



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 26 NOV 2024

DAY.
Tuesday

TABLED
BY:

Hon. Naomi Wago
Deputy Majority Whip
horraka

CLERK-AT
THE-TABLE:

PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA HIGH SCHOOL

**FOR THE SIX (6) MONTHS'
PERIOD ENDED 30 JUNE, 2021**

NAIROBI CITY COUNTY



THE KENYA HIGH SCHOOL

PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th June, 2021

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



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**THE KENYA HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June, 2021**



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1. ACRONYMS AND DEFINITION OF KEY TERMS

ADM	Administration
BES	Boarding Equipment & Stores
BOM	Board of Management
CEB	County Education Board
EMF	Emergency Medical Fund
EWC	Electricity, Water & Conservancy
FY	Financial Year
FDSE	Free Day Secondary Education
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
LT.&T	Local Travel & Transport
MIF	Maintenance Improvement Fund
MOE	Ministry of Education
NTS	Non Teaching Staff
PA	Parents Association
P/E	Personnel Emoluments
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
RMI	Repairs Maintenance & Improvement
SMASSE	Strengthening of Mathematics and Science in Secondary Education
TIG	Transition Infrastructure Grant
TSC	Teachers Service Commission



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 **Nairobi County, Westlands Sub-County**.

The school was started in 1910 and is currently operating under registration number **4753000776** dated 11th December, 2019. It is currently categorized as a National public school established, owned or operated by the Government of Kenya.

The school is a boarding school and had **1,405** number of students as at **30th June 2021**. It has 7 streams and 74 teachers of which 14 teachers are employed by the School Board Of Management, and 60 are posted to the school by T.S.C. and 61 Non Teaching Staff employed by the 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 and is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	Canon Phillip Njuki	Chairman - Sponsor	2nd May, 2019
2	Mrs. Flora Mulatya	Secretary – Chief Principal	2nd May, 2019
3	Judge Lee Muthoga	Member - Sponsor	2nd May, 2019
4	Dr. Gasheri Mugao	Member	2nd May, 2019
5	Mr. James Muteti	Member	2nd May, 2019
6	Dr. Bor Koech	Member	20th March, 2020
7	Mr. Moses Nyakiongora	Member	2nd May, 2019
8	Mr. Paul Lilan	Member	2nd May, 2019
9	Eng. Phillip Gichuki	Member – Rep CEB	2nd May, 2019
10	Mr. Lawrence Wachira	Member Rep Teachers	2nd May, 2019
11	Dr. Lily Musinga	Member - Sponsor	2nd May, 2019
12	Mrs. Victoria Nzau	Member - Community	2nd May, 2019
13	Dr. Irene Inwani	MemberSpecial Needs	2nd May, 2019
14	Mr. Enosh Onyango	Member	2nd May, 2019
5	Grace Kithyo (President)	Students' Representative	15th March, 2020



The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013 (iii)
- 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 paragraph 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	B.O.M. Executive Committee	<ol style="list-style-type: none"> 1. Canon Philip Njuki- 2. Judge Lee Muthoga 3. Mrs. Florah Mulatya 4. Dr. Priscillah Bor 5. Dr. Lily Musinga 6. Mr. Moses Nyakiongora 	<ul style="list-style-type: none"> - Chairman BOM - BOM Member - Principal/Secretary BOM - PA Chair - BOM Member - BOM Member 	3
2	Finance, Audit, Procurement and General purposes Committee	<ol style="list-style-type: none"> 1. James Mutisya 2. Canon P. Njuki 3. Moses Nyakiongora 4. Judge Lee Muthoga 5. Mrs. Victoria Nzau 6. Arch. Simon Kahinga 7. Dr. Priscilla Bor 8. Mrs. Flora Mulatya 9. Mrs. Irene Omangi 	<ul style="list-style-type: none"> - PA Member - BOM Member - BOM Member - BOM Member - BOM Member - PA Treasurer - PA Chair - C. Principal - D/Principal Admin 	2
4	Academic Committee	<ol style="list-style-type: none"> 1. Dr. Priscillah Bor 2. MRS. Florah Mulatya 3. Dr. Irene Inwani 4. Mrs. Victoria Nzau 5. Mr. James Muteti 6. Mrs. J. F. Nyasya 7. Mr. Lawrence Wachira 8. Mrs. Irene Omangi 9. Mrs. Margaret Kungu 	<ul style="list-style-type: none"> - BOM Member - C. Principal - BOM Member - BOM Member - PA Member - D/Principal Academ - D.O.S. - D/Principal Admin - P.A. Member 	2



Committees of the Board Continued

5	School Infrastructure Committee	1. Judge Lee Muthoga 2. Canon Philip Njuki 3. Mrs. Florah Mulatya 4. Dr. Priscillah Bor 5. Mrs J. Nyasya 6. Mr. Enosh Onyango 7. Dr. Gasher Mugao 8. Ms. Rosa Mbuno 9. Mr. Moses Nyakiongora 10. Public Works Representative	- Chairman/BOM Member - BOM Chair/Member - Principal/Secretary BOM - PA Chair/Member - D/Principal/Secretary - Member - Member - S.C.D.E. - Member	4
6	Discipline, Ethics & Integrity Committee	1. Dr. Lily Musinga 2. Dr. Irene Inwani 3. Mr. Enosh Momanyi 4. Dr. Gasher Mugao	- Chair/BOM Member - Member - Member - Member	2

(d) School operation Management

For the financial year ended **30th June, 2021** the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Chief Principal	Mrs. Flora Mulatya	324535
2	Deputy Principal- Administrator	Ms. Irene Omangi	205759
3	Deputy Principal – Academics	Mrs. Jane Faith Nyasya	291744
4	Director of Studies	Mr. Lawrence Wachira	357698
5	Boarding Mistress	Mrs. Damaris Keli	390156
6	School Bursar	Ms. Sarah Wangui	N/A

(e) Schools contacts

Post Office Box: 30035 -00100 GPO NAIROBI
 Telephone: 0724 253920
 E-mail: kenyahigh@gmail.com
 Website: www.kenyahighschool.ac.ke

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Facebook:

Twitter:

(f) School Bankers

The Kenya High School operated 12 number of bank accounts in the following banks:

1. **Name of Bank: KENYA COMMERCIAL BANK**
 Branch: KIPANDE HSE.
 Account Number: 1108690920

2. **Name of Bank: KENYA COMMERCIAL BANK**
 Branch: KIPANDE HSE.
 Account Number: 1103977997

3. **Name of Bank: KENYA COMMERCIAL BANK**
 Branch: KIPANDE HSE.
 Account Number: 1103974912

4. **Name of Bank: KENYA COMMERCIAL BANK**
 Branch: KIPANDE HSE.
 Account Number: 1103980599

5. **Name of Bank: KENYA COMMERCIAL BANK**
 Branch: KIPANDE HSE.
 Account Number: 1108327907

6. **Name of Bank: KENYA COMMERCIAL BANK**
 Branch: KIPANDE HSE.
 Account Number: 1253520496

7. **Name of Bank: CO-OPERATIVE BANK OF KENYA**
 Branch: LAVINGTON MALL
 Account Number: 01129099096600

8. **Name of Bank: CO-OPERATIVE BANK OF KENYA**
 Branch: LAVINGTON MALL
 Account Number: 01129099096601

9. **Name of Bank: CO-OPERATIVE BANK OF KENYA**
 Branch: LAVINGTON MALL
 Account Number: 01139099096600

10. **Name of Bank: CO-OPERATIVE BANK OF KENYA**
 Branch: LAVINGTON MALL

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Account Number: 01139099096601

11. **Name of Bank: EQUITY BANK LTD.
Branch: KILIMANI SUPREME
Account Number: 1470261715116**

12. **Name of Bank: EQUITY BANK LTD.
Branch: KILIMANI SUPREME
Account Number: 1470261650143**

(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 COMPARATIVES FOR THE LAST 3 YEARS

PERIOD	2020/2021 (6 Months)	2020 (12 Months)	2019 (12 Months)
	Kshs.	Kshs	Kshs.
SURPLUS / (DEFICIT)	(49,474,396.00)	(48,085,040.00)	(18,445,113.00)

Year 2021

The school spent an Kshs. 49.5M from accumulated funds for the 6 month period ended June 2021 ,

This was necessitated by the financing of different ongoing and Completed projects which was from accumulated funds set aside for this purpose in previous period.

The payments made were as below during the 6 months;

(i) Modern Dining Hall Kshs. 13.6M. The dining hall was completed and handed over in February, 2021.

(ii) Science & Technology Centre Kshs. 34.3M. The project is ongoing.

(iii) The School also spent on construction of staff houses Kshs. 2M.

This is because the project took off before start of academic year 2021/2022 to create dormitory space for F1 2021 Class

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Year 2020

The school spent Kshs. 48M from accumulated funds for 12 months period ending December 2020

Most of the funds were for financing the Modern Dining Hall project and construction of a bus park. During this Year, and due to closure of schools due to Covid 19 pandemic, budgetary collections were constrained and the school was financing standing charges like Electricity/ Water , Salaries and Wages, and Security Services. These were financed from Accumulated Reserves.

CAPITATION GRANTS FROM THE MINISTRY

ACCOUNT	2020/2021 (6 Months) Kshs.	2020 (12 Months) Kshs	2019 (12 Months) Kshs.
Tuition	1,800,535.00	2,463,000.00	4,367,285.00
Operations	6,102,217.00	10,792,780.00	12,624,231.00
Infrastructure	5,178,000.00	40,324,000.00	78,028,000.00
TOTAL	13,080,752.00	53,579,780.00	95,019,516.00

There was higher funding in Year 2019 and Year 2020 as school received Transition Infrastructure Grants (T.I.G.) from Ministry of Education for Construction of Modern Dining Hall and Science Lab. & Technology Centre.

The T.I.G. Grants received were as follows;

- Year 2020 Kshs. 35M
- Year 2019 Kshs. 70M

RATIO OF CAPITATION GRANT PER STUDENT

	2020/2021	2020	2019
Number of Students	1405	1380	1338
Amount Per student (Kshs.)	14,053.00	38,825.00	71,016.00

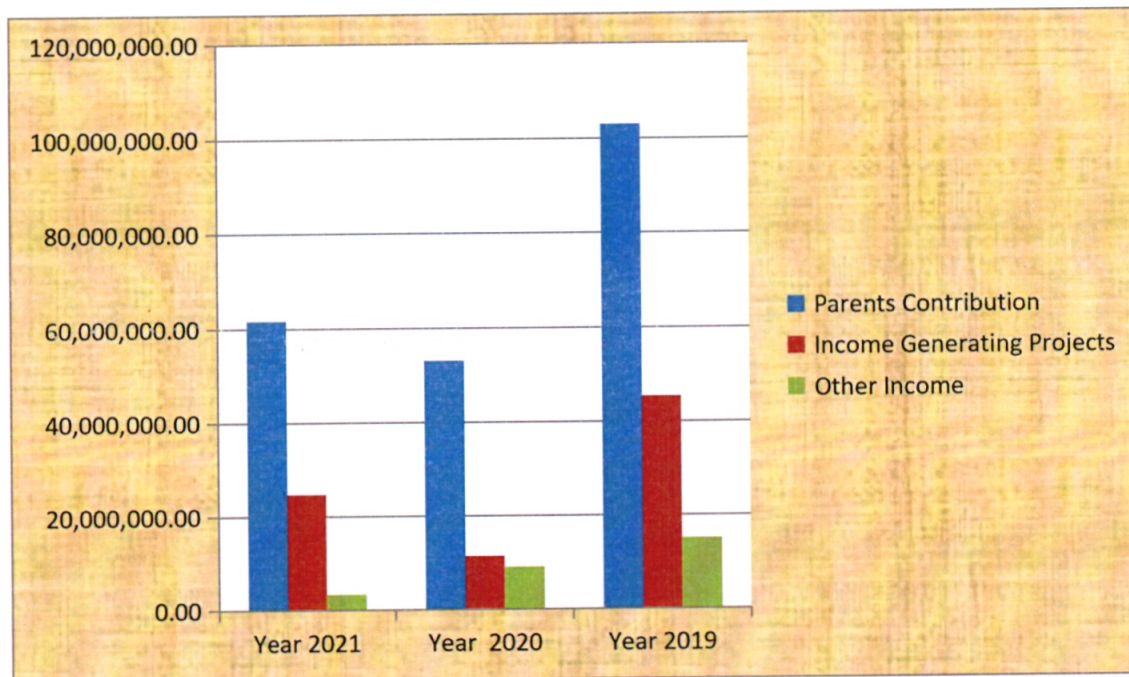
In summary the Government granted the school funds per student as below;

- Year 2021 (6 Months) – Kshs. 14,053/= per student
- Year 2020 (12 Months) – Kshs. 38,825/= per student
- Year 2019 (12 Months) – Kshs. 71,016/= per student



OVERVIEW OF GROWTH OF OTHER INCOMES EARNED BY THE SCHOOL IN 3 YEARS

YEAR	2020/2021	2020	2019
	(6 Months)	(12 Months)	(12 Months)
	Kshs.	Kshs	Kshs.
Parents Contribution	61,656,631.00	53,052,994.00	103,030,471.00
Income Generating Projects	24,612,421.00	11,297,446.00	45,391,855.00
Other Income	3,552,428.00	8,986,045.00	15,062,179.00
TOTAL (Annual Range)	<u>89,821,480.00</u>	<u>73,336,485.00</u>	<u>163,484,505.00</u>
Monthly Range	14,970,247.00	6,111,374.00	13,623,709.00

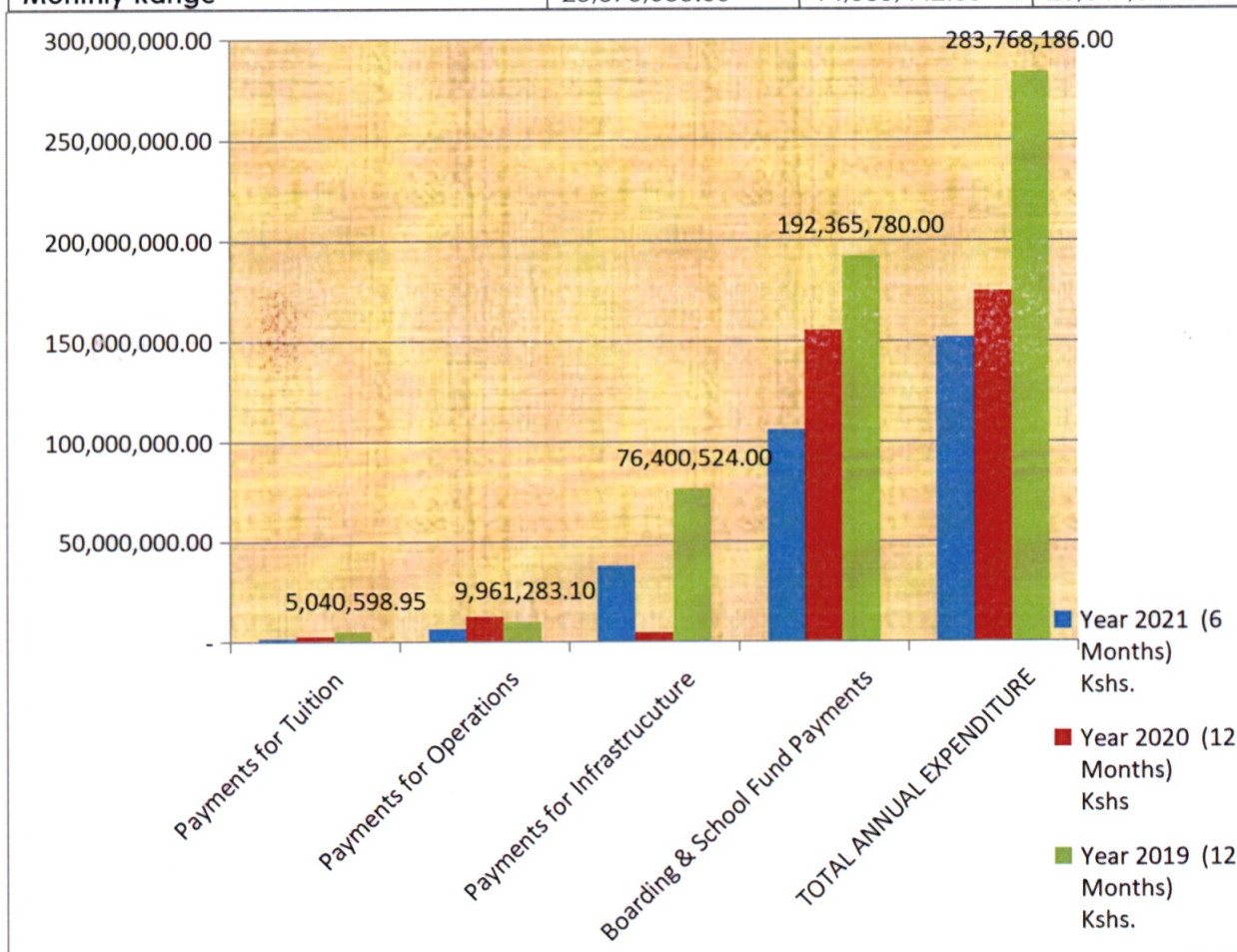


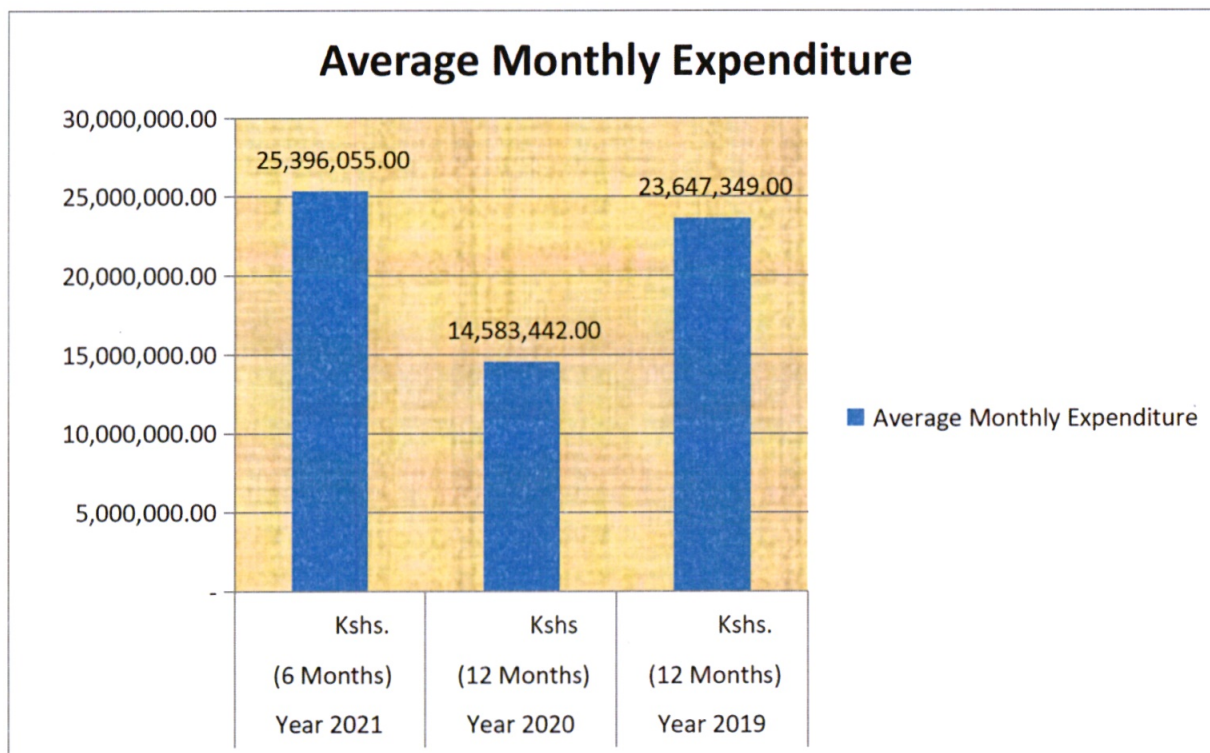
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OVERVIEW OF GROWTH OF SCHOOL EXPENDITURE IN 3 YEARS

ACCOUNT	2020/2021 (Kshs)	YEAR 2020 (Kshs)	YEAR 2019 (Kshs)
Payments for Tuition	1,531,865.00	2,516,642.00	5,040,599.00
Payments for Operations	6,518,112.00	12,383,910.00	9,961,283.00
Payments for Infrastrucuture	37,824,583.00	4,590,715.00	76,400,524.00
Boarding & School Fund & Other Payments	106,501,769.00	155,510,035.00	192,365,780.00
TOTAL	152,376,329.00	175,001,302.00	283,768,186.00
Monthly Range	25,396,055.00	14,583,442.00	23,647,349.00





MOVEMENT OF DEBTORS & CREDITORS OVER THE LAST 3 YEARS

FEEs RECEIVABLE ANALYSIS

Description	2020/2021 (6 Months) Kshs.	2020 (12 Months) Kshs.	2019 (12 Months) Kshs.
Fees arrears for current year	5,616,359	4,124,068.00	7,650,793.00
Fees arrears for the previous year	973,399	1,075,883.00	
Fees arrears for prior periods (over two years)	82,445	1,129,614.00	1,129,614.00
Total	6,672,203	6,329,565.00	8,780,407.00

The school's fees collection rate is an average rate of 90% and we project the arrears collection will even be higher in the coming Year.

This is mainly due to the sponsorship of needy students by able parents, stake holders corporate and Government agencies C.D.F., County Governments, Elimu Bursaries, Ministry of Labour, among many others.

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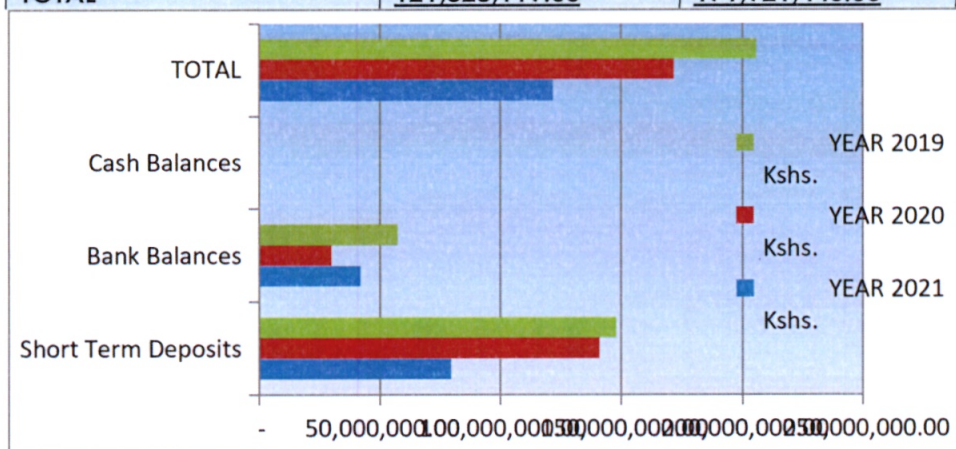
TRADE CREDITORS ANALYSIS

	2020/2021 (Kshs)	YEAR 2020 (Kshs)	YEAR 2019 (Kshs)
Trade Creditors for current year	11,552,993.00	3,813,272.00	5,455,808.00
Trade Creditors for the previous year	160,552.00	79,390.00	1,683,783.00
Trade Creditors for prior periods (over two years)	232,519.00	528,007.00	79,447.00
Total	11,946,064.00	4,420,669.00	7,219,038.00

There was increased activities following the schools re-opening in Year 2021. This caused the accumulation of debts as at 30th June, 2021 and 80% of these debts were settled in the month of July 2021.

MOVEMENT OF CASH & BANK BALANCES OVER THE LAST 3 YEARS

CASH & BANK BALANCES	2020/2021 (Kshs)	YEAR 2020 (Kshs)	YEAR 2019 (Kshs)
Short Term Deposits	79,411,997.00	141,282,000.00	148,100,958.00
Bank Balances	42,003,678.00	30,180,611.00	57,362,219.00
Cash Balances	412,444.00	458,834.00	380,140.00
TOTAL	121,828,119.00	171,921,445.00	205,843,317.00



The reduced bank balances is supported by completed projects, Modern dining hall, construction of bus park, conversion of Matrons units to dormitory, ongoing science & Technology Centre and ongoing Staff Houses construction.

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b) Teacher Student Ratio:

The student population was 1 405 as at 30th June, 2021.

The number of Teachers in the school during this period was as follows:

- TSC Teachers – 60
- BOM Teachers – 14
- **TOTAL 74 TEACHERS**

SUBJECT	NO. OF TEACHERS POSTED BY T.S.C.	REQUIREMENT	SHORTAGE	REMARKS
English	9	10	1	BOM 1
Kiswahili	4	7	3	BOM 3
Mathematics	8	10	2	BOM 1
Chemistry	6	9	3	BOM 1
Physics	5	6	1	BOM 1
Biology	5	7	2	BOM 1
History	2	5	3	BOM 3
Geography	3	4	1	BOM 1
C.R.E.	5	5	0	
I.R.E.	1	0	0	BOM 1
Business Studies	2	3	1	
Agriculture	1	2	1	
HomeScience	2	3	1	1 RETIRED in MAY 21
Music	1	1	0	
French	1	1	0	
German	1	1	0	
Art	1	1	0	
P.E.	1	1	0	
Computer	1	2	1	BOM 1

There were no Transfers, new Teachers or Retirees during the period

c) Mean score in the 2020 KCSE:

The mean Score for Year 2020 K.C.S.E was **10.310 (B+)** tabulated as below;

YEAR	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	TOTAL CANDIDATES
2020	53	102	75	31	19	8	6	0	0	0	0	0	294

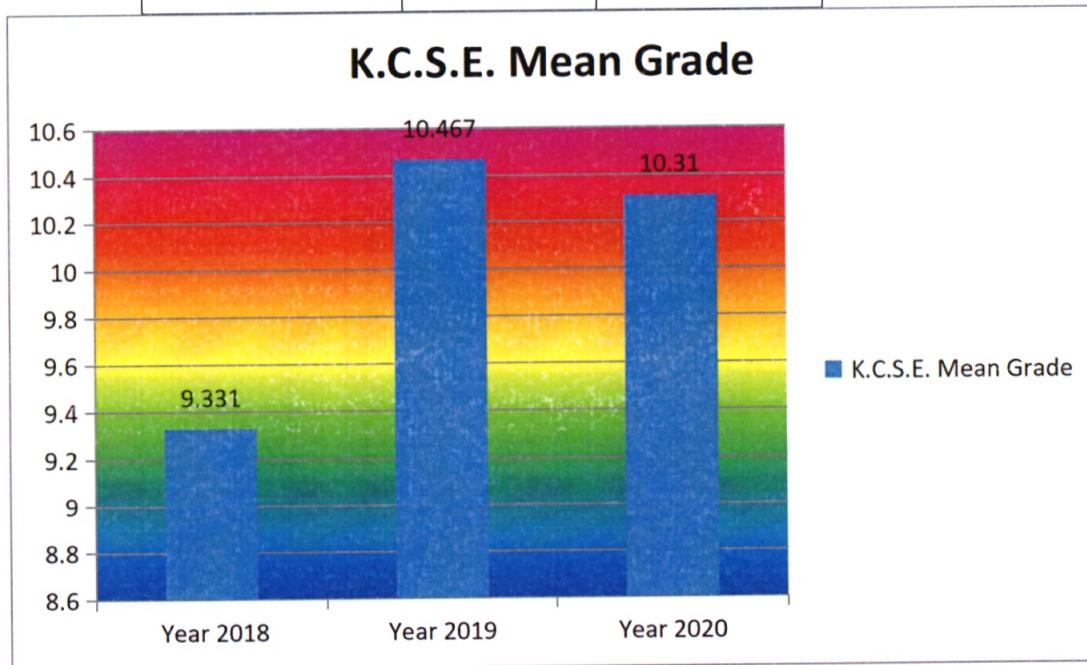
The school produced 15 best students Nationally in Year 2020 K.C.S.E.



d) **Number of Candidates in the 2018-2020 KCSE:**

The number of candidates who sat for K.C.S.E. between Year 2018 and Year 2020 is tabulated as below;

Year	Number of Candidates	K.C.S.E. Mean Grade
2018	303	9.331
2019	315	10.467
2020	294	10.310





e) Capacity of the School

Most of the facilities in the school can comfortably accommodate 800 students.

With the Government infrastructure grants, the school has been able to extend some facilities and below is the current status;

Facility	NO. In Use	Capacity	Remarks
Classrooms	27	1200 students	The classrooms were built to accommodate 40 students. Currently they are over populated some with 58 students. The current population is 1405 students.
Science Laboratories	3	1200 students	The school is constructing of a science lab and technology centre which is in initial stages, financed by Transition Infrastructure Grants and Maintenance Improvement Funds.
Dining Hall & Kitchen	1	2000 Students	This is New and recently handed over to the school in February 2021
Dormitories	10	1200 Students	The school requires a new dormitory block that can accommodate 500 students. In the meantime, the school has been converting staff houses annexed to the dormitories to create accommodation spaces for students.
Computer Laboratories	2	800 students	The school require to construct and equip 2 new ICT Labs which are included in the ongoing project
Library	1	330 Students	The Library requires to be extendend. Its not enough to take in one class (7 streams) of 400 students
Toilets & Bathrooms		Upschool 32, Gym 2, Swimming Pool 3, Library 6 Sanatorium 2 Dorms 72, Dining Hall 10	Currently the school has enough toilets upschool apart from the Dormitory toilets and bathrooms are not enough due to the high numbers exceeding the dormitory capacity.
Lecture Theatre		200 students	Not enough to take in one class which has 7 streams approximately 400 students. The old dining hall has temporarily been converted as a lecture hall.



f) Development projects carried out by the school:

MODERN DINING HALL

The project was handed over to the contractor , VAGHJIYANI ENTERPRISES in August 2017 at a cost of **Kshs. 208,999,228.50**. The project was completed and handed over on 1st February, 2021.

The project was funded by Ministry of Education in part and partly by the school.

<u>Construction Cost</u>	<u>Kshs.</u>	<u>Kshs.</u>
Consultancy Cost		16,240,000
Original Tender Cost		208,999,229
Certified Variation		9,356,145
TOTAL COST		234,595,374
Total Paid As at 30/06/2021		221,534,813
<u>Financed By:</u>		
M.O.E. (TIG)	128,000,000	
School Accumulated Fund	93,534,813	
TOTAL PAID & FINANCED		221,534,813
Estimated Balance & Retention		13,060,561

SCIENCE LABORATORY & TECHNOLOGY CENTRE

The project was handed over to the contractor , PROCOST IDEAS LTD. in November 2020 at a cost of **Kshs. 97,500,000/=**. The expected date of completion is 25th October, 2021.

The project is to be funded fully by Ministry of Education TIG and MIF.

<u>Construction Cost</u>	<u>Kshs.</u>
Original Tender Cost	97,500,000
TOTAL COST	97,500,000
Total Paid As at 30/06/2021	34,039,340
<u>Financed By:</u>	
TOTAL PAID & FINANCED BY MOE	34,039,340
Estimated Balance & Retention	63,460,660

**Ms. Virginia Wahome
Chief Principal/ Secretary B.O.M.**



4. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

The Board of Management of **Kenya 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, 2021, and of the school's financial position as at that date.

Name: CANON PHILIP NJUKI
Designation: Chairman, School Board of Management

Sign: 
Date: 29th July, 2024

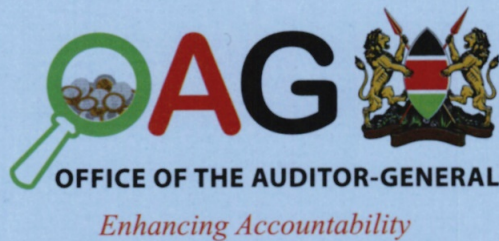
Name: MS. VIRGINIA WAHOME
Designation: Chief Principal & Secretary to Board of Management

Sign: 
Date: 29th July, 2024

Name: SARAH W. NYORO
Designation: School Bursar

Sign: 
Date: 29th July, 2024

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 KENYA HIGH SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – NAIROBI CITY COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya High School - Nairobi City County set out on pages 1 to 24, which comprise of the statement of financial assets

Report of the Auditor-General on Kenya High School for the six (6) months' period ended 30 June, 2021 – Nairobi City County

and financial liabilities as at 30 June, 2021 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya High School - Nairobi City County as at 30 June, 2021 and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Unsupported Payment of Allowances

The statement of receipts and payments and as disclosed in Note 10 to the financial statements reflects an amount of Kshs.106,501,769 in respect to boarding and school fund payments which includes an amount of Kshs.1,951,497 paid as replacements and contingencies. The amount of Kshs.1,951,497 includes payments vouchers amounting to Kshs.493,330 paid as allowances to various committees without proper support documents such as board approval minutes or Salaries and Remuneration Commission circulars approving the rates.

In the circumstances, the regularity, accuracy and completeness of the replacements and contingencies amounting to Kshs.493,330 could not be confirmed.

2. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities and as disclosed in Note 14 to the financial statements reflects a balance of Kshs.13,804,372 in respect to accounts receivables which includes a balance of Kshs.7,132,169 for various account items. However, the balance of Kshs.7,132,169 includes an amount of Kshs.3,622,377 whose supporting schedules were not provided for audit.

In the circumstances, the accuracy of the accounts receivables balance of Kshs.3,622,377 could not be confirmed.

3. Unsupported Stock Inventories

Note 27 on other important disclosures to the financial statements reflects a balance of Kshs.1,294,617 in respect to stock/inventory at the main stores as at 30 June, 2021. However, the balance was not supported with the annual stock-sheets for stock count as at 30 June, 2021 indicating the unit cost and the total value per item.

In the circumstances, the accuracy and fair value of the stock inventories balance of Kshs.1,294,617 could not be confirmed.

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

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.106,376,020 and Kshs.78,746,855 respectively, resulting to a revenue shortfall of Kshs.27,629,165 or 26% of the budget. However, the School spent Kshs.134,557,759 against actual receipts of Kshs.78,746,855 resulting to over-utilization of Kshs.55,810,904 or 71% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, 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

During the year under review, Management submitted the financial statements to the Auditor-General on 28 October, 2022 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's

financial statements should be ready by 30 September, 2021 in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

2. Unbalanced Budget

The statement of comparison of budget and actual amounts for the year reflects an approved total revenue budget of Kshs.106,376,020 and total expenditure budget of Kshs.153,922,233 resulting to an unbalanced budget. This is contrary to Regulation 33(c) of Public Finance Management (National Government) Regulations, 2015 which state that budget shall be balanced.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on 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 overall governance were not effective.

Basis for Conclusion

1.0 Lack of a Strategic Plan

During the year under review, the School did not have a Strategic Plan contrary to Section 68(2)(g) of the Public Finance Management Act, 2012 which states that an accounting officer shall prepare a strategic plan for the entity in conformity with the medium-term fiscal framework and fiscal policy objectives of the National Government.

In the circumstances, the strategic direction of the school could not be confirmed.

2.0 Fixed Assets

2.1 Incomplete Assets Register

Annex 2 to the financial statements reflects Nil balance in respect to summary of fixed assets as at 30 June, 2021. Review of the list of assets provided revealed that the School

owns several assets. However, the value of these assets, the date when the assets were acquired, the location of the assets and any additions during the year were not disclosed.

In the circumstances, the valuation, existence, completeness, location and security of the assets could not be confirmed.

2.2 Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register with Nil balance in respect of fixed assets which includes land and motor vehicles. However, land ownership documents and motor vehicle log books were not provided for audit.

In the circumstances, the ownership and safe custody of the fixed assets 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 (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 September, 2024

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6. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30th JUNE 2021

<u>DESCRIPTION OF VOTEHEAD</u>	Note	2020/2021 (6 Months) Kshs.	2020 (12 Months) Kshs.
RECEIPTS			
Capitation grants for Tuition	1	1,800,535	2,463,000
Capitation grants for Operations	2	6,102,217	10,792,780
Capitation grants for Infrastructure (TIG & MIF)	3	5,178,000	40,324,000
School Fund Income - Parent's Contribution	4	61,656,631	53,052,994
School Fund - Other Income	5	3,552,428	8,986,042
School Fund - Income Generating Funds	6	24,612,121	11,297,446
TOTAL INCOME		<u>102,901,932</u>	<u>126,916,262</u>
PAYMENTS			
Payments for Tuition	7	1,531,865	2,516,642
Payments for Operations	8	6,518,112	12,383,910
Payments for Infrastructure	9	37,824,583	4,590,715
Boarding & School Fund Payments	10	<u>106,501,769</u>	<u>155,510,035</u>
TOTAL EXPENDITURE		<u>152,376,329</u>	<u>175,001,302</u>
SURPLUS / (DEFICIT)		<u>(49,474,397)</u>	<u>(48,085,040)</u>

The School financial statements were prepared and approved on _____ 2024 and signed by;

Sign:

**Name: Canon Philip Njuki
Chairman B.O.M.
Date : July 29, 2024**

Sign:

**Name: Ms. Virginia Wahome
Chief Principal/Secretary B.O.M.
Date : July 29, 2024**

Sign:

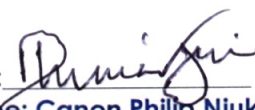
**Name: Ms. Sarah Nyoro
School Bursar
Date: July 29, 2024**




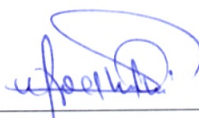
**7. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
30th JUNE 2021**

	Note	2020/2021 (6 Months) Kshs.	2020 (12 Months) Kshs.
FINANCIAL ASSETS			
Cash & Cash Equivalents			
Short Term & Call Deposits	11	79,411,997	141,282,000
Bank Balances	12	42,003,678	30,180,611
Cash Balances	13	412,444	458,834
Total Cash & Cash Equivalents		<u>121,828,119</u>	<u>171,921,445</u>
Accounts Receivables	14	13,804,372	7,607,682
Total Financial Assets		<u>135,632,491</u>	<u>179,529,127</u>
FINANCIAL LIABILITIES			
Accounts Payables	15	32,116,149	26,538,388
Total Financial Liabilities		<u>32,116,149</u>	<u>26,538,388</u>
NET FINANCIAL ASSETS		<u>103,516,342</u>	<u>152,990,739</u>
REPRESENTED BY			
Accumulated Fund & Projects Reserves	16	152,990,739	201,075,779
Surplus / Deficit for the Year		(49,474,397)	(48,085,040)
NET FINANCIAL POSITION		<u>103,516,342</u>	<u>152,990,739</u>

The school financial statements were prepared and approved on _____ 2024
and signed by:

Sign: 
Name: Canon Phillip Njuki
Chairman B.O.M.
Date : July 29, 2024

Sign: 
Name: Ms. Virginia Wahome
Chief Principal/Secretary B.O.M.
Date : July 29, 2024

Sign: 
Name: Ms. Sarah Nyoro
School Bursar
Date: July 29, 2024

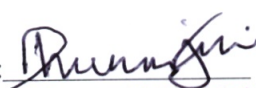


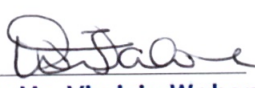
8. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

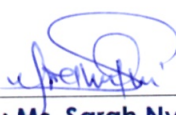
		2020/2021 (6 Months)	2020 12 Months
	Notes	Kshs.	Kshs.
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Capitation grants for tuition	1	1,800,535	2,463,000
Capitation grants for operations	2	6,102,217	10,792,780
Capitation grants for Infrastructure (TIG/MIF)	3	5,178,000	40,324,000
School Fund Income - Parent's Contribution	17	56,114,287	49,264,147
Other Income	18	<u>13,303,054</u>	<u>27,354,700</u>
Total receipts		82,498,093	130,198,626
Payments			
Payments for Tuition	19	1,086,931	3,115,359
Payments for Operations	20	6,443,663	12,383,910
Payments for Infrastructure	21	34,042,434	4,590,715
Boarding and school fund payments	22	<u>95,110,287</u>	<u>153,562,775</u>
Total payments		<u>136,683,316</u>	<u>173,652,759</u>
NET CASH FROM OPERATING ACTIVITIES (I)		<u>(54,185,223)</u>	<u>(43,454,133)</u>
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Income Generating	23	<u>4,091,897</u>	<u>9,532,261</u>
NET CASH FROM INVESTING ACTIVITIES (II)		<u>4,091,897</u>	<u>9,532,261</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>(50,093,326)</u>	<u>(33,921,872)</u>
Cash and cash equivalent at END of the year	11,12,13	121,828,119	171,921,445
Less: Cash and cash equivalent at Beginning of the year	11,12,13	(171,921,445)	(205,843,317)
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>(50,093,326)</u>	<u>(33,921,872)</u>

The above presentation of cash flow statement uses the direct method of cash flow presentation as recommended by PSASB.

The school financial statements were prepared and approved on _____ 2024 and signed by:

Sign: 
Name: Canon Philip Njuki
Chairman B.O.M.
Date : July 29, 2024

Sign: 
Name: Ms. Virginia Wahome
Chief Principal/Secretary B.O.M.
Date : July 29, 2024

Sign: 
Name: Ms. Sarah Nyoro
School Bursar
Date: July 29, 2024



9. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipt Item	Original Budget a Kshs	Adjustments b	Final Budget c=a-b Kshs	Actual received on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% Received f=d/c % Kshs
		Reduced by 50% to 6 months				
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	1,600,000.00	800,000.00	800,000.00	640,190.22	159,809.78	80.02%
Exercise books	400,000.00	200,000.00	200,000.00	160,047.56	39,952.44	80.02%
Laboratory equipment	2,000,000.00	1,000,000.00	1,000,000.00	800,237.78	199,762.22	80.02%
Internal exams	300,000.00	150,000.00	150,000.00	120,035.67	29,964.33	80.02%
Teachers guides	200,000.00	100,000.00	100,000.00	80,023.78	19,976.22	80.02%
		Reduced by 50% to 6 months				
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	8,280,000.00	4,140,000.00	4,140,000.00	3,966,430.70	173,569.30	95.81%
Local transport / travelling	1,621,500.00	810,750.00	810,750.00	793,313.74	17,436.26	97.85%
Electricity and water	1,621,500.00	810,750.00	810,750.00	812,564.74	1,814.74	100.22%
Medical	897,000.00	448,500.00	448,500.00	-	448,500.00	0.00%
Administration costs	1,041,900.00	520,950.00	520,950.00	529,907.82	8,957.82	101.72%

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Activity	1,173,000.00	586,500.00	586,500.00	-	586,500.00	0.00%
(3) CAPITATION GRANT ON INFRASTRUCTURE		Reduced by 50% to 6 months				
Maintenance Improvement Funds	6,900,000.00	3,450,000.00	3,450,000.00	5,178,000.00	1,728,000.00	150.09%
Transition Infrastructure Grant	35,000,000.00	17,500,000.00	17,500,000.00	-	17,500,000.00	0.00%
	Original budget	Adjustments Re-set to actual fees Invoiced in 2 Terms (January - June)	Final Budget	Actual Received	Budget Utilization Difference	% Received
(4) FEES CHARGED ON PARENTS						
Boarding Equipment and Stores	60,807,575.00	22,228,275.00	22,228,275.00	20,769,370.01	1,458,904.99	93.44%
Personnel emoluments	18,056,475.00	5,108,475.00	5,108,475.00	4,729,796.99	378,678.01	92.59%
Repairs and maintenance	1,554,000.00	524,500.00	524,500.00	497,032.99	27,467.01	94.76%
Local transport / travelling	4,324,550.00	1,677,050.00	1,677,050.00	1,526,152.99	150,897.01	91.00%
Electricity and water	21,198,500.00	8,516,500.00	8,516,500.00	7,757,829.62	758,670.38	91.09%
Medical & EMF	1,823,000.00	899,000.00	899,000.00	917,029.00	18,029.00	102.01%
Administration costs	8,057,000.00	3,596,000.00	3,596,000.00	3,303,883.50	292,116.50	91.88%
Activity	1,168,000.00	284,400.00	284,400.00	271,765.00	12,635.00	95.56%
Computer Fund	3,212,500.00	1,375,000.00	1,375,000.00	1,299,982.00	75,018.00	94.54%
Outsourced Services Fund	12,138,000.00	7,000,000.00	7,000,000.00	6,385,963.69	614,036.31	91.23%
Prizes & Motivation Fund	5,842,500.00	2,897,500.00	2,897,500.00	2,654,999.99	242,500.01	91.63%
Projects Fund	17,285,580.00	7,495,220.00	7,495,220.00	6,049,942.97	1,445,277.03	80.72%

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(5) OTHER INCOME						
Rent income	1,986,650.00	-	1,986,650.00	1,437,800.00	548,850.00	72.37%
Income from farming activities	500,000.00	-	500,000.00	378,907.65	121,092.35	75.78%
Income from Bakery activities	1,000,000.00	-	1,000,000.00	931,389.00	68,611.00	93.14%
Income from Bus Hire	500,000.00	-	500,000.00	466,560.00	33,440.00	93.31%
Fee for hire of ground and Facilities	4,200,000.00	-	4,200,000.00	1,966,560.00	2,233,440.00	46.82%
Interest income	3,000,000.00	-	3,000,000.00	2,017,220.45	982,779.55	67.24%
Income from Leases	3,070,000.00	-	3,070,000.00	2,303,916.70	766,083.30	75.05%
TOTAL INCOME	230,759,230.00		106,376,020.00	78,746,854.55	27,629,165.45	
Expense Item	Original Budget	Adjustments	Final Budget	Actual Spent on Comparable Basis	Budget Utilization Difference	% Expend
	a	b	c=a-b	d	e=c-d	f=d/c %
	Kshs		Kshs		Kshs	Kshs
PAYMENTS						
(1) EXPENDITURE FOR TUITION						
Text Books & Reference Materials	1,600,000.00	800,000.00	800,000.00	135,710.20	664,289.80	16.96%
Teaching & Learning materials	-	-	-	-	-	0.00%
Laboratory & Practical materials	2,000,000.00	1,000,000.00	1,000,000.00	767,838.80	232,161.20	76.78%
Internal Exams	300,000.00	150,000.00	150,000.00	-	150,000.00	0.00%

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Exercise Books	400,000.00	200,000.00	200,000.00	627,956.00	427,956.00	313.98%
Bank Charges	1,000.00	500.00	500.00	360.00	140.00	72.00%
(2) EXPENDITURE FOR OPERATIONS						
Activity	250,000.00	-	250,000.00	229,847.00	20,153.00	91.94%
Administration Cost & Internal Exams	3,000,000.00	1,500,000.00	1,500,000.00	1,718,530.00	218,530.00	114.57%
Covid 19 Expense	500,000.00	-	500,000.00	585,000.00	85,000.00	117.00%
Electricity & Water	1,621,500.00	810,750.00	810,750.00	647,402.15	163,347.85	79.85%
Repairs, Maintenance & Improvement	100,000.00	50,000.00	50,000.00	40,500.00	9,500.00	81.00%
Salaries & Wages (Personnel Emoluments)	8,200,000.00	4,100,000.00	4,100,000.00	2,300,320.00	1,799,680.00	56.11%
Local Travelling & Transport	1,621,500.00	810,750.00	810,750.00	995,672.70	184,922.70	122.81%
Medical & Insurance	40,000.00	20,000.00	20,000.00	-	20,000.00	0.00%
Bank Charges	1,000.00	500.00	500.00	840.00	340.00	168.00%
(3) EXPENDITURE FOR INFRASTRUCTURE						
Infrastructure projects	78,000,000.00	39,000,000.00	39,000,000.00	37,821,488.40	1,178,511.60	96.98%
(4) EXPENDITURE FOR SCHOOL FUND						
Boarding Equipment and Stores	60,562,575.00	30,281,287.50	30,281,287.50	25,807,706.54	4,473,580.96	85.23%
Salary & Wages (Personnel emoluments)	22,800,000.00	11,400,000.00	11,400,000.00	8,899,107.98	2,500,892.02	78.06%
Repairs and maintenance	2,500,000.00	1,250,000.00	1,250,000.00	1,400,226.00	150,226.00	112.02%

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Local transport / travelling	4,200,000.00	2,100,000.00	2,100,000.00	732,091.60	1,367,908.40	34.86%
Electricity and water	16,500,000.00	8,250,000.00	8,250,000.00	8,598,489.30	348,489.30	104.22%
Medical & EMF	3,000,000.00	1,500,000.00	1,500,000.00	1,116,735.00	383,265.00	74.45%
Learning & Exam					-	
Materials	3,450,000.00	1,725,000.00	1,725,000.00	1,876,948.60	151,948.60	108.81%
Administration costs	4,607,000.00	2,303,500.00	2,303,500.00	1,085,287.00	1,218,213.00	47.11%
Activity	1,610,000.00	805,000.00	805,000.00	99,955.00	705,045.00	12.42%
Computer Fund	4,000,000.00	2,000,000.00	2,000,000.00	1,345,681.45	654,318.55	67.28%
Outsourced Services Fund	10,440,000.00	5,220,000.00	5,220,000.00	4,517,711.00	702,289.00	86.55%
Prizes & Motivation Fund	6,700,000.00	3,350,000.00	3,350,000.00	2,255,542.00	1,094,458.00	67.33%
Projects Fund	53,921,890.00	26,960,945.00	26,960,945.00	23,781,913.36	3,179,031.64	88.21%
Student ID Cards	168,000.00	84,000.00	84,000.00	64,220.00	19,780.00	76.45%
Uniform (T-SHIRTS)	500,000.00				-	0.00%
Staff Motivation	10,000,000.00	7,500,000.00	7,500,000.00	7,104,679.00	395,321.00	94.73%
	302,594,465.00	153,172,232.50	153,922,232.50	134,557,759.08		
TOTALS					19,364,473.42	0.87



10. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

This cash basis of accounting has been supplemented with accounting for;

- a) receivables that include imprest, salary advances and other receivables and
- b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *school* and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs and accrued income is recognised in preparation of the books. In addition, the *school* recognises all expenses when the event occurs and the accrued expenditure is recognised as expense at the end of financial period.

3. In-kind contributions

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

4. Cash and cash equivalents

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



SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

Year 2020/2021 accounts presented are for 6 months from January 2021 to June 2021 as advised by MOE Circular reference MOE/DSAS/FIN/17/1/17 of 19th August, 2021. The comparative for Year 2020 is for 12 months (January to December 2020).

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 2021.

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11. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1:	2020/2021	2020
CAPITATION GRANT FOR TUITION	(6 Months)	(12 Months)
	Kshs.	Kshs.
MOE Tuition Grant	1,800,535.00	2,463,000.00
TOTAL	<u>1,800,535.00</u>	<u>2,463,000.00</u>

NOTE 2:	2020/2021	2020
CAPITATION GRANT FOR OPERATIONS	(6 Months)	(12 Months)
	Kshs.	Kshs.
Activity	-	532,800
Administration Cost	529,908	755,003
Electricity & Water	812,565	1,154,865
Salary & Wages	3,966,431	5,818,846
Transport Cost	793,314	1,154,865
Covid-19 Income	-	690,000
Medical & Insurance	-	266,400
BOM Teachers' salary	-	<u>420,000</u>
TOTAL	<u>6,102,217</u>	<u>10,792,780</u>

NOTE 3:	2020/2021	2020
CAPITATION GRANT FOR INFRASTRUCTURE	(6 Months)	(12 Months)
	Kshs.	Kshs.
Maintenance & Improvement Funds	5,178,000.00	5,324,000.00
Transition Infrastructure Grant	-	<u>35,000,000.00</u>
TOTAL	<u>5,178,000.00</u>	<u>40,324,000.00</u>

NOTE 4:	2020/2021	2020
SCHOOL FUND INCOME-PARENTS' CONTRIBUTIONS	(6 Months)	(12 Months)
	Kshs.	Kshs.
Activity	284,400	816,224
Administration Cost	3,596,000	1,622,923
Boarding, Equipment & Stores	21,228,275	24,900,008
Beddings	1,003,708	1,059,369
Electricity & Water	8,516,500	6,950,484
Repairs	524,500	389,100
Salary & Wages	5,108,475	10,262,156
Transport Cost	1,677,050	1,491,044
Student ID Cards	8,400	100,000
Medical & Insurance	180,000	94,900
Computer Fund	1,375,000	353,375

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Emergency Medical Fund	719,000	99,500
Students' Prizes and Awards	2,897,500	562,638
Outsourced Services Fund	7,000,000	3,712,089
Projects Fund	7,495,220	420,312
School Bags & T-Shirts	<u>42,603</u>	<u>218,872</u>
TOTAL INCOME	<u>61,656,631</u>	<u>53,052,994</u>

NOTE 6:	2020/2021	2020
<u>SCHOOL FUND INCOME - INCOME GENERATING PROJECTS</u>	(6 Months)	(12 Months)
	Kshs.	Kshs.
-		
Rents PTA A/C	110,000	250,000
Rent BOM A/C	1,876,650	3,150,250
Hire of Grounds & Facilities	1,966,560	155,000
Lease BOM A/C	2,303,917	670,396
Miscellaneous Sales (Souvenirs)	-	32,140
KNEC Accommodation	10,608,230	-
Farm Sales	3,015,673	4,505,364
Bakery Sales	<u>4,731,091</u>	<u>2,534,296</u>
TOTAL INCOME	<u>24,612,121</u>	<u>11,297,446</u>

NOTE 5:	2020/2021	2020
<u>SCHOOL FUND - OTHER INCOME</u>	(6 Months)	(12 Months)
	Kshs.	Kshs.
Miscellaneous Income & Replacements	473,496	1,316,875
Tenders	187,000	36,000
Clubs & welfares		97,000
Doctors' Prescription / Medical Refunds	432,311	35,485
Chapel Funds	206,538	250,370
Interest Income	<u>2,253,083</u>	<u>7,250,312</u>
TOTAL INCOME	<u>3,552,428</u>	<u>8,986,042</u>

NOTE 7:	2020/2021	2020
<u>PAYMENTS FOR TUITION</u>	(6 Months)	(12 Months)
	Kshs.	Kshs.
Text Books & Reference Materials	135,710	1,286,944
Teaching & Learning materials	-	156,053
Laboratory & Practical materials	767,839	163,430
Internal Exams	-	312,860
Exercise books & Stationery	627,956	595,735
Operations A/C Transfer	-	1,380
Bank Charges	<u>360</u>	<u>240</u>
TOTAL EXPENDITURE	<u>1,531,865</u>	<u>2,516,642</u>

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NOTE 8:	2020/2021	2020
PAYMENTS FOR OPERATION	(6 Months)	(12 Months)
	Kshs.	Kshs.
Activity	229,847	208,474
Administration Cost & Internal Exams	1,718,530	458,637
Covid 19 Expense	585,000	567,000
Electricity & Water	647,402	2,698,894
Repairs, Maintenance & Improvement	40,500	1,126,564
Salaries & Wages (Personnel Emoluments)	2,300,320	6,615,437
Local Travelling & Transport	995,673	594,639
Medical & Insurance	-	113,125
Bank Charges Operations A/C	840	1,140
TOTAL EXPENDITURE	<u>6,518,112</u>	<u>12,383,910</u>

NOTE 9:	2020/2021	2020
PAYMENTS FOR INFRASTRUCTURE	(6 Months)	(12 Months)
	Kshs.	Kshs.
Modern Dining hall & Kitchen Complex	-	4,584,676
Science Laboratory & Technology Centre	37,821,488	-
Bank Charges Infrastructure	3,095	6,039
TOTAL EXPENDITURE	<u>37,824,583</u>	<u>4,590,715</u>

NOTE 10:	2020/2021	2020
BOARDING & SCHOOL FUND PAYMENTS	(6 Months)	(12 Months)
	Kshs.	Kshs.
Activity	99,955	519,514
Administration Cost & Tuition Expenses	2,962,236	2,839,943
Boarding, Equipment & Stores	25,807,707	20,025,889
Beddings	-	1,380,224
Electricity & Water	8,598,489	6,653,547
Repairs, Maintenance & Improvement	1,322,726	1,834,115
Local Travelling & Transport	809,592	2,397,261
Salary & Wages (Personnel Emoluments)	8,899,108	12,421,891
Student ID Cards	64,220	-
Medical & Insurance	337,390	172,721
Renovations & Projects	23,781,913	76,852,446
Computer Fund Expense	964,215	2,469,996
Emergency Medical Fund Expense	779,345	713,368
Students' prizes, awards & motivation	9,741,687	7,126,122
Outsourced Services	4,517,711	7,703,016
Uniform & Bags	57,000	245,618
Caution Refunds	67,500	132,500
Chapel Expenses	601,660	94,000
Clubs, Pocket Money, Exchange Programmes & Welfares	6,000	648,594
Replacements & Contingencies	1,951,497	3,134,675
Tenders	-	76,551
Income generating Activities - FUND	8,161,353	-

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Income generating Activities - BOM	675,745	678,450
Income generating Activities - FARM	2,298,043	4,977,159
Income generating Activities - BAKERY	3,799,702	2,120,010
Bank Charges	<u>196,976</u>	<u>292,426</u>
TOTAL EXPENDITURE	<u>106,501,769</u>	<u>155,510,035</u>

NOTE 11:

SHORT TERM & CALL DEPOSITS	Account number	2020/2021	2020	2019
Account Name, Bank & Branch		(6 Months)	(12 Months)	(12 Months)
As per Bank' Certificate of Balance (C.O.B.)		Kshs.	Kshs.	Kshs.
KHS Infrastructure A/C, Co-op. Bank Lavington Mall	01129099096601	17,018,150.00	48,352,000.00	2,934,696
KHS Main A/C, KCB Kipande Hse.	1108690920	11,000,000.00	36,000,000.00	47,500,000
KHS PTA A/C, KCB Kipande Hse.	1103977997	10,500,000.00	-	42,500,00.00
KHS Fund A/C, KCB Kipande Hse.	1103974912	9,000,000.00	22,000,000.00	23,000,000
KHS BOM A/C, KCB Kipande Hse.	1108327907	7,000,000.00	10,000,000.00	7,000,000
KHS Farm A/C, KCB Kipande Hse.	1103980599	4,000,000.00	4,500,000.00	6,000,000
KHS Bakery A/C, KCB Kipande Hse.	1253520496	3,500,000.00	3,500,000.00	2,500,000
KHS Endowment A/C, Equity Bank Kilimani, Supreme Br	1470261650143	<u>17,393,847.00</u>	<u>16,930,000.00</u>	<u>16,666,262</u>
TOTAL		<u>79,411,997.00</u>	<u>141,282,000.00</u>	<u>148,100,958</u>

NOTE 12:

BANK BALANCES	Account number	2020/2021	2020	2019
Account Name, Bank & Branch		(6 Months)	(12 Months)	(12 Months)
As per Cash Book Balance as at 30th June, 2021		Kshs.	Kshs.	Kshs.
KHS Tuition A/C, Co-op. Bank Lavington Mall	1139099096600	1,008,691	295,087	945,065
KHS Oerations A/C, Co-op. Bank Lavington Mall	1139099096601	3,212,563	1,136,010	10,756,519
KHS Infrastructure A/C, Co-op. Bank Lavington Mall	1129099096601	48,720	-2,696	40,767
KHS Main A/C, KCB Kipande Hse.	1108690920	9,398,164	8,505,067	7,671,487
KHS Main A/C, Co-op. Bank Lavington Mall	1129099096600	8,972,289	5,954,998	7,055,592
KHS Collection A/C, Equity Bank Kilimani, Supreme Br	1470261715116	222,543	1,333,292	804,623
KHS PTA A/C, KCB Kipande Hse.	1103977997	4,313,050	3,445,781	20,745,727
KHS Fund A/C, KCB Kipande Hse.	1103974912	8,465,342	5,912,701	2,764,189
KHS BOM A/C, KCB Kipande Hse.	1108327907	2,496,584	1,134,940	2,300,604
KHS Farm A/C, KCB Kipande Hse.	1103980599	2,139,541	1,427,979	2,481,209
KHS Bakery A/C, KCB Kipande Hse.	1253520496	1,716,775	1,028,036	1,769,321

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KHS Endowment A/C, Equity Bank Kilimani, Supreme Br	1470261650143	9,415	9,415	27,116
TOTAL		<u>42,003,677</u>	<u>30,180,610</u>	<u>57,362,219</u>

NOTE 13:

CASH IN HAND	2020/2021	2020	2019
As per Cash Book Balance certificate as at 30th June, 2021	(6 Months)	(12 Months)	(12 Months)
	Kshs.	Kshs.	Kshs.
TOTAL	<u>412,444</u>	<u>458,834</u>	<u>380,140</u>

NOTE 14:

ACCOUNTS RECEIVABLES SUMMARY	2020/2021	2020
	(6 Months)	(12 Months)
	Kshs.	Kshs.
School Fees Arrears	6,672,203	6,329,565
Salary advances	60,960	58,710
Income Generating Projects	7,071,209	1,219,407
TOTAL ACCOUNTS RECEIVABLES	<u>13,804,372</u>	<u>7,607,682</u>

RECEIVABLES ANALYSIS	2020/2021	2020
(i) FEES ARREARS TABLE		
	Kshs.	Kshs.
Fees arrears B/FWD	6,329,565	8,780,407
Fees arrears for Current Year (Listed)	5,616,359	41,240,068
Fees Arrears received during the Year	-5,273,721	-6,574,911
Total Outstanding Fees	<u>6,672,203</u>	<u>6,329,565</u>
AGEING ANALYSIS		
Fees arrears for Current Year	5,616,359	4,124,068
Fees arrears for Previous Year	973,399	1,126,077
Fees Arrears for past 2 Years	82,445	1,079,419
	<u>6,672,203</u>	<u>6,329,565</u>
(ii) SALARY ADVANCE	Kshs.	Kshs.
Balance B/Fwd	58,710	45,113
Salary Advances During The Year	136,000	126,900
Recoveries & Repayments during the Year	-133,750	-113,003
	<u>60,960</u>	<u>58,710</u>
(iii) INCOME GENERATING PROJECTS		
(a) RENT	Kshs.	Kshs.
Balance B/Fwd	474,490	2,152,678
Listed Rent Arrears at end of the Year	542,850	398,500
Repayments during the Year	-282,000	-2,076,688
	<u>735,340</u>	<u>474,490</u>

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(b) KNEC ACCOMODATION	Kshs.	Kshs.
Balance B/Fwd	247,655	4,365,495
Listed KNEC Hosting Arrears at end of the Year	3,509,792	-4,117,840
Repayments during the Year	-	-
	3,757,447	247,655
(c) FARM RECEIVABLES	Kshs.	Kshs.
Balance B/Fwd	292,731	2,467,211
Listed Arrears at end of the Year	1,056,669	289,360
Repayments during the Year	(291,240)	(2,463,840)
	1,058,160	292,731
(d) BAKERY RECEIVABLES	Kshs.	Kshs.
Balance B/Fwd	204,531	0
Listed Arrears at end of the Year	1,520,262	204,531
Repayments during the Year	(204,531)	0
	1,520,262	204,531
TOTAL RECEIVABLES	<u>7,071,209</u>	<u>7,607,682</u>

NOTE 15:		
ACCOUNTS PAYABLES	2020/2021	2020
	(6 Months)	(12 Months)
	Kshs.	Kshs.
Trade Creditors	11,946,065	4,420,668
Prepaid Fees	5,937,973	11,667,759
Projects Retention	14,232,110	10,449,962
TOTAL ACCOUNTS PAYABLES	<u>32,116,149</u>	<u>26,538,388</u>

PAYABLES ANALYSIS	2020/2021	2020
(i) CREDITORS TABLE	Kshs.	Kshs.
Payables B/FWD	4,420,668	6,434,334
Creditors for Current Year (Listed)	11,552,993	3,837,541
Creditors payments during the year	(4,027,597)	(5,851,208)
Total Outstanding Payables	<u>11,946,065</u>	<u>4,420,668</u>
AGEING ANALYSIS	Kshs.	Kshs.
Creditors for Current Year	11,506,752	3,837,541
Payables for Previous Year	267,484	238,662
Payables for past 2 Years	125,587	344,464
	<u>11,899,824</u>	<u>4,420,668</u>
(ii) PREPAID FEES	Kshs.	Kshs.
Balance B/Fwd	11,667,759	6,507,287
Received Prepaid Fees	4,370,928	9,991,475
Prepaid fees distributed/Refunded during the Year	(10,100,714)	(4,831,002)
	<u>5,937,973</u>	<u>11,667,759</u>

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(iii) PROJECTS RETENTIONS	Kshs.	Kshs.
Balance B/Fwd	10,449,962	10,449,962
Science Lab Retentions during the Year	3,782,149	0
	<u>14,232,110</u>	<u>10,449,962</u>
TOTAL PAYABLES	<u>32,116,149</u>	<u>26,538,388</u>

NOTE 16:	2020/2021	2020
ACCUMULATED FUND & PROJECT RESERVES	(6 Months)	(12 Months)
	Kshs.	Kshs.
Bank Balances	42,003,678	30,180,611
Cash Balances	412,444	458,834
Short Term & Call Deposits	79,411,997	141,282,000
Increase in Accounts Receivables	13,804,372	7,607,682
Increase Accounts Payables	(32,116,149)	(26,538,388)
NET FINANCIAL ASSETS	<u>103,516,342</u>	<u>152,990,739</u>

NOTE 17: SCHOOL FUND INCOME - PARENTS' CONTRIBUTIONS	2020/2021	2020
	(6 Months)	(12 Months)
	Kshs.	Kshs.
-		
Activity	284,400	816,224
Administration Cost	3,596,000	1,622,923
Boarding, Equipment & Stores	21,228,275	24,900,008
Beddings	1,003,708	1,059,369
Electricity & Water	8,516,500	6,950,484
Repairs	524,500	389,100
Salary & Wages	5,108,475	10,262,156
Transport Cost	1,677,050	1,491,044
Student ID Cards	8,400	100,000
Medical & Insurance	180,000	94,900
Computer Fund	1,375,000	353,375
Emergency Medical Fund	719,000	99,500
Students' Prizes and Awards	2,897,500	562,638
Outsourced Services Fund	7,000,000	3,712,089
Projects Fund	7,495,220	420,312
School Bags & T-Shirts	<u>42,603</u>	<u>218,872</u>
	61,656,631	53,052,994
Less:		
Listed fees receivables for the Year	(5,542,344)	(3,788,847)
TOTAL INCOME	<u>56,114,287</u>	<u>49,264,147</u>

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NOTE 18: SCHOOL FUND - OTHER INCOME	2020/2021 (6 Months)	2020 (12 Months)
	Kshs.	Kshs.
Miscellaneous Income & Replacements	473,496	1,490,155
Tenders	187,000	36,000
Clubs & welfares		97,000
PAYE Recovery	46,241	
Doctors' Prescription / Medical Refunds	432,311	35,485
Chapel Funds	206,538	250,370
Interest Income	<u>2,253,083</u>	<u>7,250,312</u>
	3,598,669	9,159,322
Less:		
Listed other income receivables for the Year	(74,014)	0
Add:		
Fees arrears received during the Year	5,273,721	6,478,044
Prepaid fees received	4,370,928	9,991,475
Interest income arrears	0	1,612,556
Salary Advance Refunds	<u>133,750</u>	<u>113,303</u>
TOTAL INCOME	<u>13,303,054</u>	<u>27,354,700</u>

NOTES 19: PAYMENTS FOR TUITION	2020/2021 (6 Months)	2020 (12 Months)
	Kshs.	Kshs.
-		
Text Books & Reference Materials	135,710	1,286,944
Teaching & Learning materials	0	156,053
Laboratory & Practical materials	767,839	163,430
Internal Exams	0	312,860
Exercise books & Stationery	627,956	595,735
Bank Charges	<u>360</u>	<u>240</u>
	1,531,865	2,515,262
Listed Payables for the Year	(525,794)	(80,860)
Trade creditors paid during the Year	80,860	680,957
TOTAL EXPENDITURE	<u>1,086,931</u>	<u>3,115,359</u>

NOTE 20: PAYMENTS FOR OPERATION	2020/2021 (6 Months)	2020 (12 Months)
	Kshs.	Kshs.
-		
Activity	229,847	208,474
Administration Cost & Internal Exams	1,718,530	458,637
Covid 19 Expense	585,000	567,000
Electricity & Water	647,402	2,698,894

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Repairs, Maintenance & Improvement	40,500	1,126,564
Salaries & Wages (Personnel Emoluments)	2,300,320	6,615,437
Local Travelling & Transport	995,673	594,639
Medical & Insurance	-	113,125
Bank Charges Operations A/C	840	1,140
	6,518,112	12,383,910
Less:		
Listed Payables for the Year	(74,448)	-
Trade creditors paid during the Year	-	-
TOTAL EXPENDITURE	6,443,663	12,383,910

NOTE 21:	2020/2021	2020
PAYMENTS FOR INFRASTRUCTURE	(6 Months)	(12 Months)
	Kshs.	Kshs.
-		
Modern Dining hall & Kitchen Complex	-	4,584,676
Science Laboratory & Technology Centre	37,821,488	-
Bank Charges Infrastructure	3,095	6,039
	37,824,583	4,590,715
Less:		
Listed Payables for the Year	(3,782,149)	-
TOTAL EXPENDITURE	34,042,434	4,590,715

NOTE 22:	2020/2021	2020
BOARDING & SCHOOL FUND PAYMENTS	(6 Months)	(12 Months)
	Kshs.	Kshs.
-		
Activity	99,955	519,514
Administration Cost & Tution Expenses	2,962,236	2,839,943
Boarding, Equipment & Stores	25,807,707	20,025,889
Beddings	-	1,380,224
Electricity & Water	8,598,489	6,653,547
Repairs, Maintenance & Improvement	1,322,726	1,834,115
Local Travelling & Transport	809,592	2,397,261
Salary & Wages (Personnel Emoluments)	8,899,108	12,421,891
Student ID Cards	64,220	-
Medical & Insurance	337,390	172,721
Renovations & Projects	23,781,913	76,852,446
Computer Fund Expense	964,215	2,469,996
Emergency Medical Fund Expense	779,345	713,368
Students' prizes, awards & motivation	9,741,687	7,274,073
Outsourced Services	4,517,711	7,703,016
Uniform & Bags	57,000	245,618
Caution Refunds	67,500	132,500

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Chapel Expenses	601,660	94,000
Clubs, Pocket Money, Exchange Programmes & Welfares	6,000	648,594
Replacements & Contingencies	1,793,884	3,291,044
PAYE Recovery	-	94,190
Tenders	-	76,551
Bank Charges	<u>163,397</u>	<u>235,221</u>
	<u>91,375,734</u>	<u>148,075,721</u>
Less:		
Listed trade creditors for the Year	(10,606,510)	(3,732,412)
Add:		
Salary advance	136,000	<u>126,900</u>
Trade creditors paid during the Year	3,946,737	4,028,210
Prepaid fees Refunded during the year	10,100,714	4,831,002
RD Cheques/Error Deposit reversals	<u>157,613</u>	<u>233,355</u>
TOTAL EXPENDITURE	<u>95,110,287</u>	<u>153,562,775</u>

NOTE 23:	2020/2021	2020
INCOME GENERATING INCOME	(6 Months)	(12 Months)
	Kshs.	Kshs.
-		
Rents PTA A/C	110,000	250,000
Rent BOM A/C	1,876,650	3,150,250
Hire of Grounds & Facilities	1,966,560	155,000
Lease BOM A/C	2,303,917	670,396
Miscellaneous Sales (Souvenirs)	0	32,140
KNEC Accommodation	10,608,230	0
Farm Sales	3,015,673	4,505,364
Bakery Sales	<u>4,731,091</u>	<u>2,534,296</u>
	<u>24,612,121</u>	<u>11,297,446</u>
Less:		
Listed Income receivables for the Year	(6,629,573)	(892,391)
Add:		
Income arrears received during the Year	<u>777,771</u>	<u>8,653,368</u>
TOTAL INCOME	<u>18,760,319</u>	<u>19,058,423</u>
INCOME GENERATING EXPENSE		
KNEC Examiners FUND	8,161,353	0
Facilities Improvement BOM	214,400	90,875
Donations	0	45,000
Rental Houses Exp. BOM	451,345	187,610
Hosting Expense BOM	10,000	399,965
Crop Sect. Exp, Dairy, Fish & Poultry Exp FARM	54,060	290,962
Dairy Sect. Exp FARM	1,403,750	2,926,750
Poultry Project FARM	269,885	419,410

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Fish Project FARM	65,600	0
Salaries & Wages FARM	504,748	1,165,377
Bakery RM (Flour, Yeast, Sugar)	2,911,395	1,504,370
Salaries & Wages BAKERY	631,596	441,036
Kerosene BAKERY	256,711	174,604
Bank Charges BOM/FARM/BAKERY	33,579	57,205
KNEC Payables	0	1,363,338
BOM Payables	0	400,000
FARM Payables	<u>0</u>	<u>59,660</u>
	14,968,422	(9,526,162)
Less:		
Listed Creditors for the Year	300,000	0
TOTAL EXPENDITURE	14,668,422	9,526,162
NET PROCEEDS	<u>4,091,897</u>	<u>9,532,261</u>



Other important disclosure notes

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

NOTE 24:

Non-current Liabilities Summary

Description	2020/2021 (6 Months)	2020 (12 Months)
	Kshs.	Kshs.
Bank loan(s)	0.00	0.00
Outstanding Leases	0.00	0.00
Hire purchase	0.00	0.00
Gratuity and leave provision	620,000.00	600,000.00
Total	620,000.00	600,000.00

NOTE 25:

Biological assets

Description	2020/2021 (6 Months)	2020 (12 Months)
Cattle	58	65
Fish fingerlings	1650	0
Trees	4,055	3967
Pigs	15	10
Poultry	496	550
Rabbits	11	9
Total		

NOTE 26:

Borrowings

Description	2020/2021 (6 Months)	2020 (12 Months)
	Kshs.	Kshs.
a) Borrowings		
Borrowing at beginning of the year	0.00	0.00
Borrowings during the year	0.00	0.00
Repayments of during the year	0.00	0.00
Balance at end of the year	0.00	0.00

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Other important disclosure notes

NOTE 27: Stock/ Inventory

MAIN STORE STOCK AS AT	30TH JUNE 2021			
Item	Description	Quantity	Cost Per	Amount (Kshs.)
All Purpose Flour	2kgs Packet	27	129.20	3,488.40
BakeryWheat flour	50kg bags	10	63.60	636.00
Beans	Kgs	730	116.70	85,191.00
Cocoa	320g Tin	58	535.00	31,030.00
Cofee	250g SATCHETS	16	200.00	3,200.00
Cooking Oil	10lts Jerrican	2	2,010.00	4,020.00
Croma	10kg Carton	59	2,150.00	126,850.00
Detergent	20Lts Jerrican	16	1,150.00	18,400.00
Dishwash detergent	20Lts	1	6,400.00	6,400.00
Dishwash Rinsal	5Lts	9	2,500.00	22,500.00
Dry Maize	kgs	273	40.00	10,920.00
Green Grams	kgs	274	144.50	39,593.00
Hand Sanitizer	20Lts	22	4,500.00	99,000.00
Handwash Gel	5 lits	11	3,500.00	38,500.00
Jam	3kgs	13	810.00	10,530.00
Jik	5lts	12	1,196.00	14,352.00
Laundry Detergent	20lts	11	3,000.00	33,000.00
Maize Flour	2kgs Packet	164	93.33	15,306.12
Mallo cooking Fat	10kg Carton	35	1,680.00	58,800.00
Mineral Water	500ml bottle	30	24.16	724.80
Omo	3.5 Kgs Pkts	8	1,102.00	8,816.00
Oven Cleaner	5Lts	2	2,800.00	5,600.00
Packaging Bags (polythene)	Pcs	18,000.00	4.89	88,020.00
Rice	Kgs	1606	170.00	273,020.00
Salt	1 kg Packet	245	31.90	7,815.50
Self Raising Baking Flour	2kg Packet	20	135.00	2,700.00
Serviettes	Packet	68	66.80	4,542.40
Steel wool	500g	18	170.00	3,060.00
Sugar	Kgs	1862	116.00	215,992.00
SuperBrite	Packets	34	80.00	2,720.00
Tealeaves	500g	23	207.23	4,766.29
Tissue Paper	Rolls	643	21.25	13,663.75
Vim	Tins	47	150.00	7,050.00
Wax Polish	15kgs	4	8,294.00	33,176.00
GRAND TOTAL				1,294,617.00



**NOTE 28:
PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1				
2				
3				
4				



12. ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE
(A) CONSTRUCTION PROJECTS

	Date Contracted a	Original Amount b Kshs	Billed Variation Amount c Kshs	Total Cost d Kshs	Amount Paid To-Date e Kshs	Estimated Outstanding Balance 30/06/2021 f=c-d Kshs	Comments
Construction Projects							
1. Modern Dining Hall complex & Kitchen- VAGHJIYANI ENTERPRISES	8/17/2017	225,239,228.50	9,356,145.40	234,595,373.90	221,534,812.50	13,060,561.40	1. The original amount includes consultants' cost 2. There is an estimated variation of Kshs. 30M 3. The retention amount of Kshs. 10,449,961.50 has not been released and its part of the outstanding amount 4. The project was handed over on 1st February, 2021 4. The defects period expired on 31/07/2021
2. Science Lab. & Technology Centre PROCOST IDEAS LTD.	11/20/2020	97,500,000.00	0	97,500,000.00	34,039,339.56	63,460,660.44	1. The retention amount of Kshs. 3,782,148.84 has not been released and its part of the outstanding amount 2. Expected handover date is 25th October, 2021
-	-	<u>322,739,228.50</u>	<u>9,356,145.40</u>	<u>332,095,373.9</u>	<u>255,574,152.06</u>	<u>76,521,221.84</u>	-

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				0			
Dining hall uncertified amount							-2,610,599.90
Science labs uncertified amount							-59,678,511.60
Dining hall Certified Retention							10,449,961.50
Science labs Certified Retention							3,782,148.84
TOTAL RETENTION							14,232,110.34

(B) SUPPLY OF GOODS	Vote Head	Items Supplied	Month of Supply	Invoice Total
OLA ENERGY LTD	BES	Gas	21-Jun	123,137.00
KHS FARM	BES	MILK	21-May	346,640.00
KHS FARM	BES	MILK	21-Jun	407,680.00
KHS BAKERY	BES	BREAD & SCONES	21-May	586,407.00
SAN SACLA ENTERPRISES	BES	DETERGENT	21-Jun	24,975.00
KENYA TEA PACKERS	BES	TEA LEAVES	21-Jun	12,540.00
ROSY CREED	BES	FOOD ITEMS	21-Jun	12,395.00

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KHS BAKERY	BES	BREAD & SCONES	21-Jun	933,855.00
SUPER SAVERS LTD.	BES	CROMA	21-Jun	140,000.00
NIIBA FOODS LTD.	BES	SUGAR & RICE	21-Jun	686,000.00
SILVERSIDE MEAT SUPPLIERS	BES	MEAT	21-Jun	526,030.00
KAMKAM SERVICES	BES	POTATOES	21-Jun	159,300.00
SHIMONTE BINOCULARS	BES	VEGETABLES & RIPE BANANAS	21-Jun	627,065.00
NEW SHAKAH ELECTRICALS	PROJECTS	ELECTRICAL ITEMS	21-Jun	311,660.00
KENBLEST FOOD PROCESSORS	BAKERY	WHEAT FLOUR	21-Jun	300,000.00
GILTECH FABRICATORS	BES	VEGETABLE SLICER	21-Jun	627,065.00
KHS FARM	BES	CHICKEN & EGGS	May & June	234,720.00
KHS FARM	BES	VEGETABLES & MAIZE	May & June	67,629.00
STEKE ENTERPRISES	BES	BEANS & G/GRAMMES	21-Jun	147,000.00
QERAS HARDWARE	RMI	HARDWARE ITEMS	21-Jun	77,500.00
QERAS HARDWARE	PROJECTS	HARDWARE ITEMS	21-Jun	157,000.00
DAMUKI ENTERPRISES	PROJECTS	RIVER SAND	21-Jun	171,000.00
DOLPHIN STATIONERS	COMPUTER	PRINTER TONERS	21-Jun	262,566.00
ANJOWA GE. MART	PROJECTS	TILES	21-Jun	291,900.00
WESA VENTURES	COMPUTER	PRINTER TONERS	21-Mar	98,700.00
DELAHARI SANDS	COMPUTER	PRINTER TONERS	21-Apr	20,200.00
NATULENGE INVESTMENTS	PROJECTS	RIVER SAND	21-Jun	27,000.00
TONONOKA ROLLING MILLS	PROJECTS	METAL BARS	21-Jun	891,758.00
VENTRIX CONSTRUCTION	PROJECTS	TIMBER	21-Jun	260,400.00
DILSUN ENTERPRISES	PROJECTS	STONES	21-Jun	45,472.00
TEXT BOOK CENTRE LTD.	TUITION	EX BOOKS	21-Jun	525,794.00
TOTAL KENYA LTD.	L.T.&T	FUEL	21-Jun	74,448.40
Sub-Total			21-Jun	9,177,836.00

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(C) PROVISION OF SERVICES	Vote Head	Items Supplied	Month of Supply	Invoice Total
				Kshs
K.P.L.C.	EWC	ELECTRICITY	21-Jun	1,232,021.00
RENTOKIL INITIAL (K) LTD	BES	SANITARY DISPOSAL	21-Jun	48,494.00
NAIROBI WATER COMPANY	EWC	WATER BILL	21-Jun	213,466.00
NAIROBI WATER COMPANY	EWC	SEWER BILL	21-May	373,275.00
NAIROBI WATER COMPANY	EWC	SEWER BILL	21-Jun	53,415.00
PRIDE KINGS LTD	OUTS. SERVICES	SECURITY SERVICES	21-Jun	340,000.00
PALMRITE ENTERPRISES	OUTS. SERVICES	CLEANING SERVICES	21-Jun	340,000.00
ST. JUDE PSYCHOSOCIAL SERVICES	EMF	COUNSELLING	21-Jun	21,000.00
LIONS EYE HOSPITAL	EMF	EYES TREATMENT	21-Jun	4,020.00
NEW LANDMARK LABORATORIES	EMF	LAB SERVICES	21-Jun	16,950.00
Sub-Total				2,642,641.00

PREVIOUS YEARS' OUTSTANDING PAYABLES		ITEM SUPPLIED	DATE	LPO NO		Invoice / LPO Total
						Kshs
NAROK MILLERS	FARM	POULTRY FEEDS	18-Nov	6091	18-Nov	71,500.00
COPY CAT LTD	RMI	COPY PRINTER REPAIR	19-Jun	0	19-Jun	41,587.30
ODEX CHEMICALS	BES	RINSAL	19-Nov	6489	19-Nov	12,500.00
Sub-Total						125,587.30
Grand Total Payables						26,178,175.04



ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date Constructed/ Purchase	Location	Historical Cost b/f	Additions during the year	Disposals during the year	Historical Cost c/f
			(Kshs)	(Kshs)	(Kshs)	(Kshs) 30 th June 2021
Land 110 Acres		NAIROBI, WESTLANDS ,KILELESHWA	Valuation not done	None	None	Valuation not done
Buildings and structures:		KHS, KILELESHWA	Valuation not done	1	None	Valuation not done
1. Gate House with External Parking	2010					
2. 6 Dormitory Blocks						
3. 5 External Ablution Blocks						
4. 1 Modern Dining Hall	2021					
5. 1 Hall (Old Dining Hall)						
6. 1 Library Block & Departmental Offices						

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7. Computer Center , with 3 Labs, Server Rooms & Office						
8. 1 Administration Block						
9. 1 Sanatorium Block						
10. 31 Classrooms & Special subject rooms						
11. 32 Toilets Block Upschool						
12. 6 Science & H/Science Laboraories						
13. 1 Lecture Theatre						
14. 6 Residential Maissonettes						
15. Gym	Equip ped 2018					
16. Swimming Pool						
17. 12 3 B/R& 2 B/R Houses						
18. 12 units staff apartment (6x 2BR & 6X3BR)	2014					
19. 43 Camp Houses (Single Rooms & 2						

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Rooms)						
20. 500,000 litres Underground Tank	2021					
21. 2 Boreholes						
22. 40,000 litres elevated Tank						
23. Semi Permanent Structure on 2.1 Acre		NAIROBI, WESTLANDS ,KILELESHWA				
Motor vehicles		KHS,	Valuation not	None	None	Valuation not done
a. Scania Bus 67 Seater KCE 197D	2016					
b. MF Tractor KCE 390D	2016					
c. Isuzu Bus 51 Seater KCP 247K	2018					
d. Isuzu Bus 27 Seater KAT 157X	2005					
e. Nissan Urvan KBB 581S	2007					
f. Hilux Pickup KAE 286F						
g. Isuzu Bus 62 Seater KAH 269F						
h. MF TRACTOR KAE						Stalled & Non Functional
i. MotorBike KAE						Not Functional

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Office equipment, furniture and fittings		KHS, KILELESHWA	Valuation not done	None	None	Not Functional
• Samsung Photocopier		(LIST ATTACHED)				
• Kyocera Photocopier	2021					
• Copy Printer						
•						
ICT Equipment, and Other ICT Assets		KHS, KILELESHWA	Valuation not done	None	None	Valuation not done
• Desk top Computers	listed					
• Printers	listed					
• Laptops	listed	(LIST ATTACHED)				
Tools and apparatus • Laboratory Tools • Workshop Tools • Farm Tools • Kitchen Tools • Bakery Tools •	Listed Listed Listed Listed Listed	KHS, KILELESHWA (LIST ATTACHED)	Valuation not done	Several	None	Valuation not done
Textbooks	Listed	KHS, KILELESHWA	Valuation not done	Several	None	Valuation not done

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Other Machinery and Equipment	(LIST ATTACHED)	Valuation not done	None	None	Valuation not done
<ul style="list-style-type: none"> • 100KVA Generator • 60KVA Generator • 2 Borehole Pumps • Bakery Oven • Bakery Proofer • Dish Washing Machine • Laundry Washing Machine • 2 Cold r00ms • 2 Freezer rooms • Homescience Room Equipment • Kitchen & Bakery Equipment • Gym Equipment 	KHS, KILELESHWA (LIST ATTACHED)	Valuation not done	None	None	Valuation not done
Heritage and cultural assets	(LIST ATTACHED)				
Intangible assets- soft ware	KHS, KILELESHWA (LIST ATTACHED)	Valuation not done	None	None	Valuation not done
<ul style="list-style-type: none"> • Students' System • Accounting Software 					
Total					