

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 27 NOV 2024

DAY.

Wednesday

TABLED
BY:

Leader of Majority

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PARLIAMENT
OF KENYA
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REPORT

OF

THE AUDITOR-GENERAL

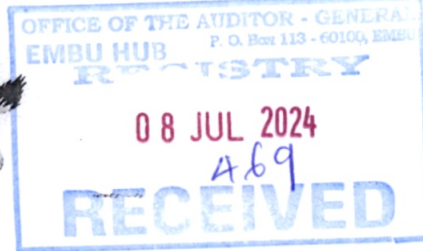
ON

NAIROBI SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2023**

NAIROBI CITY COUNTY

Revised 30th June 2023.



NAIROBI SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023**

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

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1. Acronyms and Glossary of Terms

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	

2. Key School Information and Management

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Nairobi County, Westland's Sub-County.

The school was registered in 20th November 2003 under registration number GP/A/2823/2003 and is currently categorized as a *National* public school established, owned or operated by the Government.

The school is a day/boarding school and had 2306 number of students as at 30th June 2023. It has 10 streams and 107 teachers of which 33 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Mrs Rebeccah Murigu	Chairperson	19/05/2022
2	Mr Caspal Maina	Chief Principal/Secretary BOM	19/05/2022
3	Dr.Eng Joseph Siror	Member	19/05/2022
4	Ms Tabby Rose Wanja	Member	19/05/2022
5	Mr Charles Mbuvi	Deputy Chairperson	19/05/2022
6	Mr.Kero M. Tadiko	Member	19/05/2022
7	Ms Saaida Kontoma	Member	19/05/2022
8	CHRP (K) Joel Kipkemoi Kemei	Member	19/05/2022
9	Ms Alice Gatoto	Member	19/05/2022
10	Mr. Martin Muturi Karugu	Member	19/05/2022
11	Ms Ngari Janet Muthoni	Member	19/05/2022
12	Mr Robert Masese	Member	19/05/2022
13	Mr Ambrose D.O Rachier	Member	19/05/2022
14	Mr Muchiri Wahome	Member	19/05/2022
15	Joseph Musembi	Rep Students	19/05/2022
16	Eng. Joseph Murage	Coopted	19/05/2022
17	Mr. Gershom Otachi	Coopted	19/05/2022
18	Captain Mercy Makau	Coopted	19/05/2022

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, 2013.
- Ensure and assure the provision of proper and adequate facilities for the School.
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils' discipline and make reports to the CEB.
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB.
- Administer and manage the resources of the School.
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Mrs. Rebecca Murigu 2. Mr. Caspal Maina 3. Ms Tabby Rose Wanja 4. Mr. Robert Masese 5. Mr. Muchiri Wahome	BOM Chairperson ChiefPrincipal/Secretary PA Chairperson Member Member	2 out of 3 2 out of 3 2 out of 3 2 out of 3 2 out of 3
2	Finance, Procurement and General purposes Committee	1. Charles Mbuvi 2. Dr. Joseph Siror	Chairman Member	1 out of 1 1 out of 1

		3. Mr. Martin Karugu	Member Member	1 out of 1
		4. Ms Saadia Kontoma	Member	1 out of 1
		5. Ms Tabby Rose Wanja		1 out of 1
3	Academic Standards ,Quality & Enviroment Committee	1. Mr. Charles Mbuvi	Chairman	2 out of 3
		2. Ms Alice Gatoto	Member	2 out of 3
		3. Mrs Janet Mukuvi	Member	2 out of 3
		4. Ms Tabby Rose Wanja	Member	2 out of 3
		5. Mr. Joel Kemei	Member	2 out of 3
		6. Mr. Muchiri Wahome	Member	2 out of 3
4	School Infrastructure Committee(Sic)	1. Eng. Joseph Murage	Chairman	3 out of 3
			Secretary	3 out of 3

		2. Mr. Hudson Musyoki	PA Chairperson	3 out of 3
		3. Ms Tabby Rose Wanja	Bom Chairperson	3 out of 3
		4. Mrs Rebecca Murigu	MOE Rep	3 out of 3
		5. SCDE	Chief Principal	3 out of 3
		6. Mr. Caspal Maina		
5	Discipline, Welfare , Ethics & Integrity Committee	1. Mr. Robert Masese	Chairman	3 out of 3
		2. Mr. Joel Kemei	Member	3 out of 3
		3. Mrs Rebecca Murigu	Member	3 out of 3
		4. Mr. Ambrose Rachier	Member	3 out of 3
		5. Mr. Tandiko Kero	Member	3 out of 3
		6. Ms Saadia Kontoma	Member	3 out of 3

6	School Resources Mobilisation Committee	1. Mr. Robert Masese 2. Mr. Joel Kemei 3. Ms.Tabby Rose Wanja 4. Mr.Martin Karugu 5. Ms Saadia Kontoma	Chairman Member Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1

(d) School Operation Management

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

Ref:	Designation	Name	Identification
1	Chief Principal	Caspal Maina	TSC No.335087
2	Deputy Principal-Administration	Hudson Musyoki	TSC No.390443
3	Deputy Principal-Policy & Planning	Josphat Musili	TSC No.347813
4	Finance Officer	Anthony King'ori	ICPAK No. 19556
5	Other (specify)		

(e) Schools contacts

Post Office Box: 30047
 Telephone: 0741946507
 E-mail: info@nairobischool.ac.ke
 Website: www.nairobischool.ac.ke
 Facebook:

(f) School Bankers

Name of Bank	Branch	Status	Bank Account Number
		Active/Dormant	
KCB	Sarit Centre	ACTIVE	1107119510
KCB	Sarit Centre	ACTIVE	1107119642
KCB	Sarit Centre	ACTIVE	1106826566
KCB	Sarit Centre	ACTIVE	1108502369
KCB	Sarit Centre	ACTIVE	1271989980
Co-operative Bank	Westland's	ACTIVE	01129084055400
Equity Bank	Westland's	ACTIVE	0550298106892
Absa Bank	Sarit Centre	ACTIVE	2026474070
PAYBILL	ATTACHED TO COOPERATIVE BANK	ACTIVE	400222

(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:

a) Financial performance:

SURPLUS/DEFICIT

2019-2020	(10,159,596.30)
2020-2021	(13,885,491.42)
2021-2022	32,660,150.50
2022-2023	(20,109,969.34)

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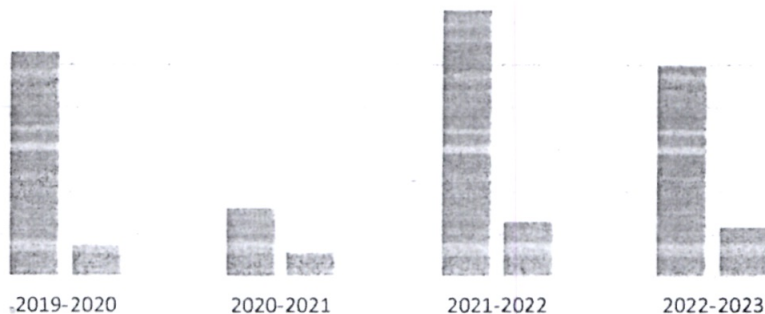
SURPLUS/DEFICIT

■ SURPLUS/DEFICIT ■ 2019-2020
■ 2020-2021 ■ 2021-2022
■ 2022-2023

CAPITATION GRANT FROM MINISTRY

	OPERATION	TUITION
2019-2020	26,445,800.00	3,751,981.00
2020-2021	7,900,169.89	2,798,353.25
2021-2022	-31,360,178.16	6,492,863.40
2022-2023	24,851,067.02	5,589,372.75

CAPITATION GRANT FROM MINISTRY



■ CAPITATION GRANT FROM MINISTRY OPERATION
■ CAPITATION GRANT FROM MINISTRY TUITION

RATIO OF CAPITATION GRANT PER STUDENT

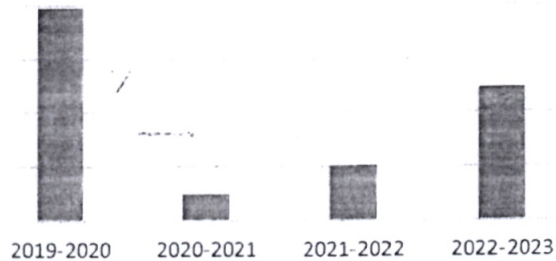
RATIO OF CAPITATION GRANT PER STUDENT			
YEAR	GRANT	NO OF STUDENTS	
2019-2020	30,197,781.00	2020	14,949.40
2020-2021	10,698,523.14	2197	4,869.61
2021-2022	37,853,041.56	2263	16,726.93
2022-2023	30,440,439.77	2306	13,200.54

OVERVIEW OF GROWTH OF OTHER INCOME

GROWTH OF OTHER INCOME

YEAR	INCOME
2019-2020	78,966,048.84
2020-2021	9,604,394.80
2021-2022	20,664,006.73
2022-2023	49,754,718.96

GROWTH OF OTHER INCOME
INCOME

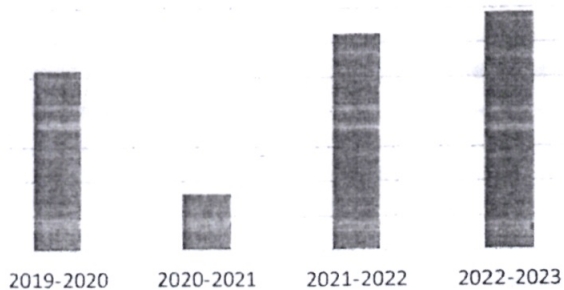


OVERVIEW OF GROWTH IN EXPENDITURE

GROWTH IN EXPENDITURE

YEAR	EXPENDITURE
2019-2020	259,447,420.64
2020-2021	80,759,360.77
2021-2022	312,042,347.27
2022-2023	343,478,265.74

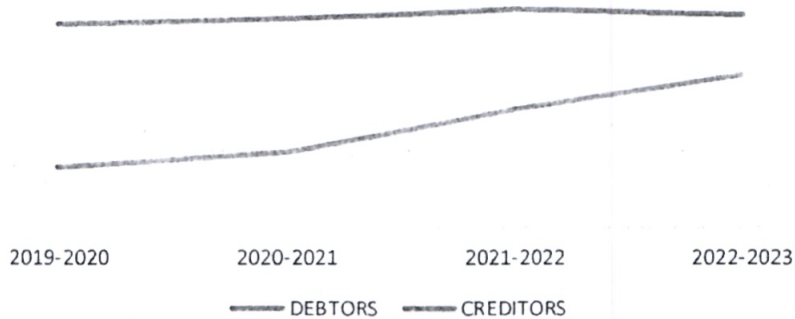
GROWTH IN EXPENDITURE
EXPENDITURE



MOVEMENT OF DEBTORS AND CREDITORS

YEAR	DEBTORS	CREDITORS
2019-2020	131,540,872.92	38,233,922.65
2020-2021	134,755,381.55	49,036,163.45
2021-2022	141,033,811.81	75,683,478.63
2022-2023	137,658,335.74	98,505,079.81

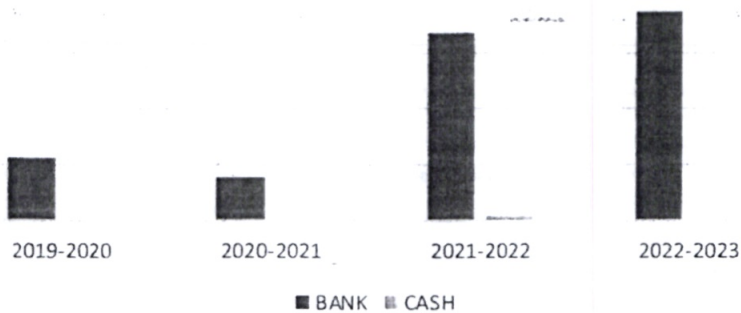
MOVEMENT OF DEBTORS AND CREDITORS



CASH AND BANK BALANCES

YEAR	BANK	CASH
2019-2020	22,153,805.73	64,729.20
2020-2021	15,553,232.48	367,543.20
2021-2022	66,914,980.90	2,034,830.20
2022-2023	74,460,663.84	576,255.17

CASH AND BANK BALANCES



b) Teacher Student ratio:

As from July 2022 to June 2023: 2 Teachers transferred from the School and 4 Teachers retired.

The School had 74 Teachers employed by Teachers Service Commission and 33 Teachers employed by Board of Management.

The table below shows the number of Teachers required, Present and the shortage per subject.

TEACHING SUBJECT	NO. REQUIRED	PRESENT (TSC)	PRESENT (BOM)	SHORTAGE
CRE	4	3	1	0
KISWAHILI	12	8	5	1
MATHS	12	10	6	1
ENGLISH/LIT	13	11	3	1
BIOLOGY	9	6	3	3
CHEMISTRY	9	9	3	0
PHYSICS	9	7	5	0
B/STUDIES	4	4	1	0
FRENCH	1	1	0	0
DRAWING & DESIGN	1	1	0	0
GEOGRAPHY	4	3	2	1
HISTORY	6	6	0	0
ART/ART	1	1	0	0
COMPUTER	2	1	1	1
AGRICULTURE	1	1	0	0
MUSIC	1	1	1	0
AVIATION	1	0	1	1
PHYSICAL EDUCATION	2	0	1	1
IRE	1	1	0	0
TOTAL	93	74	33	19

c) Mean score in the 2022 KCSE:

YEAR	ENROLLMENT	MEAN	TRANSITION	SCHOOL TARGET	COMMENTS
2022	503	9.543(B+)	476	10.5(A-)	Positive Deviation of 0.543
2021	526	9.000(B)	461	10.75(A-)	Negative Deviation of 0.410
2020	373	9.410(B)	351	10.06 (A-)	Negative Deviation of 0.060
2019	353	9.50(B+)	330	10.05 (B+)	Positive Deviation of 1.480

d) Number of Candidates in the 2022 KCSE:

S/NO.	YEAR	ENROLLMENT
1.	2022	503
2.	2021	526
3.	2020	373

e) Capacity of the school:

i) Students Enrolments for the last Three Years

YEAR	NUMBERS
2022-2023	2306
2021-2022	2263
2020-2021	2197

ii) School Facilities

SCHOOL FACILITIES	NUMBER	REQUIRED	SHORTAGE
Dormitories	8	10	2
Dining Hall	3	4	1
Laboratories	9	12	3
Toilets	140	180	40
Library	1	2	1
Classrooms	38	48	5
Chapel	1	2	1
TOTAL	200	258	53

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Dormitory	KENHA	95%	149,250,000.00	127,518,233.85	17/07/2023
Science Complex(Phase I)	Parents	Ongoing	70,000,000.00	-	31/09/2024


.....
School Chief Principal

NAIROBI SCHOOL
05 JUL 2024
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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 be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, and of the school's financial position as at that date.



.....
Name: Rebecca Murigu

Designation: Chairperson, School Board of Management

Date:



.....
Name: Caspal Maina

Designation: School Principal & Secretary to Board of Management

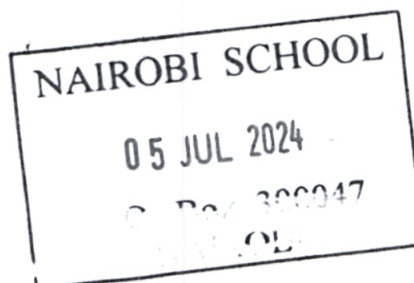
Date:



.....
Name: Anthony King'ori

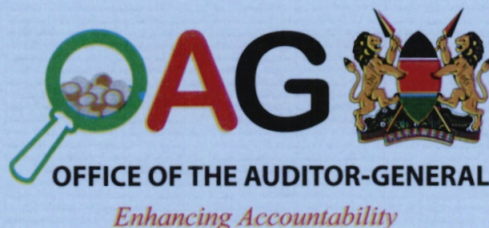
Designation: Bursar/ Finance Officer

Date: 3/7/24



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NAIROBI SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – 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 Nairobi School – Nairobi City County set out on pages 1 to 28, which comprise of the statement of assets and liabilities

as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows, 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 financial statements present fairly, in all material respects, the financial position of Nairobi School – Nairobi City County as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Failure to Maintain Cash Books

The statement of assets and liabilities reflects a balance of Kshs.75,036,919 in respect to cash and cash equivalents which includes bank balance of Kshs.74,460,663 which further includes Kshs.3,023,209 and Kshs.22,616,228 in respect to savings account and school fee collection accounts respectively both totalling Kshs.25,639,437 which were not supported by respective cash books.

In the circumstances, the accuracy and completeness of Kshs.25,639,437 in respect to bank balances could not be confirmed.

2. Long Outstanding Fee Arrears

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects a balance of Kshs.137,658,336 in respect to accounts receivables which includes fee arrears totalling Kshs.137,755,596 out of which an amount of Kshs.99,649,969 or 72.3% of the fee receivable had been outstanding for more than three years. Management did not provide evidence of pursuing the debtors to ensure that receivables are collected. This was contrary to Regulation 83(2) of the Public Finance Management (National Government) Regulations, 2015 which states that for purposes of this Regulations sound cash management includes pursuing debtors with appropriate sensitivity and rigor to ensure that amounts receivable by the government are collected and banked promptly.

In the circumstances, the accuracy and recoverability of the student's arrears could not be confirmed.

3. Accounts Payables

The statement of assets and liabilities and as disclosed in Note 14 to the financial statements reflects accounts payables balance of Kshs.98,505,080 which includes trade

creditors balance of Kshs.42,780,033, prepaid fee Kshs.45,086,497 and retention money of Kshs.10,638,549 as at 30 June, 2023.

However, review of the payable listing and the ageing analysis revealed trade creditors balance of Kshs.31,567,197 resulting in an unsupported variance of Kshs.11,212,836.

Further, the prepaid fee balance of Kshs.45,086,497 was not supported with ageing analysis and students' listings.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.98,505,080 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.380,486,951 and Kshs.323,368,296 respectively, resulting to an underfunding of Kshs.57,188,655 or 15% of the budget. Similarly, the School spent an amount of Kshs.343,478,266 against an approved budget of Kshs.380,486,951 resulting to under-expenditure of Kshs.37,008,685.26 or 10% of the budget.

The underfunding and under-expenditure affected the planned activities and negatively impacted 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 and based on the audit procedures performed, except for the matter 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. Failure to Prepare School Improvement Plan

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

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

2. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.30,440,439. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year/period 2022/2023, NEMIS reflected two thousand, four hundred and forty (2,440) students while records from the County Director of Education had two thousand, four hundred and eighty-two (2,482) students, resulting to an underfunding of the School by an amount of Kshs.523,975. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, underfunding of the School may have affected service delivery to the students.

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 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 governance were not effective.

Basis for Conclusion

1. Ineffectiveness in Textbook Management

Review of the School's library records revealed that there was a shortage in respect to various set books used by form three and form four students. The total number of learners in form three and form four in the year was one thousand, one hundred and seventy-two (1,172) students whereas there were only one thousand, one hundred and fifty-three (1,153) copies of books each in respect to eight (8) set books resulting in a deficit of nineteen (19) books per set book.

In the circumstances, the unfavorable students per book ratio may inconvenience learners hence affecting their academic performance.

2. Lack of an Approved ICT Policy and Disaster Recovery Plan

The School uses various computerized information management systems including National Education Management Information System (NEMIS), Gigasoft Integrated Financial Management System, Book Catalogue System for library services and SIMS academic system. However, the Management did not provide for audit review, an approved ICT policy, disaster recovery plan and an ICT strategic plan.

In the circumstances, the effectiveness of the recoverability of the School data in case of unforeseen eventuality could not be confirmed.

3. Failure to Maintain Assets Register

Management did not maintain an assets register which could have provided critical information including historical cost, location of the assets, description and serial numbers of assets owned by the School. Further, Annex 2 to the financial statements presents a summary of fixed assets register which did not reflect any historical values of assets, additions and disposals, if any, during the year.

In the circumstances, the existence and valuation of various assets owned by the School could not be confirmed.

4. Failure to Maintain Bursaries/Scholarships Vote Head

During the year, the School received bursary disbursements and scholarships from the National Government Constituencies Development Fund and other donors in respect to needy students. However, Management did not maintain a register of beneficiaries for both bursary grants and scholarships indicating the name of beneficiary, admission number, amount received and the financier / donors during the year.

In the circumstances, effectiveness in bursary accountability could not be confirmed.

5. Lack of Adequate Facilities in the Institution

Analysis of the learning environment of the School revealed that the School had shortages as detailed below however, Management did not provide evidence on measures taken to reduce the same:

School Facilities	Required	Number	Shortage
Teachers TSC	93	74	19
Dormitories	10	8	2
Dining Hall	4	3	1
Laboratories	12	9	3
Toilets	180	140	40
Library	2	1	1
Classrooms	48	38	10
Chapel	2	1	1

In the circumstances, the effectiveness of service delivery could not be confirmed.

6. Unaccounted for Textbooks

According to the Kenya Institute of Curriculum Development records, twenty-two (22) books including fourteen (14) art and design textbooks and eight (8) teachers guide books in respect to History and Government and Geography were disbursed to the School during the year. However, these books were not delivered to the School and they have not been accounted for.

In the circumstances, the delivery of twenty-two textbooks as documented by the Kenya Institute of Curriculum Development 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 control 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 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

26 September, 2024

6. Statement Of Receipts and Payments For the Year Ended 30th June 2023


Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	5,589,372.75	6,492,863.40
Government grants for operations	2	24,851,067.02	31,360,178.16
Government Grants for infrastructure	3	69,247,359.37	88,913,164.00
School fund income- parents' contributions	4	173,925,778.30	197,272,285.48
Miscellaneous incomes	5	49,754,718.96	20,664,006.73
Total Receipts		323,368,296.40	344,702,497.77
Payments			
Tuition	6	2,734,402.60	7,439,599.00
Operations	7	21,593,145.87	22,350,699.00
Infrastructure	8	60,316,435.27	89,869,263.45
Boarding and school fund	9	258,834,282.00	192,382,785.82
Total Payments		343,478,265.74	312,042,347.27
Surplus/Deficit		(20,109,969.34)	32,660,150.50

The school financial statements were approved on 20/6/2023 2023 and signed by:



Name: Rebecca Murigu
Chair BOM

Date:



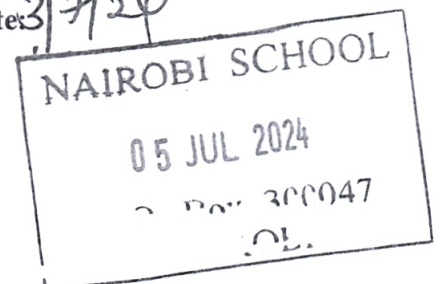
Name: Caspal Maina
School Principal/ Secretary to BOM

Date:



Name: Anthony Kingóri
Bursar/ Finance Officer

Date: 3/7/2023



7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	74,460,663.84	66,914,980.90
Cash balances	11	576,255.17	2,034,830.20
Short term investments	12	-	-
Total cash and cash equivalent		75,036,919.01	68,949,811.10
Account's receivables	13	137,658,335.74	141,033,811.81
Total financial assets		212,695,254.75	209,983,622.91
Financial liabilities			
Accounts payables	14	98,505,079.81	75,683,478.63
Net financial assets		114,190,174.94	134,300,144.28
Represented by			
Accumulated fund b/fwd	15	134,300,144.28	101,639,993.78
Surplus/deficit for the year		(20,109,969.34)	32,660,150.50
Net financial position		114,190,174.94	134,300,144.28

The school's financial statements were approved on 05/7/23 2023 and signed by:

Name: Rebecca Murigu

Chair BOM

Date:

Name: Caspal Maina
School Principal/ Secretary to
BOM

Date:

Name: Anthony King'ori

Bursar/ Finance Officer

Date: 3/7/23

NAIROBI SCHOOL
05 JUL 2024
Box 300047
NOL

8. Statement of Cash Flows for the Year Ended 30th June 2023

Description	Note	2022-2023 Kshs	2021-2022 Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		5,589,372.75	6,492,863.40
Government grants for operations		24,851,067.02	31,360,178.16
Government grants for infrastructure		69,247,359.37	88,913,164.00
School fund income- parents contributions/ fees		235,053,102.07	252,035,887.61
Other income		50,039,642.96	20,689,506.73
Total receipts		384,780,544.17	399,491,599.90
Payments			
Cash outflows for tuition		5,363,213.60	7,439,599.00
Cash outflows for operations		23,489,498.87	22,350,699.00
Cash outflows for Infrastructure		52,487,646.59	89,869,263.45
Cash outflows Boarding/lunch and school fund payments		297,353,077.20	226,803,003.03
Total payments		378,693,436.26	346,462,564.48
Net cash inflow/outflow from operating activities		6,087,107.91	53,029,035.42
Cash flow from investing activities			
Acquisition of assets			
Proceeds from sale of Assets			
Proceeds from investments			
Purchase of investments			
Net cash inflow/outflows from investing activities			
Cash flow from Financing activities			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		6,087,107.91	53,029,035.42
Cash and cash equivalent at beginning of the FY		68,949,811.10	15,920,775.68

NAIROBI SCHOOL

Annual Report and Financial Statements for the Period ended 30th June 2023

Cash and cash equivalent at end of the FY		75,036,919.01	68,949,811.10
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Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

(The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools should therefore adopt the direct method of cash flow as recommended by PSASB).

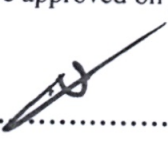
The school's financial statements were approved on 20/9/ 2023 and signed by:


.....

Name: Rebecca Murigu

Chair BOM

Date:


.....

Name: Caspal Maina
School Principal/ Secretary to
BOM

Date:


.....

Name: Anthony Kingori

Bursar/ Finance Officer

Date: 3/7/24

NAIROBI SCHOOL
05 JUL 2024
No. 300047
K.O.L.

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	8,702,400.00	-	8,702,400.00	5,589,372.75	64%
Exams And Assessment					
(2) Capitation Grant on Operations					
Personnel Emoluments	13,028,400.00	-	13,028,400.00	9,832,847.98	75%
Repairs And Maintenance	10,500,000.00	-	10,500,000.00	8,262,000.00	79%
Local Transport / Travelling	2,368,800.00	-	2,368,800.00	1,646,833.04	70%
Electricity And Water	2,368,800.00	-	2,368,800.00	1,787,790.54	75%
Medical	4,200,000.00	-	4,200,000.00	448,500.00	11%
Administration Costs	1,974,000.00	-	1,974,000.00	1,630,782.96	83%

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	3,150,000.00	-	3,150,000.00	1,242,312.50	39%
Gratuity					
Repairs And Maintenance(Gok)					
Smasse	420,000.00		420,000.00	-	
3) FDSE for infrastructure					
Maintenance &Improvement MoE	11,530,000.00		11,530,000.00	6,137,000.00	84%
Maintenance &Improvement	70,120,000.00	-	70,120,000.00	63,110,359.37	90%
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
(4) Fees Charged on Parents					
Personnel Emoluments	38,234,206.00	-	38,234,206.00	30,407,627.09	80%
Repairs And Maintenance	14,200,000.00	-	14,200,000.00	12,081,664.86	85%
Local Transport / Travelling	5,133,492.00	-	5,133,492.00	5,467,699.70	107%
Electricity And Water	16,133,492.00	-	16,133,492.00	15,088,171.79	94%
Medical	4,200,000.00	-	4,200,000.00	1,655,177.21	39%
Administration Costs	9,277,910.00	-	9,277,910.00	8,486,782.12	91%

NAIROBI SCHOOL

Annual Report and Financial Statements for the Period ended 30th June 2023

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	2,675,800.00	-	2,675,800.00	2,412,080.43	90%
Insurance	4,050,000.00		4,050,000.00	3,117,708.00	77%
Fee On Boarding Equipment and Stores	105,620,920.00	-	105,620,920.00	95,208,866.31	90%
5) Miscellenous Income					
Loans / Borrowing					
Rent income	2,500,000.00	-	2,500,000.00	866,583.00	35%
Income From Farming Activities	5,798,731.00	-	5,798,731.00	4,646,057.50	80%
Insurance Compensation					
Income From Posho Mill					
Income From Bus Hire					
Fee For Hire of Ground and Equipment	14,000,000.00	-	14,000,000.00	13,413,729.60	96%
Interest Income				4,904.00	
Nursery School	2,100,000.00	-	2,100,000.00	2,007,000.00	96%
Pocket money				12,823.00	
Caution money				295,496.00	
Savings				1,658,631.20	
students Refund				-	

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/e %
	Kshs	Kshs	Kshs	Kshs	Kshs
Student Id card/cups/mugs	750,000.00		750,000.00	296,569.00	40%
Breakages and Losses				343,099.00	#DIV/0!
Accommodations - Hire	1,050,000.00		1,050,000.00	838,700.00	80%
Infrastructure	26,400,000.00		26,400,000.00	25,371,126.66	96%
Income From Any Other Investment					
Total Income	380,486,951.00	-	380,486,951.00	323,368,296.40	85%
(6) Expenditure For Tuition					
Textbooks	-	-	-	-	
Reference Materials	907,914.00	-	907,914.00	63,040.00	7%
Exercise Books	1,850,000.00	-	1,850,000.00	700,000.00	38%
Laboratory Equipment	1,875,574.00	-	1,875,574.00	969,295.00	52%
Internal Exams	1,250,000.00	-	1,250,000.00	716,966.00	57%
Teaching / Learning Materials	2,813,361.60	-	2,813,361.60	281,552.00	10%
Chalks					
Exams And Assessment					
Teachers Guides					
Administration Costs					

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Bank Charges	5,550.00	-	5,550.00	3,549.60	64%
(7) Expenditure For Operations					
Personnel Emoluments	8,358,000.00	-	8,358,000.00	439,420.00	5%
Repairs, Maintenance & Improvements	10,000,000.00	-	10,000,000.00	8,394,660.00	84%
Local Transport / Travelling	2,256,000.00	-	2,256,000.00	1,089,638.00	48%
Electricity, Water and Conservancy	2,256,000.00	-	2,256,000.00	7,448,850.00	330%
Medical	4,000,000.00	-	4,000,000.00	537,865.00	13%
Administration Costs	1,880,000.00	-	1,880,000.00	2,434,462.50	129%
Activity Expenses	1,000,000.00	-	1,000,000.00	831,261.00	83%
Insurance cost	377,000.00	-	377,000.00	359,963.00	95%
Bank Charges	18,850.00	-	18,850.00	5,666.37	30%
Medical/Nhif				51,360.00	
Gratuity					
SMASSE					
(8) Expenditure For infrastructure					
Construction of classrooms					

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
Construction of LAB					
Repair, Maintenance & Improvements					
Repair, Maintenance & Improvements(Gok)	63,933,524.00		63,933,524.00	60,306,420.27	94%
Construction of DORMS					
Bank Charges	15,500.00		15,500.00	10,015.00	65%
Purchase of furniture					
Purchase of equipment					
Purchase of machinery					
<i>(9) Expenditure For school fund/lunch/boarding</i>					
Personnel Emoluments	41,449,620.00	-	41,449,620.00	44,331,563.00	107%
Repairs, Maintenance and Improvements	13,723,595.00	-	13,723,595.00	19,866,374.56	145%
Local Transport / Travelling	9,624,098.00	-	9,624,098.00	6,481,638.58	67%
Electricity, Water and Conservancy	15,396,479.00	-	15,396,479.00	4,010,718.54	26%
Medical Expenses	3,085,000.00	-	3,085,000.00	1,012,643.96	33%
Administration Costs	16,403,750.00	-	16,403,750.00	24,860,371.00	152%
Activity	3,475,690.00	-	3,475,690.00	2,540,319.40	73%

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
Gratuity					
Boarding Equipment and Stores	76,705,245.40	-	76,705,245.40	105,692,022.50	138%
Expenditure For Income Generating Activity-farm	-	-	-	6,706,144.00	
Expenditure For Income Generating Activity -Nursery School				646,704.00	
Billboards- hire				6,968,800.00	
Exchange Programme				1,195,708.00	
Caution money				286,000.00	
Development Fund/infrastructure	37,484,500.00			27,562,441.46	74%
Tuition Transfer Main				58,020.00	
Students refunds				18,042.00	
KNEC Marking-hire				2,555,694.00	
Insurance Costs				1,700.00	
Rent Expenses				125,750.00	
Student ID /Cups/Mugs				343,440.00	
Bank Charges				104,319.00	
Fields/Ground				2,678,320.00	

Receipt/Expenses Item	a Original Budget	b Adjustments	c=a+b Final Budget	d Actual On Comparable Basis	e=d/c % % Of Utilization
Pocket Money	50,000.00		50,000.00	6,500.00	13%
Mast				569,000.00	
Tender				189,106.00	
Hire of Facility-Main				22,942.00	
Loan Interest Repayment					
Loan Principal Repayment					
Acquisition Of Assets					
Totals	380,486,951.00	-	380,486,951.00	343,478,265.74	90%

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

- i. 85%
- ii. 90%

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 school fees from parents, imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

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

4. Cash and cash equivalents

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

- 5. Accounts Receivable**
For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. 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 fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has 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 2023

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Teaching / Learning Materials	5,589,372.75	6,492,863.40
Others (specify)*	-	-
Total	5,589,372.75	6,492,863.40

*Include others as per MOE circulars

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	9,832,847.98	13,168,118.42
Repairs And Maintenance	8,262,000.00	4,194,154.10
Local Transport / Travelling	1,646,833.04	2,319,986.97
Electricity And Water	1,787,790.54	2,393,247.45
Medical	448,500.00	417,420.72
Administration Costs	1,630,782.96	2,488,750.50
Activity	1,242,312.50	-
Repairs And Maintenance(Gok)	-	6,378,500.00
Total	24,851,067.02	31,360,178.16

*Include others as per MOE circulars

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	63,110,359.37	88,913,164.00
Maintenance & Improvement(Gok)	6,137,000.00	
Transition infrastructure grants		
Administration Block		
Economic stimulus grants		
Other (specify)(NGCDF and County govt.		
Total	69,247,359.37	88,913,164.00

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	30,407,627.09	22,179,063.73
Repairs and maintenance	12,081,664.86	10,267,024.16
Local transport / travelling	5,467,699.70	7,235,483.28
Electricity and water	15,088,171.79	20,801,706.60
Medical	1,655,177.21	2,705,648.67
Administration costs	8,486,782.12	14,181,218.10
Activity	2,412,080.43	2,375,924.97
Fee on Boarding Equipment and stores	95,208,866.31	113,968,532.37
Insurance	3,117,708.79	3,557,683.60
PA Levies*	-	-
Others (specify)	-	-
Total	173,925,778.30	197,272,285.48

*Includes all levies charged by the school outside the fees structure but by mutual agreement with the parents.

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income Rent Income-main account	255,950.00	86,950.00
Rent Income-hire of facility account	610,633.00	749,110.00
Income From Farming Activities	4,646,057.50	1,485,426.00
Nursery School	2,007,000.00	2,000,800.00
Field/Grounds	2,333,820.00	-
Income Generating KNEC	5,063,285.00	7,865,951.00
Mast	1,043,708.00	1,022,228.25
Billboard-hire of facility account	1,498,014.60	3,371,023.80
Billboard-Main account		1,250,000.00
Tenders	231,000.00	
Pocket money	12,823.00	22,600.00
Caution money	295,496.00	577,000.00
Other incomes-interest	-	1,416.00
Savings	1,658,631.20	1,337,115.68
students Refund		58,890.00
Interest income	4,904.00	
Exchange Programme	3,243,902.00	
Student Id card/cups/mugs	296,569.00	620,000.00
Breakages and Losses	343,099.00	215,496.00
Accommodations' - Hire	838,700.00	
Infrastructure	25,371,126.66	
Total	49,754,718.96	20,664,006.73

(Include an explanation on the kind and source of grants/ donations received by the school.)

*Ensure proper authorization from MOE before obtaining loans/borrowings.

*Indicate what other income relates to including income arising from writebacks if any.

Notes to the Financial Statements (continued)

6 Tuition

Description	2022-2023	2021-2023
	Kshs	Kshs
Exercise Books	700,000.00	2,303,280.00
Textbooks		514,400.00
Reference materials	63,040.00	-
Laboratory Equipment	969,295.00	1,392,247.00
Teaching / Learning Materials	281,552.00	2,748,312.00
Internal Exams	716,966.00	479,998.00
Bank Charges	3,549.60	1,362.00
Total	2,734,402.60	7,439,599.00

7 Operations

Description	2022-2023	2021-2023
	Kshs	Kshs
Personnel Emoluments	439,420.00	10,144,316.00
Administration Cost	2,434,462.50	1,096,045.00
Repairs And Maintenance & Improvements	8,394,660.00	415,555.00
Local Transport / Travelling	1,089,638.00	578,929.00
Electricity And Water	7,448,850.00	8,996,505.00
Medical	537,865.00	834,187.00
Activity Expenses	831,261.00	73,424.00
Insurance Cost	359,963.00	208,936.00
Bank Charges	5,666.37	2,802.00
Medical/Nhif	51,360.00	-
Total	21,593,145.87	22,350,699.00

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms		
Construction of laboratory		
Construction of dormitory		
Purchase of furniture		
Purchase of equipment		
Purchase of apparatus		
Drilling of boreholes		
Repairs, maintenance and improvements		1,233,693.00
maintenance and improvements (Gok)	60,306,420.27	88,633,266.45
Bank Charges	10,015.00	2,304.00
Total	60,316,435.27	89,869,263.45

9 Boarding And School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	44,331,563.00	32,673,620.90
Service Gratuity		
Repairs And Maintenance & Improvements	19,866,374.56	7,727,319.00
Local Transport / Travelling	6,481,638.58	3,769,960.71
Electricity And Water	4,010,718.54	2,099,605.20
Medical Expenses	1,012,643.96	619,315.00
Administration Costs	24,860,371.00	19,190,346.58
Activity	2,540,319.40	1,088,641.00
Computer		71,520.00
Tender	189,106.00	-
Students ID Card	343,440.00	500.00
Bank Charges-main account	92,471.00	15,516.03
Bank Charges-hire of facility account	3,978.00	2,751.60
Bank Charges-pta account	7,870.00	900.00
Hire- main account	22,942.00	
Tuition/main transfer	58,020.00	1,279,010.00
Expenses On Income Generating Activities**Farm	6,706,144.00	2,196,335.00
Expenses On Income Generating Activities**nursery school	646,704.00	822,500.00
Mast	569,000.00	-
Billboards- hire of facility	6,968,800.00	6,989,350.00
Fee On Boarding Equipment and Stores	105,692,022.50	105,586,611.80
Caution money	286,000.00	263,500.00
Development Fund/infrastructure		4,035,000.00
Insurance	1,700.00	2,120.00
KNEC Marking-main		389,400.00
Billboards-Main		950,000.00
Students refunds	18,042.00	84,860.00
KNEC Marking-hire of facility account	2,555,694.00	2,524,103.00
Fields/Ground	2,678,320.00	
House Rent	125,750.00	

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Pocket Money	6,500.00	
Infrastructure Development	27,562,441.46	
Exchange Programme	1,195,708.00	
Total	258,834,282.00	192,382,785.82

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

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
KCB - Tuition Account	Active	1107119510	592,817.05	366,657.90
KCB - Operations Account	Active	1107119642	3,712,179.41	2,350,611.26
KCB - School Fund Account/Boarding	Active	1106826567	6,354,503.99	7,536,117.46
KCB - Savings Account	Active	1108502369	3,023,209.76	1,364,578.56
KCB - Infrastructural Account	Active	1271989980	33,003,280.33	16,243,567.55
CO-OP Bank - School Fees Collection Account	Active	01129084055400	22,616,228.25	32,065,861.22
EQUITY-PTA Account	Active	0550298106892	1,450,564.25	2,272,464.75
ABSA- Hire of Facility	Active	2026474070	3,707,880.80	4,715,122.20
Total			74,460,663.84	66,914,980.90

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Operation Account	-	75,068.00
School Fund Account/Boarding	574,255.17	1,914,400.20
PTA Account	2,000.00	-
Hire of Facility	-	45,362.00
Total	576,255.17	2,034,830.20

12 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit accounts		
Other Investments		
Total		

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	137,382,771.74	140,722,247.81
Other Non-Fees Receivables-Nursery fees arrears		
Salary Advances (list/schedule attached)	257,064.00	293,064.00
Imprest (list/schedule attached)		
R/D Cheque	18,500.00	18,500.00
Rent arrears (list/schedule attached)		
Total	137,658,335.74	141,033,811.81

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	15,351,745.01	11%	13,837,420.86	10%
Between 1- 2 years	13,525,856.86	10%	4,105,043.62	3%
Between 2-3 years	9,503,588.88	7%	5,398,545.26	4%
Over 3 years	99,277,144.99	72%	117,692,802.07	84%
Total (should tie to note 13 a)	137,658,335.74	79%	141,033,811.81	100%

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	42,780,033.38	31,853,753.63
Prepaid Fees	45,086,497.35	43,829,725.00
Retention Monies	10,638,549.08	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (<i>specify</i>)	-	-
Total	98,505,079.81	75,683,478.63

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	31,614,527.15	74%	31,850,633.73	100%
Between 1- 2 years	11,165,506.23	26%		
Between 2-3 years			3,119.90	0%
Over 3 years				
Total (should tie to note 14)	42,780,033.38	100%	31,853,753.63	100%

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	66,914,980.90	15,553,232.48
Cash Balances	2,034,830.20	367,543.20
Short Term Investments	-	-
Receivables	141,033,811.81	134,755,381.55
Payables	75,683,478.63	49,036,163.45
Total	134,300,144.28	101,639,993.78

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	2022-2023	2021-2022
	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others (specify)		
Total		

17 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle			
Goats			
Trees			
Coffee Or Tea Plantation			
Poultry			
Others (specify)			
Total			

18 Borrowings

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

Other important disclosure notes

19 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs		
Lab consumables		
Farm produce		
Medication		
Construction Materials		
Others (specify)		

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

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)

Sign and Date
Chief Principal

12. 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. 1. M/S Procost Ideas Ltd	149,250,000.00		127,518,233.85	10,638,549.08	10,638,549.08	
Sub-Total	<u>149,250,000.00</u>	-	<u>127,518,233.85</u>	<u>10,638,549.08</u>	<u>10,638,549.08</u>	
Supply Of Goods						
2. Albirex Enterprises	47,190.00	06/06/2023	-	47,190.00	47,190.00	
3. Alexa Stationers & Printers Ltd	350,480.00	25/01/2023	-	350,480.00	350,480.00	
4. Asanand Music Shop	6,500.00	07/06/2023		6,500.00	6,500.00	
5. Aster Health Ltd	70,140.00	25/05/2023	-	70,140.00	70,140.00	
6. Bakers Corner Co Ltd	1,884,360.00	31/05/2023	-	1,884,360.00	1,884,360.00	
7. Benco Merchants	304,970.00	01/03/2023	100,000.00	204,970.00	204,970.00	
8. Bititec Systems & Suppliers	36,560.00	14/04/2023	-	36,560.00	36,560.00	
9. Certain Two Services	885,642.00	06/03/2023	148,002.00	737,640.00	737,640.00	
10. Chemsols limited	399,400.00	06/04/2023	51,000.00	348,400.00	348,400.00	

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
11. Commercial Auto Garage	18,000.00	11/04/2023		18,000.00	18,000.00	
12. Copierforce (K) Ltd	222,952.00	10/01/2022	-	222,952.00	222,952.00	
13. Cyka Fresh Ltd	1,133,785.00	31/05/2023	400,000.00	733,785.00	733,785.00	
14. Divine -Tech Business Solutions	349,700.00	25/06/2022	300,000.00	49,700.00	49,700.00	
15. Don Rabina Trading	1,416,000.00	10/05/2023	400,000.00	1,016,000.00	1,016,000.00	
16. Eco-Sky Engineering Ltd	92,800.00	15/05/2023	-	92,800.00	92,800.00	
17. Favre & Kuria Kenya Limited	49,147.00	08/05/2023	-	49,147.00	49,147.00	
18. First Notch Supplies Limited	69,000.00	09/06/2023	-	69,000.00	69,000.00	
19. Gilruck Enterprises Ltd	389,848.00	04/05/2023	-	389,848.00	389,848.00	
20. Grasim supplies	73,000.00	21/06/2023		73,000.00	73,000.00	
21. Guaca Stationers Ltd	112,120.00	07/03/2023	80,000.00	32,120.00	32,120.00	
22. Industrywide Enterprises	66,000.00	09/06/2023		66,000.00	66,000.00	
23. Jomfan Enterprises Ltd	726,500.00	31/05/2023	300,000.00	426,500.00	426,500.00	
24. Jostel Enterprises Ltd	1,409,400.00	24/05/2023	-	1,409,400.00	1,409,400.00	
25. Kahujo Enterprises	28,500.00	06/06/2023	-	28,500.00	28,500.00	
26. Kenblest Processors Ltd	493,500.00	13/06/2023	-	493,500.00	493,500.00	
27. Led Power Technologies	83,750.00	28/02/2023	72,199.00	11,551.00	11,551.00	

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
28. Legacy Lab Africa Ltd	67,180.00	08/02/2023		67,180.00	67,180.00	
29. Lidav Enterprises Ltd	9,360.00	27/03/2023	-	9,360.00	9,360.00	
30. Maconstra Enterprises	77,400.00	25/04/2023	-	77,400.00	77,400.00	
31. Maridadi Pix Limited	33,524.00	08/06/2023		33,524.00	33,524.00	
32. Meisertext Limited	147,730.00	12/01/2023	-	147,730.00	147,730.00	
33. Mikeline Detergents Ltd	59,500.00	14/06/2023		59,500.00	59,500.00	
34. Nairobi School Pta Account	44,560.00	13/12/2022	-	44,560.00	44,560.00	
35. Nairobi Sport House Ltd	257,810.00	05/04/2023	-	257,810.00	257,810.00	
36. Naister Services	2,360,000.00	07/06/2023		2,360,000.00	2,360,000.00	
37. Novel Green Stores Limited	139,705.00	08/06/2023	-	139,705.00	139,705.00	
38. Optimum Plus Solutions	128,975.00	22/05/2023	-	128,975.00	128,975.00	
39. Pacific Stationers (K) Ltd	399,046.60	06/03/2023	-	399,046.60	399,046.60	
40. Palamacare Ltd	10,000.00	08/06/2023	-	10,000.00	10,000.00	
41. Petro Oil Kenya Ltd	245,692.00	31/05/2023	-	245,692.00	245,692.00	
42. Petro Auto Tyres Centre	21,200.00	01/06/2023		21,200.00	21,200.00	
43. Pintext Limited	82,050.00	27/07/2022	18,600.00	63,450.00	63,450.00	
44. Precise Lab Africa Limited	593,520.00	29/08/2022	-	593,520.00	593,520.00	

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
45. Primehood Supplies	45,000.00	12/06/2023	-	45,000.00	45,000.00	
46. Promise Traders Limited	559,100.00	29/03/2023	105,000.00	454,100.00	454,100.00	
47. Rangechem Phamaceuticals Ltd	179,927.00	13/04/2023	-	179,927.00	179,927.00	
48. Recult Investment Ltd	150,000.00	30/11/2022	100,000.00	50,000.00	50,000.00	
49. Rensha Enterprises Ltd	240,360.00	07/03/2023	-	240,360.00	240,360.00	
50. Roblink Agencies Ltd	2,016,000.00	23/01/2023	500,000.00	1,516,000.00	1,516,000.00	
51. Rostepho Green Groceries Ltd	140,560.00	30/06/2023	-	140,560.00	140,560.00	
52. Sagana Holdings Limited	2,390,200.00	31/01/2023	-	2,390,200.00	2,390,200.00	
53. Scania East Africa Limited	13,717.00	08/05/2023	-	13,717.00	13,717.00	
54. School Equipment Centre Ltd	48,720.00	08/06/2023	-	48,720.00	48,720.00	
55. School Equipment Production Unit	207,410.00	19/11/2022	-	207,410.00	207,410.00	
56. School Outfitters	234,550.00	14/04/2023	-	234,550.00	234,550.00	
57. Shimonte Binoculars	204,390.00	26/05/2023	-	204,390.00	204,390.00	
58. Silverside Butcheries & Meat Supplies	384,250.00	25/05/2023	-	384,250.00	384,250.00	
59. Sisoin Enterprise Ltd	21,000.00	23/05/2023	-	21,000.00	21,000.00	
60. Six Speed Limited	535,572.00	25/05/2023	-	535,572.00	535,572.00	
61. Skylar Electricals & Hardware (K) Ltd	2,347,181.35	11/04/2023	24,156.00	2,323,025.35	2,323,025.35	

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
62. Skytech Africa Supplies Ltd	398,485.00	09/02/2023	-	398,485.00	398,485.00	
63. Sports Station	20,880.00	25/04/2023		20,880.00	20,880.00	
64. Stewan Computer Garage	65,250.00	08/05/2023		65,250.00	65,250.00	
65. Sypsan Enterprises	2,693,600.00	21/10/2022	200,000.00	2,493,600.00	2,493,600.00	
66. Talent Meat Solutions Ltd	1,038,010.00	31/03/2023	641,100.00	396,910.00	396,910.00	
67. Textbook Centre Ltd	20,880.00	08/05/2023	-	20,880.00	20,880.00	
68. The Copycat Ltd	910,360.00	15/12/2022	300,000.00	610,360.00	610,360.00	
69. Uganda Electricals	4,868.00	20/11/2020	6,096.00	(1,228.00)	(1,228.00)	
70. Wadhuku Suppliers	2,667,090.00	10/05/2023	-	2,667,090.00	2,667,090.00	
71. We Love Events	22,000.00	22/05/2023		22,000.00	22,000.00	
72. Whitex General Supplies	87,300.00	13/06/2023	38,800.00	48,500.00	48,500.00	
73. Zambezi Link (K) Ltd	1,025,773.20	08/05/2023		1,025,773.20	1,025,773.20	
74. Zeny Blue Supplies	739,350.00	30/06/2023	-	739,350.00	739,350.00	
Supply Of Services						
Best Merge Computers	591,200.00	07/02/2023	-	591,200.00	591,200.00	
Grand Total	184,649,480.15		131,303,186.85	42,253,076.23	42,253,076.23	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land				
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture And Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery And Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total				

