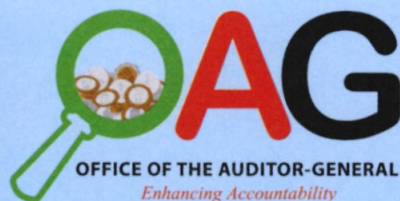


REPUBLIC OF KENYA



REPORT

	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 JUL 2026	DAY: WEDNESDAY
TABLED BY:	HON. DWEN BAYA, M.P.
CLERK-AT THE-TABLE:	CHRISTINE NDIRITHI

OF

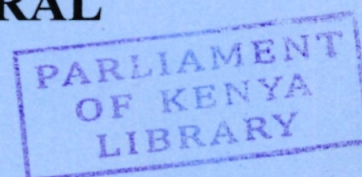
THE AUDITOR-GENERAL

ON

KAAGA BOYS SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2025**

MERU COUNTY



Revised 30th June 2025



KAAGA BOYS' HIGH SCHOOL

P.O. BOX 278 – 60200 MERU

Tel: 0742608479

Email: kaagaboysch@yahoo.com

Website: www.kaagaboys.sc.ke



KAAGA BOYS HIGH 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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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.

2. Key School Information and Management

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in **Meru County, Imenti East Sub County**.

The school was registered in **25/6/2024** under registration number **12S00302012** and is currently categorized as a **Boarding** public school established, operated by the Government.

The school is a boarding school and had **1344** students as at **30th June 2025**. It has **3** streams and **58** 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.	Mr. Maingi Mugambi	Chairman	1st March 2025
2.	Mr. Judy Kaburu	Vice Chairman	1st March 2025
3.	Mr. Stephen Wainaina	Principal/Secretary	1st March 2025
4.	Mr. Ibrahim Ileri	P.A. Chairman	1st March 2025
5.	Madam Catherine Muthoni	Member	1st March 2025
6.	Mr. Isaac Kirimi M'Anampiu	Member	1st March 2025
7.	Mr. Benard Koome Maranya	Member	1st March 2025
8.	Mr. Denis Karani	Member	1st March 2025
9.	Mr. Joel Kironcho	Member	1st March 2025
10.	Madam Nelly Mukami	Member	1st March 2025
11.	Dr. Pamela Rinkanya	Member	1st March 2025
12.	Mr. Adiel Murithi Philip	Member	1st March 2025
13.	Madam Cecilia G. Joseph	Member	1st March 2025
14.	Mr. Job Mutuma	Member	1st March 2025
15.	John Mumo	Student	1st March 2025
16.	Mr. Nathan Gitonga	Co-opted	1st March 2025
17.	Dr. Isaack Kaberi	Co-opted	1st March 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	Mr. Maingi Mugambi Mr. Stephen Wainaina Mr. Ibrahim Ileri Madam Catherine Muthoni Mr. Isaac Kirimi M.	Chairman Principal/Secretary P.A. Chairman Member Member	3 OUT OF 3 3 OUT OF 3 3 OUT OF 3 3 OUT OF 3 3 OUT OF 3
2	Audit Committee	Mr. Joel Kironcho Mr. Denis Karani Mr. Maingi Mugambi Mr. S. M. Wainaina Mr. Ibrahim Ileri Mr. Adiel Murithi	Chairman Secretary Member Member Member Member	1 OUT OF 3 1 OUT OF 3 1 OUT OF 3 1 OUT OF 3 1 OUT OF 3 1 OUT OF 3
3	Finance, procurement, and general purposes Committee	Mr. Joel Kironcho Mr. Denis Karani Mr. Maingi Mugambi Mr. S. M. Wainaina Mr. Ibrahim Ileri Mr. Adiel Murithi	Chairman Secretary Member Member Member Member	1 OUT OF 3 1 OUT OF 3 1 OUT OF 3 1 OUT OF 3 1 OUT OF 3 1 OUT OF 3
4	Academic Committee	Mr. Ibrahim Ileri Mr. Job Mutuma Mr. Maingi Mugambi Mr. S. M. Wainaina Mr. Benard Koome Maranya Madam Nelly Mukami Dr. Pamel Rinkanya	Chairman Secretary Member Member Member Member Member	1 OUT OF 3 1 OUT OF 3 1 OUT OF 3 1 OUT OF 3 1 OUT OF 3 1 OUT OF 3 1 OUT OF 3
5	Development Committee (INFRASTRUCTURE)	Madam Catherine Njiru Mr. Joseph Nkiranga Mr. Mainigi Mugambi	Chairlady Secretary	1 OUT OF 3 1 OUT OF 3

		Mr. S. M. Wainaina Mr. Ibrahim Ileri Madam Judy Kaburu MOE and SCDE	Member Member Member Member Member	1 OUT OF 3 1 OUT OF 3 1 OUT OF 3 1 OUT OF 3 1 OUT OF 3
6	Discipline and welfare Committee	Mr. Isaack Kirimi Mr. Joseph Nkiranga Mr. Maingi Mugambi Mr. S. M. Wainaina Mr. Ibrahim Ileri Madam Judy Kaburu Madam Cecilia Gacheri	Chairman Secretary Member Member Member Member Member	1 OUT OF 3 1 OUT OF 3 1 OUT OF 3 1 OUT OF 3 1 OUT OF 3 1 OUT OF 3 1 OUT OF 3
7	Adhoc Committee (if any during the year)	NIL		

(d) School Operations 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	Stephen Mbugua Wainaina	Tsc No.347878
2	Deputy Principal	Joseph Nkiranga	Tsc No.417590
4	School Bursar	Zachary Kiambi	ID NO.13553596

(e) School contacts

Post Office Box: 278-60200 Meru
 Telephone: 0742-608-479
 E-mail: kaagaboysch@gmail.com
 E-Website: www.kaagaboys.sc.ke
 Facebook: N/A
 Twitter: N/A

(f) School Bankers

Provide details of the school bankers.

- Name of Bank: **CO-OPERATIVE BANK**
 Branch: **MAKUTANO BRANCH (MERU) (SCHOOL FUND ACCOUNT)**
 Postal Address:
- Name of Bank: **CO-OPERATIVE BANK**
 Branch: **MAKUTANO BRANCH (MERU) (TUITION ACCOUNT)**
 Postal Address:
- Name of Bank: **CO-OPERATIVE BANK**
 Branch: **MAKUTANO BRANCH (MERU) (OPERATIONS ACCOUNT)**
 Postal Address:

4. Name of Bank: **CO-OPERATIVE BANK**
 Branch: **MAKUTANO BRANCH (MERU) (SAVINGS ACCOUNT)**
 Postal Address:

5. Name of Bank: **CO-OPERATIVE BANK**
 Branch: **MAKUTANO BRANCH (MERU) (CDF ACCOUNT)**
 Postal Address:

6. Name of Bank: **CO-OPERATIVE BANK**
 Branch: **MAKUTANO BRANCH (MERU) (INFRASTRUCTURE ACCOUNT)**
 Postal Address:

7. Name of Bank: **EQUITY BANK**
 Branch: **MAKUTANO BRANCH (MERU) (SCHOOL FUND ACCOUNT)**
 Postal Address:

8. MPESA Pay Bill No.**853228** attached to **SCHOOL FUND** bank account

(g) Independent Auditors

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

3. Summary Report of Performance of The School

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

a) Financial performance:

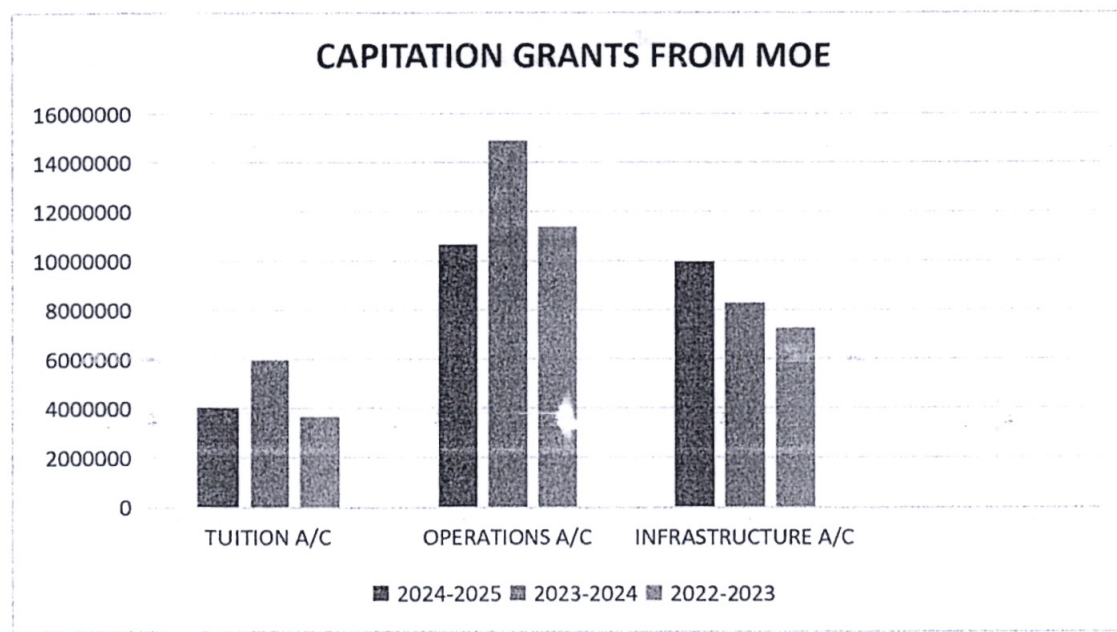
Surplus/ deficit for the year and a comparison of the same for the last three years

	2022 - 2023		2023-2024		2024 - 2025	
	Deficit Ksh	Surplus KSH	Deficit Ksh	Surplus KSH	Deficit Ksh	Surplus KSH
		4,134,034.45		3,204,551.31	3,820,192.91	



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

YEAR	TUITION	OPERATION	INFRASTRUCTURE
2022 – 2023	3,673,777.40	11,387,436.65	7,266,498.00
2023 – 2024	5,965,757.40	14,890,282.80	8,281,800.00
2024 - 2025	4,058,375.00	10,664,152.20	9,970,000.00

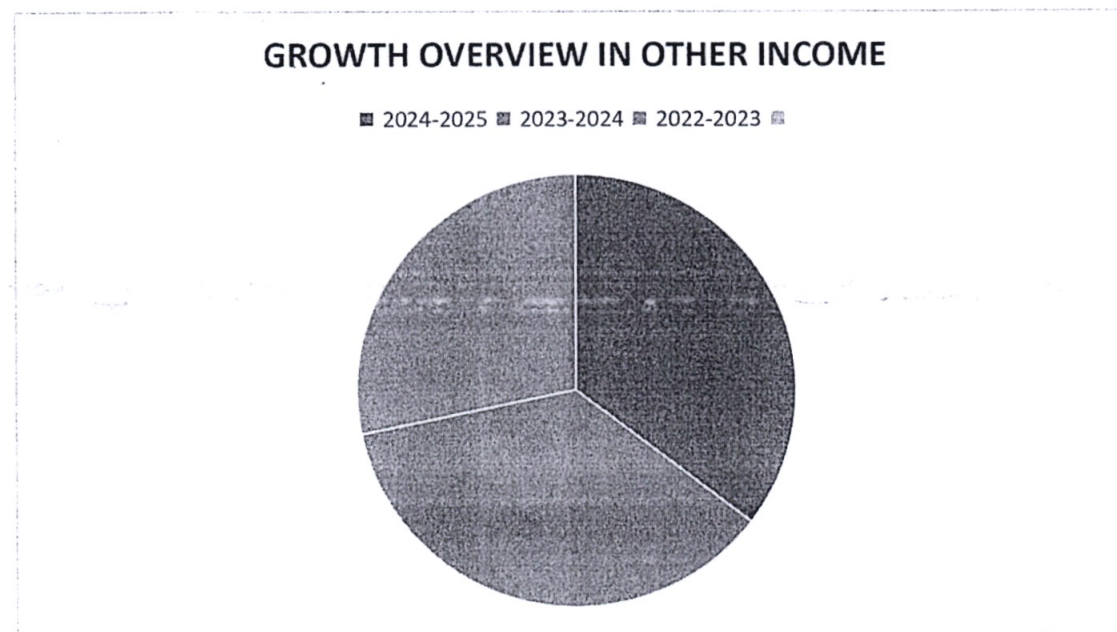


A three-year overview of growth of other income(s) earned by the school.

2022– 2023 -84,215,148.00

2023– 2024 -86,571,014.00

2024 – 2025 -67,223,744.00



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

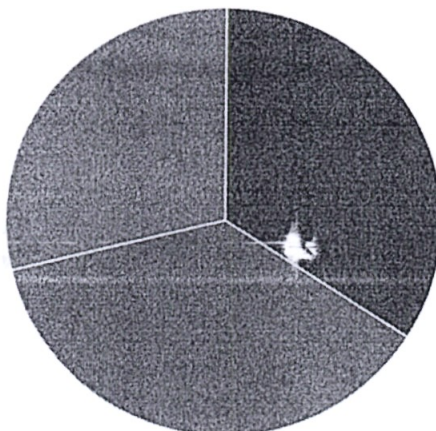
2022– 2023 -79,557,967.70

2023– 2024 -86,626,684.59

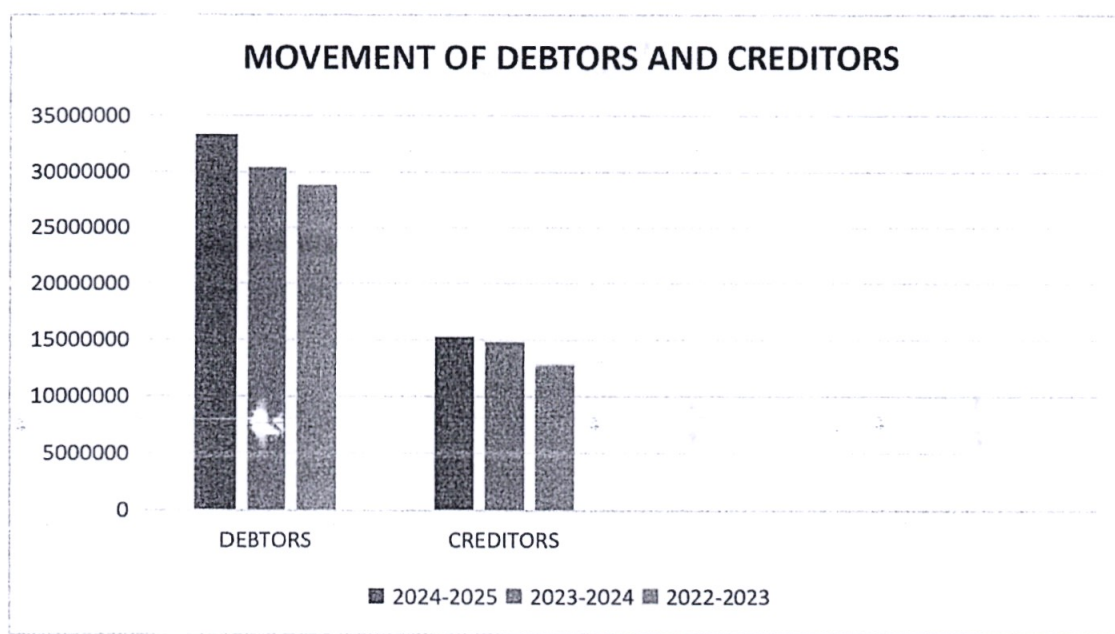
2024 – 2025 -67,352,778.61

GROWTH OVERVIEW IN OTHER EXPENDITURE

■ 2024-2025 ■ 2023-2024 ■ 2022-2023 ■

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

	DEBTORS	CREDITORS
2022 - 2023	28,814,509.00	12,807,379.00
2023 - 2024	30,394,632.00	14,849,827.00
2024 - 2025	33,300,063.50	15,265,936.00



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

b) Teacher Student ratio:

No of teachers recruited and posted to school within the year	No of teachers transferred	No of retired teachers	Total no of TSC teachers	Bom teachers	Teachers per subject	Teacher shortage per subject
2	8	None	55	3	1. Eng/ Lit = 10 2. Bio/Chem = 3 3. Cre/HST=1 4. Phy/Chem=1 5. Agri/Bio=3 6. Maths/BST=2 7. Chem/Maths=4 8. Maths/Bio=Nil 9. Cre/Geo=2 10. Geo/HST=1 11. Kisw/CRE=7 12. Kisw/Geo=4 13. Comp/Maths=2 14. Homescience =Nil	1.Homscience=Nil 2.Bio/Chem = 1 3.Chem/Maths =1 4.Phy/Chem=1 5.Cre/Hst=1 6.Agri/Bio=1

c) The mean score in the 2022-2024 KCSE:

KCSE YEAR	MEAN SCORE	No of learners transitioned to higher institutions
2024	6.093	125
2023	6.566	131
2022	7.184	150

d) Number of Candidates in the 2022-2024

YEAR	NO OF STUDENTS
2024	312
2023	265
2022	234

e) The capacity of the school is 1,344 Students

FACILITY	AVAILABLE	REQUIRED	VARIANCE
Dormitories	9		
Multi-purpose hall	1		
Science lab	3		
Home science lab	NIL		
Computer lab	1		
Toilets	68		
Classrooms	24		
Food stores	1		
Staff quarters	4		
Admin	1		

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time

KAAGA BOYS HIGH SCHOOL

CHAIRMAN B.O.M

..... Date:.....

Mr. Stephen M. Wainaina
School Principal

4. Statement of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (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 KAAGA BOYS HIGH SCHOOL accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

KAAGA BOYS HIGH SCHOOL
CHAIRMAN B.O.M

Sign:..... Date:.....

Name: Mr. Maingi Mugambi

Designation: Chairman, School Board of Management

Date: 15th April 2026

KAAGA BOYS HIGH SCHOOL
CHAIRMAN B.O.M

Sign:..... Date:.....

Name: Mr. Stephen M. Wainaina

Designation: School Principal & Secretary to Board of Management

Date: 15th April 2026

KAAGA BOYS HIGH SCHOOL
BURSAR

15 APR 2026

P.O. Box 278-60200, MERU, MENTU, NORTH

Name: Mr. Zachary Kiambi

Designation: Bursar/ Finance Officer

Date: 15th April 2026

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 KAAGA BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – MERU 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 Kaaga Boys 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 Kaaga Boys 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 National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents of Kshs.4,542,405. However, the balance was not supported with bank reconciliation statements and certificates of bank balances and a Board of Survey Report as at 30 June, 2025.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.4,542,405 could not be confirmed.

2. Variance in the Operations Account

The statement of financial performance reflects operations grants amount of Kshs.10,664,152 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. However, the School records availed revealed that operations amount received an amount of Kshs.17,134,151 resulting to a variance of Kshs.6,469,999 which was not explained.

In the circumstances, the accuracy of the operational grants of Kshs.10,664,152 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kaaga Boys Secondary School in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional 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

Significant Exemptions by PSASB in the Financial Reporting Template

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 are responsible for the Other Information set out on page (iii) to (xiii) which comprises of Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 21 September, 2025 instead of the statutory deadline of

31 August, 2025. This was contrary to the Ministry of National Treasury on annual financial statements reporting date submission Ref.No.AG.3/88 vol vii (41) dated 4 December, 2024 which stated that financial statements should be ready by 31 August, 2025, for 2024/2025 financial year in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

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

The statement of financial performance reflects boarding and school fund payments amount of Kshs.67,352,778.61 which as disclosed in Note 9 to the financial statements includes an amount of Kshs.3,323,500 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.3,323,500 could not be confirmed.

3. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of financial performance reflects operations grants amount of Kshs.10,664,152 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.3,632,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, an amount of Kshs.2,200,000 was transferred to infrastructure account, leaving a balance of Kshs.1,432,500. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

4. Long Outstanding Student Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.33,300,063.50 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance is accounts receivable balance of Kshs.27,090,173 which had been outstanding for more than one (1) year. However, there was no ageing analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

This was contrary to Regulation 83(1) and (2)(g) of the Public Finance Management (National Government) Regulations, 2015 which states that the National Government

entity shall be responsible for establishing sound cash management systems, procedures and processes, to ensure efficient and effective banking and cash management practices. Guiding principles for cash management; and for purposes of this regulation, sound cash management includes - pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the Government are collected and banked promptly.

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

5. Long Outstanding Accounts Payables

The statement of financial assets and financial liabilities and as disclosed in Note 14 to the financial statements reflects accounts payables balance of Kshs.16,969,651. However, included in the balance are trade payables balance of Kshs.5,378,236 which had been outstanding for more than one (1) year that poses the risk of loss of public funds through litigations, interests and penalties. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that, 'service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

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

6. Failure to Establish a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications such as licenses from the Kenya Institute of Supplies Management.

In the circumstances, Management was in breach of procurement regulations.

7. Failure to Register as a Withholding Tax Agent

It was noted that the School had not been registered as a withholding tax agent with the Kenya Revenue Authority despite making payments to suppliers and service providers during the year under review.

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

8. Failure to Register as a Data Controller and Data Processor

Audit review established that Kaaga Boys High School had not registered with the Office of the Data Protection Commissioner (ODPC) as a data controller and data processor, despite actively collecting, processing, and storing personal data of students, staff members and other service providers during the year under review.

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

9. Projects Implementation Status

9.1 Stalled/Abandoned Tuition Block wing 2 Project

The audit revealed that Tuition Block wing 2 valued at unknown value had stalled and was abandoned as at 30 June, 2025. Stalled projects are an indication that the Students had been denied benefits that would have accrued from the completed project and that value for money invested in the projects has not been realized.

9.2 Delayed Dormitory Project

During the year under review, development projects carried by the School revealed that the School had a dormitory project done through Labour contract at a total sum of Kshs.25,000,000. Although a total of Kshs.24,000,000 had been paid as at 30 June, 2025, the building was still incomplete at 3rd and 4th floors. Stalled projects are an indication that the students have been denied benefits that would have accrued from the completed projects and that value for money invested in the projects has not been realized.

In the circumstances, value for money on stalled and delayed projects 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. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register with a value of Kshs.147,225,277. However, the following observations were made;

1.1 Inadequacy of the School Land

The School stands on a parcel of land measuring 1.21 hectares which is approximately three (3) acres. However, the registered proprietor is Meru County Government. This

implies that the School has no title deed and no other land ownership documents were provided for audit.

Further, the Schools population as at 30 June, 2025 was one thousand, three hundred and forty-four (1,344) students occupying nine (9) dormitories, twenty-four (24) classrooms, sixty-eight (68) toilets, three (3) science labs, four (4) staff quarters, one (1) Admin block among other facilities. However, the School is so congested with no space for additional social amenities like football fields and dormitories, a situation that compromises service delivery to the students.

In the circumstances, proper management of schools' assets could not be confirmed.

1.2 Failure to Maintain an Assets Register

Annex 2 to the financial statements on summary of fixed assets register reflects an amount of Kshs.147,225,277 as the balance of the Schools' assets. However, Audit examination of the records of the School revealed that it maintains an asset register as required in the law. The fixed asset register provided was not complete as required by law as it lacked the assets nature, date of purchase, valued amount, unique identifier and location. It was further observed that all the assets recorded in the register without actual valuation as the amounts provided are estimated. This is inconsistent with standard accounting practices and may impact the accuracy of financial reporting and compliance with relevant policies.

In the circumstances, the existence of an effective mechanism to safeguard public assets could not be confirmed.

2. Lack of an IT Strategic Committee and an IT Strategic Plan

Review of the School's Information Technology systems revealed that it has in place systems to manage its operations which has resulted to improvement of services and safeguards of revenue collection, accuracy and timely reporting. However, the School does not have an ICT Strategic Committee or plan in place to assist in the development and improvement of the ICT Policy Framework to enable the school to realize long-term ICT strategic goals.

In the circumstances, the policy, strategies and procedures put in place to assess and measure development of services for the school could not be confirmed.

3. Lack of Risk Management Policy

Review of the documents provided for audit revealed that the Management had not established a Risk Management Policy to guide on the development of risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness of risk management could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of 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 ISSAI 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

08 May, 2026

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	4,058,375.00	5,965,757.40
Government grants for operations	2	10,664,152.20	14,890,282.80
Government Grants for infrastructure	3	9,970,000.00	8,281,800.00
School fund income- parents' contributions	4	62,671,799.00	85,592,934.00
Miscellaneous incomes	5	4,551,945.00	1,678,080.00
Total Revenue		91,916,271.20	116,408,854.20
Expenditure			
Tuition	6	4,019,832.00	5,836,490
Operations	7	14,449,047.50	11,098,413.30
Infrastructure	8	9,914,806.00	8,942,715.00
Boarding and school fund	9	67,352,778.61	87,326,684.59
Total Expenditure		95,736,464.11	113,204,302.89
Surplus/Deficit		(3,820,192.91)	3,204,551.31

The school financial statements were approved on 15th April 2026 and signed by:

KAAGA BOYS HIGH SCHOOL
CHAIRMAN B.O.M

Sign:..... Date:.....

Name: Mr. Maingi Mugambi

Chair BOM

Date: 15th April 2026

KAAGA BOYS HIGH SCHOOL
CHAIRMAN B.O.M

Sign:..... Date:.....

Name: Mr. Stephen M. Wainaina

School Principal/ Secretary to BOM

Date: 15th April 2026

KAAGA BOYS HIGH SCHOOL
BURSAR

15 APR 2026

P. O. Box 278, 60200, MERU-MENTI NORTH
Tel: 0742 608 479

Name: Zachary Kiambi

Bursar/ Finance Officer

Date: 15th April 2026

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

Description	Note	2024-2025 Kshs	2023-2024 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	4,522,593.66	8,911,841.18
Cash balances	11	19,811.20	236,364.00
Short term investments	12	0.00	0.00
Total cash and cash equivalent		4,542,404.86	9,148,205.18
Account's receivables	13	33,300,063.50	30,394,632.00
Total financial assets (a)		37,842,468.36	39,542,837.18
Financial liabilities			
Accounts payables	14	16,969,651.09	14,849,827.00
Total Financial Liabilities (b)			
Net financial assets (a-b)		20,872,817.27	24,693,010.18
Represented by			
Accumulated fund b/fwd	15	24,693,010.18	21,488,458.87
Surplus/deficit for the year		(3,820,192.91)	3,204,551.31
Net Assets		20,872,817.27	24,693,010.18

The school's financial statements were approved on 15th April 2026 and signed by

CHAIRMAN B.O.M

Sign: Date:

Name: Mr. Maingi Mugambi

Chair BOM

Date: 15th April 2026

KAAGA BOYS HIGH SCHOOL

CHAIRMAN B.O.M

Sign: Date:

Name: Mr. Stephen M. Wainaina

School Principal/ Secretary to BOM

Date: 15th April 2026

KAAGA BOYS HIGH SCHOOL
BURSAR

15 APR 2026

P. O. Box 278 - 60200, MERU DISTRICT NORTH
Name: Mr. Zachary Kiambi

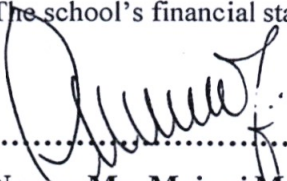
Bursar/ Finance Officer

Date: 15th April 2026

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		4,058,375.00	5,965,757.40
Government grants for operations		10,664,152.20	14,890,282.80
Government grants for infrastructure		9,970,000.00	8,281,800.00
School fund income- parents contributions/ fees		62,671,799.00	85,592,934.00
Other income		4,551,945.00	1,678,080.00
Total receipts		91,916,271.20	116,408,854.20
Payments			
Cash outflows for tuition		4,019,832.00	5,836,490.00
Cash outflows for operations		14,449,047.50	11,098,413.30
Cash outflows Boarding/lunch and school fund payments		67,352,778.61	87,326,684.59
Total payments		85,821,658.11	104,261,587.89
Net cash inflow/outflow from operating activities		6,094,613.09	12,147,266.40
Cash flow from investing activities			
Acquisition of assets		10,700,414	8,438,854.22
Proceeds from sale of Assets		0.00	0.00
Proceeds from investments		0.00	0.00
Purchase of investments		0.00	0.00
Net cash inflow/outflows from investing activities		10,700,414	8,438,854.22
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	0.00	0.00
Repayment of principal borrowings		0.00	0.00
Net cash inflow/outflow from financing activities		0.00	0.00
Net increase/decrease in cash and cash equivalents		(4,605,800.92)	3,708,412.18
Cash and cash equivalent at beginning of the FY		9,148,205.18	5,439,793.87
Cash and cash equivalent at end of the FY		4,542,404.26	9,148,205.18

The school's financial statements were approved on 15th April 2026 and signed by:


.....
Name: Mr. Maingi Mugambi

Chair BOM

Date: 15th April 2026

.....
Name: Mr. Stephen M. Wainaina

School Principal/ Secretary to BOM

Date: 15th April 2026

.....
Name: Mr. Zachary Kiambi

Bursar/ Finance Officer

Date: 15th April 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	0.00	0.00	0.00	0.00	0.00
Text Books	0.00	0.00	0.00	0.00	0.00
Laboratory Equipment	0.00	0.00	0.00	0.00	0.00
Internal Exams	0.00	0.00	0.00	0.00	0.00
Teaching / Learning Materials	4,261,293.753	0.00	4,261,293.753	4,058,375	95.24%
Exams And Assessment	0.00	0.00	0.00	0.00	0.00
Total	4,261,293.753	0.00	4,261,293.753	4,058,375	95.24%
(2) Capitation Grant on Operations					
Personnel Emoluments	4,501,048.6673	0.00	4,501,048.6673	3,814,448	84.75%
Repairs And Maintenance	0.00	0.00	0.00	0.00	0.00
Local Transport / Travelling	1,476,199.992	0.00	1,476,199.992	1,220,000	82.64%
Electricity And Water	3,036,586.8278	0.00	3,036,586.8278	233,5836	76.92%
MI	0.00	0.00	0.00	0.00	0.00
NSSF	0.00	0.00	0.00	0.00	0.00
Infrastructure	0.00	0.00	0.00	0.00	0.00
NHIF	0.00	0.00	0.00	0.00	0.00
Medical	2,092,133.1989	0.00	2,092,133.1989	1,687,204.2	80.65%
Administration Costs	3,7922.56	0.00	3,7922.56	36,464	96.15%

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
Activity	1,633,007.9986	0.00	1,633,007.9986	1,570,200	96.15%
Other voteheads	0.00	0.00	0.00	0.00	0.00
Total	12,776,899.24	0.00	12,776,899.24	10,664,152.20	83.50%
3) FDSE for infrastructure					
Maintenance &Improvement MoE	0.00	0.00	0.00	0.00	0.00
Boarding account	4,164,999.99	0.00	4,164,999.99	3,500,000	84.03%
Operations acc	7,311,099.96	0.00	7,311,099.96	6,470,000	88.50%
Multi purpose hall	0.00	0.00	0.00	0.00	0.00
Administration Block	0.00	0.00	0.00	0.00	0.00
(4) Fees Charged on Parents					
Personnel Emoluments	5,611,138.50	0.00	5,611,138.50	5,101,035	90.91%
Repairs And Maintenance	109,185.04	0.00	109,185.04	100,170	91.74%
Local Transport / Travelling	1,348,974.82	0.00	1,348,974.82	1,143,199	84.75%
Electricity And Water	6,652,316.52	0.00	6,652,316.52	5,685,740.50	85.47%
Medical	16,607.5	0.00	16,607.50	13,286	80%
Administration Costs	2,786,968.10	0.00	2,786,968.10	2,247,555	80.65%
Activity	388,513.60	0.00	388,513.60	384,667	99.01%
Development	44,280.00	0.00	44,280.00	36,000	81.3%
Fee On Boarding Equipment and Stores	4,710,277.65	0.00	4,710,277.65	39,106,785	81.97%
5) Miscellaneous Income					
Loans / Borrowing	0.00	0.00	0.00	0.00	0.00
Rent income	0.00	0.00	0.00	0.00	0.00

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 Farming Activities	0.00	0.00	0.00	0.00	0.00
Insurance Compensation	0.00	0.00	0.00	0.00	0.00
Income From Posho Mill	0.00	0.00	0.00	0.00	0.00
Income From Bus Hire	0.00	0.00	0.00	0.00	0.00
Fee For Hire of Ground and Equipment	0.00	0.00	0.00	0.00	0.00
Interest Income	0.00	0.00	0.00	0.00	0.00
Income From Any Other Investment	0.00	0.00	0.00	0.00	0.00
Total Income	93,182,555.00	0.00	93,182,555.00	87,364,326.2	93.76%
(6) Expenditure For Tuition					
Textbooks	0.00	0.00	0.00	0.00	0.00
Reference Materials	0.00	0.00	0.00	0.00	0.00
Exercise Books	0.00	0.00	0.00	0.00	0.00
Laboratory Equipment	0.00	0.00	0.00	0.00	0.00
Bank Charges	2,635.50	0.00	2,635.50	2,510	95.24%
Teaching / Learning Materials	4,218,188.10	0.00	4,218,188.10	4,017,322	95.24%
Chalks	0.00	0.00	0.00	0.00	0.00
Exams And Assessment	0.00	0.00	0.00	0.00	0.00
Teachers Guides	0.00	0.00	0.00	0.00	0.00
Administration Costs	0.00	0.00	0.00	0.00	0.00
(7) Expenditure For Operations					
Personnel Emoluments	4,670,252.40	0.00	4,670,252.40	3,957,841	84.75%
Repairs, Maintenance & Improvements	0.00	0.00	0.00	0.00	0.00

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
Local Transport / Travelling	286,866.79	0.00	286,866.79	237,080	82.64%
Electricity, Water and Conservancy	1,936,832.31	0.00	1,936,832.31	1,489,871	76.92%
Medical	98,129.96	0.00	98,129.96	79,137	80.65%
Administration Costs	6,377,695.47	0.00	6,377,695.47	6,132,399.50	96.15%
Bom teachers	511,999.17	0.00	511,999.17	469,724	91.74%
Clubs	140,610.05	0.00	140,610.05	129,000	91.74%
NHIF	0.00	0.00	0.00	0.00	0.00
PAYE	0.00	0.00	0.00	0.00	0.00
Activity Expenses	2,027,531.83	0.00	2,027,531.83	1,949,550	96.15%
insurance	0.00	0.00	0.00	0.00	0.00
Bank charges	5,778.01	0.00	5,778.01	4,445	76.92%
(8) Expenditure For infrastructure					
Construction of boarding latrines	0.00	0.00	0.00	0.00	0.00
Monitoring and evaluation	0.00	0.00	0.00	0.00	0.00
infrastructure	10,902,986.61	0.00	10,902,986.61	9,911,806	90.91%
Bank charges	3,660.00	0.00	3,660.00	3,000.00	81.97%
Purchase of machinery	0.00	0.00	0.00	0.00	0.00
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	5,527,932.75	0.00	5,527,932.75	5,025,393	90.91%
Repairs, Maintenance and Improvements	109,185.04	0.00	109,185.04	100,170	91.74%

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
Local Transport / Travelling	2457311.49	0.00	2457311.49	2,082,467	84.75%
Development	1,420,005.48	0.00	1,420,005.48	1,154,476	81.3%
Electricity, Water and Conservancy	3,038,256.46	0.00	3,038,256.46	2,596,800	85.47%
Medical Expenses	300,413.75	0.00	300,413.75	240,331	80%
Administration Costs	9,471,372.43	0.00	9,471,372.43	7,638,203.61	80.65%
Activity	2,389,831.69	0.00	2,389,831.69	2,366,170	99.01%
YCS	61,440.01	0.00	61,440.01	4,8000	78.12%
Uniform	1,221,872.08	0.00	1,221,872.08	969,740	79.37%
SES	235,586.87	0.00	235,586.87	194,700	82.64%
sda	17,058.50	0.00	17,058.50	15,650	91.74%
Poultry Project	445,277.59	0.00	445,277.59	383,860	86.21%
Lunch Programme	0.00	0.00	0.00	0.00	0.00
Boarding Equipment and Stores	37,160,154.42	0.00	37,160,154.42	30,459,143	81.97%
Expenditure For Income Generating Activity	0.00	0.00	0.00	0.00	0.00
CU	112,243	0.00	112,243	104,900	93.46%
Cdc camp	2,257,632.00	0.00	2,257,632.00	1,881,360	83.33%
Bus A/c	644,999.99	0.00	644,999.99	50,0000	77.52%
Loan Interest Repayment	0.00	0.00	0.00	0.00	0.00
Loan Principal Repayment	0.00	0.00	0.00	0.00	0.00
Acquisition Of Assets	0.00	0.00	0.00	0.00	0.00
Totals	98,053,739.72	0.00	98,053,739.72	95,736,464.00	97.64%

EXPLANATION FOR VARIANCES EXCEEDING 100%

This was due to increased enrollment as a result of 100% transition policy by government from primary to secondary .

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.

10. Notes To the Financial Statements**1 Government Grants for Tuition**

Description	2024-2025	2023-2024
	Kshs	Kshs
Reference Materials	0.00	0.00
Exercise Books	0.00	0.00
Laboratory Equipment	0.00	0.00
Internal Exams	0.00	0.00
Teaching / Learning Materials	4,058,375.00	3,524,957.40
Others (specify)*operations account	0.00	2,440,800.00
Total	4,058,375.00	5,965,757.40

2 Government Grants for Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	3,814,448.00	1,500,000.00
Repairs And Maintenance	0.00	10,078,942.10
Local Transport / Travelling	1,220,000.00	0.00
Electricity And Water	2,335,836.00	2,000,000.00
Bom teachers	0.00	250,000.00
Nssf	0.00	0.00
Boarding account	0.00	248,675.00
Medical	1,687,204.20	0.00
Administration Costs	36,464.00	812,665.70
Activity	1,570,200.00	0.00
Infrastructure	0.00	0.00
Other Vote Heads (specify)*	0.00	0.00
Total	10,664,152.20	14,890,282.80

3 Government Grants for infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance & improvement	0.00	8,281,800.00
Multi purpose hall	0.00	0.00
Operations acc	6,470,000.00	0.00

KAAGA BOYS HIGH SCHOOL.

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Boarding acc	3,500,000.00	0.00
Other (specify)(NGCDF and County govt.	0.00	0.00
Total	9,970,000.00	8,281,800.00

4 School Fund Income - Parents Contribution/Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	5,101,035.00	5,077,947.00
Repairs and maintenance	100,170.00	3,396,424.00
Local transport / travelling	1,143,199.00	1,233,053.00
Electricity water and conservancy	5,685,740.50	7,509,078.00
medical	13,286.00	7,726.00
Administration costs	2,247,555.00	2,632,129.00
Activity	384,667.00	352,158.00
Fee on Boarding Equipment and stores	47,960,146.50	63,284,419.00
Other voteheads	0.00	0.00
Others (specify)development	36,000.00	0.00
Total	62,671,799.00	83,492,934.00

5 Miscellaneous Incomes

Description	2024-2025	2023-2024
	Kshs	Kshs
operations acc	0.00	1,400,000.00
Poultry Project	660,020.00	0.00
Miscellaneous	237,250.00	96,800.00
Income From Posho Mill	0.00	0.00
MCK CDC CAMP	1,410,920.00	678,900.00
cu	170,510.00	111,825.00
Cdc camp	1,879,830.00	0.00
tender	52,000.00	72,000.00
Sda	0.00	29,175.00
Uniform	123,415.00	688,380.00
Other Income (specify)*ycs	18,000.00	0.00
Total	4,551,945.00	3,078,080.00

6 Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Exercise Books	0.00	0.00
Textbooks	0.00	0.00
Reference materials	0.00	0.00
Laboratory Equipment	0.00	0.00
Teaching / Learning Materials	4,017,322.00	4,795,220.00
Exams And Assessment	0.00	0.00
Teachers Guides	0.00	0.00
Bank Charges	2,510.00	470.00
Others (specify) infrastructure	0.00	1,040,800.00
Total	4,019,832.00	5,836,490.00

7 Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	3,957,841.00	2,238,786.00
Service Gratuity	0.00	0.00
Administration Cost	6,132,399.50	2,507,041.30
Repairs And Maintenance & Improvements	0.00	772,064.00
Local Transport / Travelling	237,080.00	60,000.00
Electricity And Water	1,489,871.00	962,100.00
Medical	79,137.00	69,055.00
clubs	129,000.00	0.00
Bom teachers	469,724.00	242,614.00
Tuition acc	0.00	2,440,800.00
Boarding account	0.00	1,400,000.00
Activity Expenses	1,949,550.00	124,200.00
Insurance Cost	0.00	281,753.00
bank charges	4,445.00	0.00
Total	14,449,047.50	11,098,413.30

8 Infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
infrastructure	9,911,806.00	8,940,665.00
Construction of dormitory		
Boarding latrines		
Building materials		
Multi purpose hall		
Purchase of apparatus		
Operations ac		
bank charges	3,000.00	2,050.00
Total	9,914,806.00	8,942,715.00

9 Boarding And School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	5,025,393.00	4,730,519.00
Activity	2,366,170.00	2,571,572.00
Repairs And Maintenance & Improvements	100,170.00	726,930.00
Local Transport / Travelling	2,082,467.00	1,680,050.00
Electricity And Water	2,596,800.00	4,289,139.00
Development	1,154,476.00	3,299,020.00
Administration Costs	5,954,300.37	6,008,852.59
medical	240,331.00	304,096.00
Miscellaneous	0.00	8,500.00
Expenses On Income Generating Activities**	0.00	0.00
Fee On Boarding Equipment and Stores	43,734,461.24	56,957,935.00
Infrastructure	0.00	3,700,000.00
Insurance Cost (Life Property)	0.00	0.00
uniforms	969,740.00	1,146,060.00
Loan Interest Repayment	0.00	0.00
Yes	48,000.00	1,000.00
Cdc camp	1,881,360.00	523,000.00
Bus account	500,000.00	0.00
Cu	104,900.00	184,000.00
SES	194,700.00	94,861.00
Acquisition Of Assets	0.00	0.00
Sda	15,650.00	0.00
Others (specify)poultry project	383,860.00	401,150.00
Total	67,352,778.61	86,626,684.59

KAAGA BOYS HIGH SCHOOL.

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

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	01139075188400	243,715.45	205,172.45
Operations Account	Active	01139075188401	1,263,581.45	3,939,545.75
School Fund Account/Boarding	Active	01129075188400	947,715.06	1,334,045.18
Savings account	Active	01100075188400	1,683,903.18	3,168,283.18
Infrastructural Account	Active	01139075188403	383,678.52	264,794.62
Total			4,522,593.66	8,911,841.18

11 Cash In Hand

Description	2024-2025	2023-2024
	Kshs	Kshs
Notes and Coins	19,811.20	236,364.00
Total	19,811.20	236,364.00

12 Short Term Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
Cooperative Shares	0.00	0.00
Treasury Bills	0.00	0.00
Fixed Deposit accounts	0.00	0.00
Other Investments	0.00	0.00
Total	0.00	0.00

13 Accounts Receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees Arrears	33,300,063.50	30,394,632.00
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	0.00	0.00
Imprest (list/schedule attached)	0.00	0.00
Rent arrears (list/schedule attached)	0.00	0.00
Total	33,300,063.50	30,394,632.00

13 b) Ageing Analysis of Accounts Receivable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	6,209,890.50	18.6%	5,590,882.00	18%
Between 1- 2 years	2,286,423.00	6.8%	6,824,979.00	22%
Between 2-3 years	6,824,979.00	20.5%	11,398,670.00	38%
Over 3 years	17,978,771.00	54%	6,580,101.00	22%
Total (should tie to note 13 a)	33,300,063.50	100%	30,394,632.00	100%

14 Accounts Payable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade Creditors (See Ageing Below and Appendix 1)	11,591,415.00		10,921,681.00	
Prepaid Fees	5,378,236.09		3,928,146.00	
Retention Monies	0.00		0.00	
Unpaid salaries and statutory deductions	0.00		0.00	
Caution money	0.00		0.00	
Other payables (<i>specify</i>)	0.00		0.00	
Total	16,969,651.09		14,849,827.00	

14a. Ageing Analysis of Accounts Payable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	11,591,415.00	100%	10,921,681.00	100%
Between 1- 2 years	5,378,236.09		3,928,146.00	
Between 2-3 years				
Over 3 years				
Total (should tie to note 14)	16,969,651.09	100%	14,849,827.00	100%

15 Fund Balance Brought Forward

KAAGA BOYS HIGH SCHOOL.**Annual Report and Financial Statements For the year ended 30th June 2025**

Description	2024-2025	2023-2024
	Ksh	Kshs
Bank Balances	7,227,938.00	2,312,773.69
Cash Balances	236,364.00	272.00
Short Term Investments	0.00	0.00
Savings account	1,683,903.18	3,168,283.18
Receivables	30,394,632.00	28,814,509.00
Payables	(14,843,327.00)	(12,807,379.00)
Total	24,693,010.18	21,488,458.87

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.

16 Non-current Liabilities Summary

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Loans	0.00	0.00
Outstanding Leases	0.00	0.00
Hire Purchase	0.00	0.00
Gratuity And Leave Provision	0.00	0.00
Others (specify)	0.00	0.00
Total	0.00	0.00

17 Biological assets

Description	Numbers	2024-2025	2023-2024
		Kshs	Kshs
Cattle		0.00	0.00
Goats		0.00	0.00
Trees		30,000	30,000
Coffee Or Tea Plantation		0.00	0.00
Poultry		0.00	0.00
Pigs		400,000	600,000
Total		430,000	630,000



100

100

100

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	0.00	0.00
Borrowings during the year	0.00	0.00
Repayments during the year	0.00	0.00
Balance at the end of the year	0.00	0.00

Other important disclosure notes**19 Stock/ Inventory**

Description	2024-2025	2023-2024
	Kshs	Kshs
Food stuffs	1,572,740	1,909,940
Lab consumables	0.00	0.00
Farm produce	0.00	0.00
Medication	0.00	0.00
Construction Materials	0.00	0.00
Others (specify)	0.00	0.00
	1,572,740	1,909,940

20 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)
		NO REPORT		

KAAGA BOYS HIGH SCHOOL
PRINCIPAL / SECRETARY B.O.M

Sign: Date:

Sign and Date

Mr. Stephen M. Wainaina
Principal

KAAGA BOYS HIGH SCHOOL
PRINCIPAL / SECRETARY B.O.M

Sign: 15/4 2024 Date:

11. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. JACKSPRING	1,500,000	1.7.24	0.00	1,500,000	375,730	
2. KAAGA TIMBER YARD	120,000	1.7.24	0.00	120,000	44,155	
3. FREDRICK KIRIMI	188,000	1.7.24	0.00	188,000	0.00	
4. KARIBU HARDWARE	45,000	1.7.24	0.00	45,000	0.00	
5. ACADIA TIMBER SALES	183,185	1.7.24	0.00	183,185	0.00	
Sub-Total	2,036,185		0.00	2,036,185	419,885	
Supply Of Goods						
6. JULIUS GATOMBU	394,000	1.7.24	0.00	394,000	0.00	
7. FARMTASTIC GROCERS	400,000	1.7.24	0.00	400,000	0.00	
8. BLUE PRINT CHEMIST.	435,725	1.7.24	0.00	435,725	0.00	
9. READERS QUEST PUBLISHERS	450,000	1.7.24	0.00	450,000	151,000	
10. MARGARET KAJUJU	126,000	1.7.24	0.00	126,000	0.00	
11. AGNES KIENDE	660,000	1.7.24	0.00	660,000	0.00	
12. LR FILLING STATION	220,000	1.7.24	0.00	220,000	0.00	
13. REGIONAL BOOKS	1,024,495	1.7.24	783,375	241,120	1,024,495	

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
14. MILEKOM COMPUTERS	31,500	1.7.24	0.00	31,500	0.00	
15. MERU CENTRAL DAIRY	222,000	1.7.24	0.00	222,000	0.00	
16. MCK BOOKSHOP	598,610	1.7.24	432,610	166,000	598,610	
17. BARNABAS KIMATHI	438,385	1.7.24	0.00	438,385	0.00	
18. JAQWA ENTERPRISES	2,609,200	1.7.24	609,200	2,000,000	2,609,200	
19. NAHASHON MWITIA	1,980,000	1.7.24	0.00	1,980,000	532,200	
20. ANSAC CHEMICALS	450,000	1.7.24	0.00	450,000	254,000	
21. JOFLAM INVESTMENT	177,000	1.7.24	0.00	177,000	150,000	
22. LYDIA KAGWIRIA	340,000	1.7.24	0.00	340,000	0.00	
23. JOEMARK AGENCIES	190,000	1.7.24	0.00	190,000	0.00	
24. DANLEY TECH	185,000	1.7.24	0.00	185,000	0.00	
25. CHANDY ENTERPRISES	150,000	1.7.24	0.00	150,000	0.00	
26. OSCAR MILKLER	225,000	1.7.24	0.00	225,000	0.00	
27. NANCY KAWIRA	7,500	1.7.24	0.00	7,500	0.00	
28. AURERIA KINOTI MUTHURI	66,000	1.7.24	0.00	66,000	0.00	
Sub-Total	11,380,415		1,825,185	9,256,730	5,319,505	
Grand Total	13,416,600		1,825,185	11,591,415	5,739,390	

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	35,000,000.00	0.00	0.00	35,000,000.00
Buildings And Structures	72,942,715.00	3,012,862.00	0.00	75,955,577.00
Motor Vehicles	1,500,000.00	0.00	0.00	1,500,000.00
Office Equipment, Furniture and Fittings	27,405,000.00	98,000.00	0.00	27,503,000.00
Textbooks	641,000.00	0.00	0.00	641,000.00
ICT Equipment	1,267,000.00	0.00	0.00	1,267,000.00
Tools And Apparatus	3,618,700.00	0.00	0.00	3,618,700.00
Other Machinery and Equipment	1,540,000.00	0.00	0.00	1,540,000.00
Heritage And Cultural Assets	0.00	0.00	0.00	0.00
Intangible Assets- Soft Ware	200,000.00	0.00	0.00	200,000.00
Total	144,114,415.00	3,110,862.00	0.00	147,225,277.00