented by			
Accumulated fund b/fwd.	18	18,454,086.00	18,074,431.00
Surplus for the year		13,340,771.00	379,655.00
			-
Net Assets		**31,794,857.00**	**18,454,086.00**

The school's financial statements were approved on 27th March 2026 and signed by:

…………………………………	…………………………………	…………………………………
Name:	**Name:** MARGARET WANJIKU **School Principal/ Secretary to BOM**	**Name:** JOSEPH NDERITU
Chair BOM		**Bursar/ Finance Officer**
Date:	**Date:**	**Date:** 27/03/2026

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	2,611,101.00	2,230,642.00
Government grants for operations	2	11,093,545.00	12,384,364.00
Government grants for infrastructure	3	4,372,950.00	1,505,400.00
School fund income- parents contributions/ fees	4	51,656,716.00	37,946771.00
Miscellaneous Incomes / other income	5	11,719,084.00	9,437,309.00
Development account	6	1,345,319.00	1,242,777.00
Total receipts		**82,798,715.00**	**64,747,263.00**
Payments			
Cash outflows for tuition	7	2,012,995.00	1,535,545.00
Cash outflows for operations	8	13,486,629.00	8,761,232.00
Infrastructure account	9	1.150.00	2,982.537.00
Cash outflows Boarding/lunch and school fund payments	10	52,164,767.00	51.031.344.00
Development account	11	1,792,403.00	33,245.00
CDF account		-	23,705.00
Total payments		69,457,944.00	**64,367,608.00**
Net cash inflow from operating activities		**13,340,771.00**	**379,655.00**
Add: Decrease in receivables		**1,307,380.00**	
Less: increase in payable		**(4,901,610.00)**	
Surplus for the year		**9,746,541.00**	
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			
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18		
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		**9,746,541.00**	**379,655.00**
Cash and cash equivalent at beginning of the FY		**12,162,235.00**	**11,782,580.00**
Cash and cash equivalent at end of the FY		**21,908,776.00**	**12,162,235.00**

The school's financial statements were approved on 27th March 2026 and signed by:

....	....	....
Name:	**Name:** MARGARET WANJIKU	**Name:** JOSEPH NDERITU
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date:	**Date:**	**Date:** 27/03/2026

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	243,960.00		243,960.00		
Exercise Books	1,669,200.00		1,669,200.00		
Laboratory Equipment	1,535,450.00		1,535,450.00		
Textbook	288,900.00		288,900.00		
Teaching / Learning Materials	406,600.00		406,600.00	2,611,101.20	642%
Exams And Assessment					
Chalk	289,970.00		289,970.00		
(2) Capitation Grant on Operations					
Personnel Emoluments	6,157,850.00		6,157,850.00	2,495,152.00	41%
Repairs And Maintenance	5,350.00.00		5,350,00.00	3,199,250.00	602%
Local Transport / Travelling	1,070,000.00		1,070,000.00	748,198.00	70%
Electricity And Water	1,503,350.00		1,503,350.00	1,122,827.55	75%
Insurance	2,140,000.00		2,140,000.00	952,860.00	45%
Administration Costs	1,326,800.00		1,326,800.00	1,871,364.00	141%
Activity	1,605,000.00		1,605,000.00	624,285.00	39%
Smasse	214,000.00		214,000.00	-	
Gratuity				79,611.00	
3) FDSE for infrastructure					

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
Transfer from operation Maintenance &Improvement MoE	5,350,000		5,350,000	4,372,950.00	82%
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
(4) Fees Charged on Parents					
Personnel Emoluments	5,521,200.00		5,521,200.00	4,340,779.00	79%
Repairs, Maintenance and Improvements	2,140,000.00		2,140,000.00	1,645,920	77%
Local Transport / Travelling	1,760,150.00		1,760,150.00	1,425,858.00	81%
Electricity, Water and Conservancy	3,391,900.00		3,391,900.00	1,941,434.00	57%
Administration Costs	5,039,700.00		5,039,700.00	3,462,193.00	69%
Activity	267,500.00		267,500.00	204,925.00	77%
Boarding Equipment and Stores	35,952,000.00		35,952,000.00	30,364,184.00	85%
5) Miscellaneous Income					
Arrears				8,438,130.00	
prepayments				977,384.00	
Bank charges				17,200.00	
Bursary				720,500.00	
Farm				4,000.00	
Promised grant				10,000,000.00	
Development account					

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
Personnel Emoluments	5,521,200.00		5,521,200.00	4,205,931	76%
Repairs, Maintenance and Improvements	2,140,000.00		2,140,000.00	3,918,827	183%
Local Transport / Travelling	1,760,150.00		1,760,150.00	2,108,240.00	120%
Electricity, Water and Conservancy	3,391,900.00		3,391,900.00	2,900,058.00	86%
Administration Costs	5,039,700.00		5,039,700.00	6,218,276.00	123%
Activity	267,500.00		267,500.00	185,885.00	70%
Boarding Equipment and Stores	35,952,000.00		35,952,000.00	25,276,210.00	70%
Medical expenses				81,920.00	
Bank charges				16,449.90	
Sundry creditors				1,647,643.00	
prepayments				1,482,382.00	
Bursary				720,500.00	
Development account					
Rent	391,800.00		391,800.00		
Development arrears	2,500,000.00		2,500,000.00		
Bank charges				402.50	
Water boiler system				1,792,000.00	
Totals	**80,765,330.00**		**80,765,330.00**	**72,903,827.00**	**90%**

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

i. *Xxxx*
ii. *Xxxx*

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/thi[rd]/year financial statements are transitional financial statements.

Basis of Preparation

These financial statements have been prepared on trtansitional 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.

1 **Government Grants for Tuition**

Description	*2024-2025*	2023-2024
	Kshs	Kshs
Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	2,611,101.00	2,230,642.00
Operation account		
Total	**2,611,101.00**	**2,230,642.00**

**Include others as per MOE circulars*

2 **Government Grants for Operations**

Description	*2024-2025*	2023-2024
	Kshs	Kshs
Personnel Emoluments	2,495,152.00	2,560,335.00
R.M.I : Transfer to Infrastructure a/c	3,199,250.00	3,514,100.00
Local Transport / Travelling	748,195.00	480,738.00
Electricity And Water	1,122,828.00	1,495,281.00
Medical	-	80,025.00
Insurance	952,860.00	626,250.00
Administration Costs	1,871,364.00	1,312,501.00
Activity	624,285.00	714,989.00
CDF ACCOUNT	-	23,705.00
CBC Classrooms	-	1,576,440.00
Gratuity	79,611.00	
Total	**11,093,545.00**	**12,384,364.00**

Note: Revenue and expenditure of capitation in operations, indicates overstated amounts of kshs 3,199,250 and 4,372,950 respectively. The amount transferred from operation to infrastructure, had to be accounted for. Hence the book keeping entries where you debit operations and credit infrastructure.

3 **Government Grants for infrastructure**

Description	*2024-2025*	2023-2024
	Kshs	Kshs
R.M.I : Transfer from Operation Account	4,372,950.00	1,505,400.00
Transition infrastructure grants		
Economic stimulus grants		
Total	**4,372,950.00**	**1,505,400.00**

4 School Fund Income - Parents Contribution/Fees

Description	*2024-20258*	2023-2024
	Kshs	Kshs
Personnel emoluments	4,340,779.00	4,903,087.00
Repairs and maintenance	1,645,920.00	1,830,690.00
Local transport / travelling	1,427,858.00	1,469,354.00
Electricity and water	1,941,434.00	2,189,229.00
Administration costs	3,462,193.00	3,746,530.00
Activity	204,925.00	230,972.00
Fee on Boarding Equipment and stores	30,364,184.00	23,576,909.00
Medical	-	-
Add: current year debtors	6,912,131.00	
Add: 2024 prepayments	1,357,292.00	
Total	**51,656,716.00**	**37,946,771.00**

5 Miscellaneous Incomes

Description	*2024-2025*	2023-2024
	Kshs	Kshs
Arrears	(8,438,130.00)	4,033,930.00
Prepayments	977,384.00	1,767,804.00
Bursary	720,500.00	1,906,660.00
Income from Bus Hire	-	15,000.00
Bank charges	17200	
Refundable fee		40,535.00
Music Festivals		1,625,300.00
Uniform		48,080.00
Farm	4,000.00	
Promised grant	10,000,000.00	
Total	**11,719,084.00**	**9,437,309.00**

(Include an explanation on the kind and source of grants/ donations received by the school.)
**Ensure proper authorization from MOE before obtaining loans/borrowings.*
**Indicate what other income relates to including income arising from writebacks if any.*

6 Development Account

	2024-2025 Kshs	2023-2024 Kshs
Rent	344,924.00	430,065.00
Rent Arrears for the year	320,395.00	
2024 prepayments	98,435.00	
Rent Arrears recoveries for the year	(101,776.00)	
Development	581,565.00	162,752.00
Development -Parents		649,960.00
Total	**1,345,319.00**	**1,242,777.00**

PAYMENTS

7 Tuition

Description	*2024-2025* Kshs	2023-2024 Kshs
Exercise Books	1,044,280.00	451,120.00
Laboratory Equipment	834,620.00	480,765.00
Teaching / Learning Materials	70,580.00	
Bank Charges	465.00	3,660.00
Chalk	63,050.00	
Sundry creditors	(249,140.00)	600,000.00
Total	**2,012,995.00**	**1,535,545.00**

8 Operations

Description	*2024-2025* Kshs	2023-2024 Kshs
Personnel Emoluments	4,749,564.00	2,240,155.00
Administration Cost	568,190.00	104,914.00
R.M.I : Transfer to infrastructure account	4,372,950.00	1,505,400.00
Local Transport / Travelling	1,040,949.00	938,781.00
Electricity And Water	2,110,940.00	396,107.00
Activity Expenses	-	-
Insurance Cost	74,443.00	865,339.00
Bank charges	1,040.00	5,675.00
Gratuity	79,611.00	
Tuition account		1,274,848.00
CDF ACCOUNT		345.00
CBC Classrooms		1,429,668.00
Add: current creditors	488,942.00	
Total	**13,486,629.00**	**8,761,232.00**

9 Infrastructure

Description	*2024-2025*	2023-2024
	Kshs	Kshs
Sundry creditors	4,088,130.00	
Dorm expansion		2,978,192.00
Bank charges	1,150.00	4,3345.00
	4,089,280.00	**2,982,537.00**
Sundry creditors paid during the year	(4,088,130.00)	
Total	**1,150.00**	

10 Boarding And School Fund

Description	*2024-2025*	2023-2024
	Kshs	Kshs
Personnel Emoluments	4,205,931.00	5,894,262.00
Repairs And Maintenance & Improvements	3,918,827.00	1,039,443.00
Local Transport / Travelling	2,108,240.00	1,460,325.00
Electricity And Water	2,900,058.00	1,624,663.00
Medical Expenses		
Administration Costs	6,218,276.00	5,103,653.00
Bank Charges	16,450.00	24,545.00
Fee On Boarding Equipment and Stores	28,276,210.00	29,407,277.00
Activities	185,885.00	415,957.00
Prepayment refunds	1,482,382.00	1,662,626.00
Bursary	720,500.00	1,906,660.00
Medical	81,920.00	452,162.00
Uniform	-	36,038.00
Refundable fee	-	44,735.00
Farm	-	3,800.00
Music festival	-	1,468,775.00
Sundry creditors	(1,647,643.00)	486,425.00
Add: current creditors	1,099,359.00	
Add: adjusted prepaid current year	950,729.00	
Total	**52,164,767.00**	**51,031,344.00**

*(Expenses on income generating activities** should include all costs relating to the school earnings on miscellaneous revenue as recorded in note 5. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).*

11 DEVELOPMENT ACCOUNT

	2024-2025 Kshs	2023-2024 Kshs
Rent	-	32,420.00
Bank charges	403.00	825.00
Water Boiler System	1,792,000	
Total	**1,792,403.00**	**33,245.00**

12 CDF ACCOUNT

	2023-2024 Kshs	2023-2024 Kshs
TRANSFER TO OPERATION ACCOUNT	-	23,359.50
Bank charges	-	345.00
Total	-	**23,705.00**

13 Bank Accounts

Account Name & Currency	Status	Bank Account Number	*2024-2025*	2023-2024
	Active/Dormant		Kshs	Kshs
Tuition Account- KCB	Active	1103535749	1,182,462.70	833,497.00
Operations Account-KCB	Active	110156257	2,339,173.15	4,243,316.0
School Fund –EQUITY Account/Boarding-KCB	Active	0080298891491 1103535110	6,360,227.23 10,929,722.72	3,197,694.00 2,245,234.00
Savings Account	-	-	-	
Development Account EQUITY	Active	0080297413113	445,395.00	1,209,532.00
Infrastructural Account-KCB	Active	1271873206	578,459.50	294,790.00
CDF Account -KCB	Dormant	1261535634	-	0
Total			**21,835,440.00**	**12,024,062.00**

14 Cash In Hand

Description	*2024-2025*	2023-2024
	Kshs	Kshs
Infrastructural Account	12.00	12.00
School Fund account	73,324.00	138,161.00
Total	**73,336.00**	**138,173.00**

15 Short Term Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

16 a) Accounts Receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees Arrears	12,006,281.00	13,355,512.00
Other Non-Fees Receivables		
Rent arrears (list/schedule attached)	320,395.00	278,544.00
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Total	**12,326,676.00**	**13,634,056.00**

16 b) 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				
Between 1- 2 years	6,912,131.00	56%	9,044,318.00	66%
Between 2-3 years	8,159,584.00	66%	2,542,327.00	17%
Over 3 years	5,474,472.00	44%	5,802,797.00	43%
Rent arrears	320,395.00	3%	278,544.00	2%
Current year recoveries-Fees	(8,438,130.00)	(-68%)	(4,033,930.00)	-30%
Current year recoveries -Rent	(101,776.00)	(-1%)		
Total (should tie to note 16 a)	**12,326,676.00**		**13,634,056.00**	

17 a) Accounts Payable

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,588,301.00	5,984,913.00
Prepaid Fees	852,294.00	1,357,292.00
Retention Monies		
Unpaid salaries and statutory deductions		
Total	**2,440,595.00**	**7,342,205.00**

17 b) Ageing Analysis of Accounts Payable

Description	*2024-2025 Kshs*		*2023-2024 Kshs*	
	2024-2025	% of the total	2023-2024	% of the total
Trade creditors	1,588,301.00	65%	5,984,913.00	82%
Less than 1 year	977,384.00	41%	1,444,634.00	20%
Between 1- 2 years	5,984,913.00	245%	1,217,075.00	17%
Between 2-3 years	1,136,165.00	47%	740,083.00	10%
Over 3 years	221,127.00	9%	704,551.00	10%
Trade creditors paid during the year	(5,984,913.00)	-245%	(1,086,425.00)	-15%
Refunded during the year	(1,482,382.00)	(61%)	(1,662,626.00)	-23%
Total (should tie to note 17 a)	**2,440,595.00)**		**7,342,205.00**	

18 Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank balances (as at 1st July)	12,024,062.00	11,592,221.00
Cash balances (as at 1st July)	138,173.00	190,359.00
Short Term Investments	-	-
Receivables (as at 1st July)	13,634,056.00	13,634,056.00
Payables (as at 1st July)	(7,342,205.00)	(7,342,205.00)
Total	**18,454,086.00**	**18,074,431.00**

Other important disclosure notes

IPSAS Cash Standard encourages an entity to disclose accrual-related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non-financial assets and liabilities.

19 Non-current Liabilities Summary

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others (specify)		
Total		

20 Biological assets

Description	Numbers	2024-2025	2023-2024
		Kshs	Kshs
Pigs		60,000.00	60,000.00
Goats / sheep		30,000.00	34,000.00
Trees		150,000.00	200,000.00
Coffee Or Tea Plantation			
Poultry			
Total			

21 Borrowings

Description	2024-2025	2023-2024
	Kshs	Kshs
Borrowings at beginning of the year		
Borrowings during the year		
Repayments during the year		
Balance at the end of the year		

Other important disclosure notes

22 Stock/ Inventory

Description	2024-2025	2023-2024
	Kshs	Kshs
Food stuffs	1,589,240.00	2,305,000.00
Lab consumables		
Farm produce		
Medication		
Construction Materials		
Others (specify)		
	1,589,240.00	**2,305,000.00**

(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)

23 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)*
Year 2023	Uncollected house rent	B.O.M is under the process of reviewing the charges of staff houses.	Not resolved	Future B.O.M Meetings
	Issue of materials used for infrastructure	In future will ensure that all goods received are recorded in the ledger and issued accordingly	Resolved	Immediately
	Irregular engagement of temporary workers	B.O.M meeting will review the issue of casual workers where those fit will be considered for permanent or contractual employment.	Resolved	Immediately
	Virement (reallocation) of fund	In future the school management will comply.	Resolved	Virement was stopped

Sign and Date 27/2/26
Principal

24 Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2024-2025	Outstanding Balance Comparative 2023-2024	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. SHARON CONSTRUCTION COMPANY LTD	13,457,403.50		13,457,403.50	-	4,088,130.00	
Sub-Total				-	**4,088,130.00**	
Supply Of Goods						
2. B.M.M & SON FRUITS				22,491.00	28,350.00	
3. MAXISERVE VENTURES					252,000.00	
4. FLACY GREENS ENTERPRISE				216,150.00	252,810.00	
5. MUIRU MEAT POINT BUTCHERY				117,750.00	177,750.00	
6. OVERMERE MERCHANTS					105,000.00	
7. VAICOMI OIL (K) LTD				74,122.00	97,954.00	
8. DEMKA DAIRY				152,880.00	437,580.00	
9. REINER DISTRIBUTORS					199,140.00	
10.DNGEE ENTERPRISES					50,000.00	
11.HARE HILLS LTD				76,800.00		
12 SAMAR ENERGY SAVERS & TECHNOLOGY				123,350.00		

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2024-2025	Outstanding Balance Comparative 2023-2024	Comments
13. WAKS STORES & HARDWARE LTD				354,740.00		
14. LICKJAM ENTERPRISE				165,000.00		
Sub-Total				**1,306,813.00**	**1,601,097.00**	
Supply Of Services						
15.PETER MAINA AUTO GARAGE				249,280.00	188,667.00	
16.JOSHECK ENTERPRISES					6,500.00	
17.SKYWAY SECURITY SERVICES				15,000.00	15,000.00	
18.GASTON KENYA LTD					86,032.00	
19. FRANCIS KAAI MARIKIO INVESTMENT				17,208.00		
Sub-Total				**281,488.00**	**296,199.00**	
Grand Total				**1,588,301.00**	**5,984,913.00**	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 20XX	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 20XX
Land				
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture and Fittings				
Textbooks				
ICT Equipment				

Asset Class	Historical Cost b/f (Kshs) 1st July 20XX	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 20XX
Tools And Apparatus				
Other Machinery and Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total				