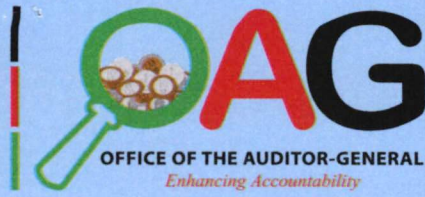


REPUBLIC OF KENYA



380

REPORT

OF

THE AUDITOR-GENERAL

ON

| PAPERS LAID | |
|--------------------|------------|
| DATE | 18/07/2026 |
| TABLED BY | L. ELLEGHE |
| COMMITTEE | |
| CLERK AT THE TABLE | C. CHEROP |

RUIRU LEVEL 4 HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF KIAMBU

080

*Ruiru level 4 Hospital (Kiambu county Government
Annual Report and Financial Statements for The Year Ended 30th June 2025*



**RUIRU LEVEL 4 HOSPITAL
(Kiambu County Government)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

*Ruiru level 4 Hospital (Kiambu county Government
Annual Report and Financial Statements for The Year Ended 30th June 2025*

*Ruiru level 4 Hospital (Kiambu county Government
Annual Report and Financial Statements for The Year Ended 30th June 2025*

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1. Acronyms & Glossary of Terms

| | |
|----------------------|---|
| CSR | Corporate Social Responsibility |
| OSHA | Occupational Health & Safety Act |
| PFMA | Public Financial Management Act |
| MED SUP | Medical Superintendent |
| ECL | Expected credit loss |
| IPSAS | International Public Sector Accounting Standard |
| PNC | Postnatal Clinic |
| CWC | Child Welfare Clinic |
| MOH | Ministry of Health |
| ANC | Antenatal Clinics |
| Fiduciary Management | Key management personnel who have financial responsibility in the entity. |

2. Key Entity Information and Management

(a) Background information

Ruiru Hospital is a level 4 hospital established under gazette notice number 7270 and is domiciled in Kiambu County under the Health Department. The hospital is governed by a Board of Management.

(b) Principal Activities

To provide health services, create enabling environment, regulate and set standards and policy for health service delivery

Vision

To promote and participate in provision of quality, curative and rehabilitative services to all clients

Mission

To provide efficient and high-quality medical services that is accessible equitable and affordable

(c) Key Management

The hospital's management is under the following key organs:

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

| SN | Designation | Name |
|----|-------------------------------|----------------------|
| 1. | Medical Superintendent | Dr. Patience Wanjiru |
| 2. | Head of finance | Charles Mburu |
| 3. | Head of supply chain | Joseph Njuguna |
| 4. | Health administrative officer | Samuel Ondiek |
| 5. | Nursing service manager | Maryanne Njuguna |

(e) Fiduciary Oversight Arrangements

Clinical Research and Standards Committee

This committee is aimed to improve human health and quality of life through research, capacity building and service delivery. It's mandated to undertake research in communicable and non-communicable diseases. It provides a platform for clinical trials (drug safety and efficacy) in neglected, communicable and non-communicable diseases. It also provides a conducive environment for patient/participant, monitoring, support and safety. Testing new therapies, tools and vaccines for defined diseases and validation of drug therapies or compounds for efficacy and safety are as well roles carried by this committee. This committee collaborates with other entities to undertake implementation research so as to contribute to more effective public health and clinical policies and programs.

It also Supports MOH disease programs in conducting national surveys which help keep the medical research community well informed.

Audit committee

The Hospital relies on an internal audit function put in place by the County Treasury to assist in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Risk Committee

Risk management in healthcare comprises the clinical and administrative systems, processes, and reports employed to detect, monitor, assess, mitigate, and prevent risks. By employing risk management by the risk committee, the hospital proactively and systematically safeguards patient safety as well as the organization's assets, market share, accreditation, reimbursement levels, brand value, and community standing.

Deployment of healthcare risk management has traditionally focused on the important role of patient safety and the reduction of medical errors that jeopardize an organization's ability to achieve its mission and protect against financial liability.

County Assembly

County Assembly has established various committees to oversight on the functions and operations of the county executive upon which health committee falls under. The Committee deals with all matters related to county health services, including, in particular county health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, cemeteries, funeral parlors and crematoria.

Key Entity Information and Management (continued)

(f) Entity Headquarters

P.O. Box 684-00232
Ruiru Town
Along Biashara road
Kiambu County, Kenya

(g) Entity Contacts

Ruiru Sub County Hospital
P.O. Box 684-00232
Ruiru Town
Kiambu County, Kenya
Telephone: (+254)724616353
E-mail: ruirugoklevel4hospital@gmail.com
P.O. Box 684-00232

(h) Entity Bankers

Kenya Commercial Bank
Family Bank
Ruiru Branch

P.O. Box 684-00232

Ruiru Town

(i) Independent Auditors

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

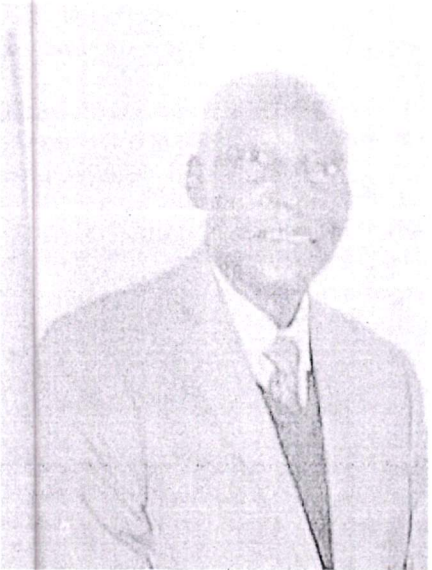

(j) Principal Legal Adviser



The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

(k) County Attorney


P.O. Box. 2344-00900
Kiambu, Kenya

3. The Board of Management



| | |
|---|---|
| <p>BISHOP TITUS KARURI NDIRANGU</p>  | <p>Bishop Titus Karuri Ndirangu</p> <p>Bishop Titus Karuri Ndirangu is a distinguished servant leader whose life reflects a unique blend of academic excellence, public service, and spiritual dedication. With a strong foundation in accounting and extensive experience in public service, he brings both integrity and administrative acumen to every role he undertakes. He holds a Bachelor's and a Master's degree in Biblical Studies, underscoring his deep commitment to theological education and scriptural truth. In recognition of his outstanding leadership and ministry impact, he has been awarded an honorary Doctorate in Sacred Leadership from renowned theological institutions. Bishop Ndirangu continues to inspire many through his unwavering faith, servant heart, and transformative leadership in both civic and religious spheres.</p> |
| <p>REV. ROSEMARY WAMBUI GACHARA</p>  | <p>REV: Rosemary Wambui Gachara holds a Diploma in Theology and in Christian leadership. I serve as a Reverend at Furaha Worship Center Kiambu.</p> <p>Also serves as a board member of Kiambu pastor's prayer movement.</p> <p>Also serves as a patron in pastor's wife department at Kiambu.</p> |




| | |
|---|---|
| <p>DR.HUMPHREY M WAWERU</p>  | <p>Humphrey M. Waweru is a Senior lecturer of Philosophy and Religious Studies at Kenyatta University, Nairobi Kenya. He holds a PhD from University of Kwa Zulu Natal, and a Post Doctorate Diploma in Education (PGDE) from University of Nairobi. He is the author of "The Bible and African Culture: Mapping Transactional Inroads. He is a specialist in the New Testament studies as well as Bible and African Culture, African Philosophy and dreams and an Anglican Church Minister in Kenya. He has also been a lecturer at St. Paul's University Limuru, Daystar University, Africa International University and Africa Leadership University, Nairobi Humphrey M.Waweru has taken up the challenge as a dynamic African Theologian to repackaging African Theology in a Postcolonial Perspective.</p> |
| <p>REV.JOCELYNE MUGURE NGARU</p>  | <p>Rev. Jocelyne Magure Ngaru is a devoted servant of God and community leader, currently serving as a Reverend at JCM Church. She holds a Certificate in Counseling Psychology from the Kenya Institute of Business and Counseling Studies (KIBCo), equipping her with essential skills to support emotional and mental well-being.</p> <p>Rev. Jocelyne is the Founder and CEO of Sympathy Hands Foundation, a humanitarian organization dedicated to improving the lives of vulnerable communities through psychosocial support, outreach programs, and medical camps. She also serves as the CEO of Kiengei Live Media, a platform committed to uplifting and informing the public through impactful content.</p> <p>Her strong leadership, deep compassion, and commitment to holistic care make her an invaluable resource for any community development and health-focused initiative.</p> |




*Ruiru level 4 Hospital (Kiambu county Government
Annual Report and Financial Statements for The Year Ended 30th June 2025*

| | |
|--|--|
| <p>DR. PATIENCE WANJIRU KARIMI</p>  | <p>Medical Superintendent</p> <p>She holds masters in clinical pharmacy (internal medicine and oncology) from University of Nairobi</p> <p>She holds Bachelor of pharmacy from university of Nairobi and has a senior management course from Kenya school of Government.</p> <p>She is the current medical superintendent at Ruiru and the secretary to the Hospital board Ruiru level4 hospital</p> |
|--|--|



4. Key Management Team

| Ref | Management | Details |
|-----|--|--|
| 1. | <p>Dr. Patience Wanjiru</p>  | <p>Medical Superintendent</p> <p>She holds masters in clinical pharmacy (internal medicine and oncology) from University of Nairobi</p> <p>She holds Bachelor of pharmacy from university of Nairobi and has a senior management course from Kenya school of Government.</p> <p>She is the current medical superintendent at Ruiru and the secretary to the Hospital board Ruiru level4 hospital</p> |
| 2. | <p>Samuel Ondiek</p>  | <p>Hospital Administration</p> <p>He holds a master of science degree in Health systems management from Kenya methodist university, a postgraduate diploma from Maseno university, bachelor of arts degree from Moi university, a certificate in strategic human resource and development from Kenya school of government.</p> <p>He is the Hospital administrator at Ruiru level 4 Hospital</p> |

| | | |
|-----------|---|---|
| <p>3.</p> | <p>Maryanne Njuguna</p>  | <p>Nursing Service Department</p> <p>She holds a Bachelor of Nursing degree from Barton University and a master's of science in Nursing (midwifery and obstetrics nursing) from Kenyatta university She is the deputy nursing service manager at Ruiru level 4 hospital</p> |
| <p>4.</p> | <p>Mercy Wanja Marangu</p>  | <p>Nutrition Department</p> <p>She holds Bachelor of science foods, nutrition and dietetics from Kenyatta university</p> <p>She is in charge of nutrition department in Ruiru level 4 hospital</p> |
| <p>5.</p> | <p>Jane Njeri Kamau</p>  | <p>Laboratory Department</p> <p>She holds a Diploma in Medical Laboratory sciences from Mt Kenya university</p> <p>She is the in-charge laboratory department Ruiru Hospital</p> |

| | | |
|-----------|--|--|
| <p>6.</p> | <p>Charles Mburu</p>  | <p>Finance & Accounts Department</p> <p>Holds a Master's in business administration (Finance) Bachelor degree in Commerce majoring in accounting from Kenyatta university, has CPAK. has computerized accountancy certificate</p> <p>He is in charge of finance and accounts in Ruiru level 4 hospital</p> |
| <p>7.</p> | <p>Ellyjoy Kanini Mbaka</p>  | <p>Orthopedic & Trauma Department</p> <p>She holds a diploma in orthopedic trauma technologist from Kenya medical training college</p> <p>She is in charge of orthopedic and trauma department in Ruiru level 4 hospital</p> |
| <p>8.</p> | <p>Dr Saudiyya Mohamed</p>  | <p>Obstetrics & Gynecology Department</p> <p>She holds masters of medicine in Obstetrics and gynecology from muhimbili university of health and allied sciences.</p> <p>She is Doctor of medicine in Saint Petersburg state medical academy</p> <p>She is in charge of Obstetrics and gynaecology department in Ruiru level 4 hospital</p> |

*Ruiru level 4 Hospital (Kiambu county Government
Annual Report and Financial Statements for The Year Ended 30th June 2025*

| | | |
|------------|--|--|
| <p>9.</p> | <p>Dr Dennis Omondi</p>  | <p>Medical Department</p> <p>He holds a Bachelor of Medicine and Bachelor of surgery from University of Nairobi</p> <p>He is incharge of Medical departments in Ruiru level 4 hospital</p> |
| <p>10.</p> | <p>Esther Nyawira Njoroge</p>  | <p>ICT Department</p> <p>She holds Diploma in information technology and also holds Diploma in project management</p> <p>She is in charge department of ICT at Ruiru level 4 hospital</p> |

5. Chairman's Statement

It is with pleasure we present the Hospital's 2024/2025 Annual Report and Financial Statements. The report being the inaugural, it sets the precedence on how the hospital financial affairs will be reported under IPSAS Accruals. This calls for concerted efforts by all stakeholders to ensure the report depicts a true and fair presentation of the financial affairs of the hospital.

Ruiru Level IV hospital was established in 1954 as a level II Health facility. Over the period the hospital has progressively expanded and is now one of the high-volume level IV hospitals in Kiambu County. This expansion has seen growth in infrastructure, scope of services rendered and health care providers.

To enhance service delivery, the hospital is in the process of rolling out a Health Management Information System in key points of service which will see a reduction of patient waiting time, minimal use of papers and space through use electronic filing.

The responsibility of driving good corporate governance and stewardship of the Hospital is vested in the Hospital Board. The Board provides strategic direction while the Medical Superintendent assisted by the Hospital Management is accountable to the Board for implementing the strategy. The hospital board will develop a strategic plan which will steward the hospital in the next five years towards being a provider of efficient and high-quality medical services that are accessible, equitable and affordable.

Appreciation

First and foremost, I would like to thank our clients for demonstrating their trust in us with their health care needs and being our motivation to service delivery excellence.

At the same time, I would like to thank my fellow Board Members for their unwavering support and for applying their highest professional standards in carrying out the business of the Board and in decision making.

I would also like to thank the County Government of Kiambu not only for its continued support of Hospital's development agenda but also for creating enabling environment for the hospital to meet its objectives. I recognize our partners and stakeholders who continue to strengthen our partnership through financial support which ensures we remain in course to deliver to our clients.

.....
Name *Titus K. Mdirangu*
Chairman to the Board

6. Report of The Medical Superintendent

I am delighted to present the hospital's annual report and financial statements for the year 2024/2025. The hospital being a second-time adopter of IPSAS accruals has elected to take advantage of the transitional exemptions and provisions that may impact fair presentation. The report highlights the hospitals operational and financial performance.

Operational Performance

With a catchment population of more than 400,000 people, Ruiru Level IV Hospital has been one of the high-volume level IV hospitals in the county. During the period the hospital provided services to 75,623 clients.

The hospital has made a niche in provision of reproductive health services. About 46% of our client sought MCHFP services. This however did not translate to a high number of deliveries being conducted in the hospital. Only 3,010 clients delivered in the hospital.

The hospital 12 special clinics served 18,748 clients during the period with most clients seeking services for dental or eye related cases.

The hospital theater currently handles reproductive health cases. During the period 378 caesarian section cases were attended. The hospital intends to expand the capacity of the theater to handle other surgical cases.

Though the hospital bed capacity has increased to 150 beds, the hospital is only able to offer inpatients service to pediatrics, maternity and female.

Financial Review

In order to meet the cost of operations and maintenance, the hospital relies on internally generated revenue, from either FIF or NHIF/ SHA. During the year under review, the hospital generated Ksh 100,526,975. The revenue generated during the period was utilized to fund hospital expenditure that totaled Ksh 82,777,184. The hospital funds utilization rate was 83%.

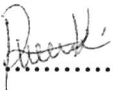
Acknowledgement

On behalf of the Board, I would like to thank all our stakeholders especially the County Government of Kiambu and development partners for the support they continue to accord the hospital without which our achievements would not have been realized.

As we move into a new financial year, I would like to express my gratitude to Ruiru Level IV hospital staff, departmental heads and the Board, who take such pride in their work, and who

exemplify our hospital's mission and values each day.

Finally, I strongly believe that our strategy and the staff in place will consistently drive our growth in the future as has been the case over the years.



.....

Name *PATIENCE KARIMI*

Secretary to the Board


7. Statement of Performance Against Predetermined Objectives


Section 164 of the Public Finance Management Act, 2012 requires the Board of Management to prepare financial statements in respect of that Ruiru level 4 hospital, which give a true and fair view of the state of affairs at the end of the financial year and the operating results for 2024/2025. The Board of Management is also required to ensure that it keeps proper accounting records which disclose with reasonable accuracy the financial position. The council members are also responsible for safeguarding the assets. The Board of Management is responsible for the preparation and presentation of financial statements, which give a true and fair view of the state of affairs for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity,
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- (iv) safeguarding the assets ;
- (v) selecting and applying appropriate accounting policies, and
- (vi) making accounting estimates that are reasonable in the circumstances. The Board of Management accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that the financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2025, and of the financial position as at that date. The Board members further confirm the completeness of the accounting records maintained, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern. Nothing has come to the attention of the Board of management to indicate that Ruiru level 4 hospital will not remain a going concern for at least the next twelve months

*Ruiru level 4 Hospital (Kiambu county Government
Annual Report and Financial Statements for The Year Ended 30th June 2025*

from the date of this statement. Approval of the financial statements The Hospital's financial statements were approved by the Board on and signed on its behalf by:


Name: **Titus K. Hdiranyu**
Chairperson Board of Management


PATIENCE KARIMI
Accounting Officer

8. Corporate Governance Statement

The Chairman, in conjunction with the Medical Superintendent, sets the agenda for each Board meeting which is circulated at least seven days prior to meeting. In the year under review, the Board held a total of 4 meetings to introduce board members to the Hospital Management Team and Staff, approve the Annual Work plans and Annual Budget and to discuss pertinent issues relating to strategy, performance and sustainability of the Hospital.

Appointment and Removal of Board

The board members are appointed by General community in consultation with County Executive Member for Health upon approval by The County Assembly. Names of the appointed members and changes thereto are published in the Kenya Gazette.

Board members may remove from office any member who;

- a. has been absent for 3 consecutive meetings without the chairman permission
- b. is adjudged bankrupt
- c. is unable to discharge his/her duties due to physical or mental capacity
- d. violates or is suspected of violating the provision of chapter 6 of the constitution
- e. is charged with a criminal offence in the court of law
- f. conflict of interest

Roles and Functions of Board

The responsibility of driving good corporate governance and stewardship of the Hospital is vested in the Board of Management supported. The Board, through its committees provides strategic direction while the Medical Superintendent assisted by the Hospital Management Team is accountable to the Board for implementing the strategy. Board members are expected to be responsible, prudent and skillful while carrying out their fiduciary duties on behalf of the Hospital. The roles and responsibilities of the Board include:

- a. Responsible for providing oversight over the administration and management of the Hospital.
- b. Promoting the development of the Hospital.
- c. Approving plans and programs for implementing county health strategies in the Hospital.
- d. Approving annual estimates of the Hospital before submission to the Executive member and carrying out any other function and any other functions assigned by the Executive member in furtherance to the realization of the purpose of this act.

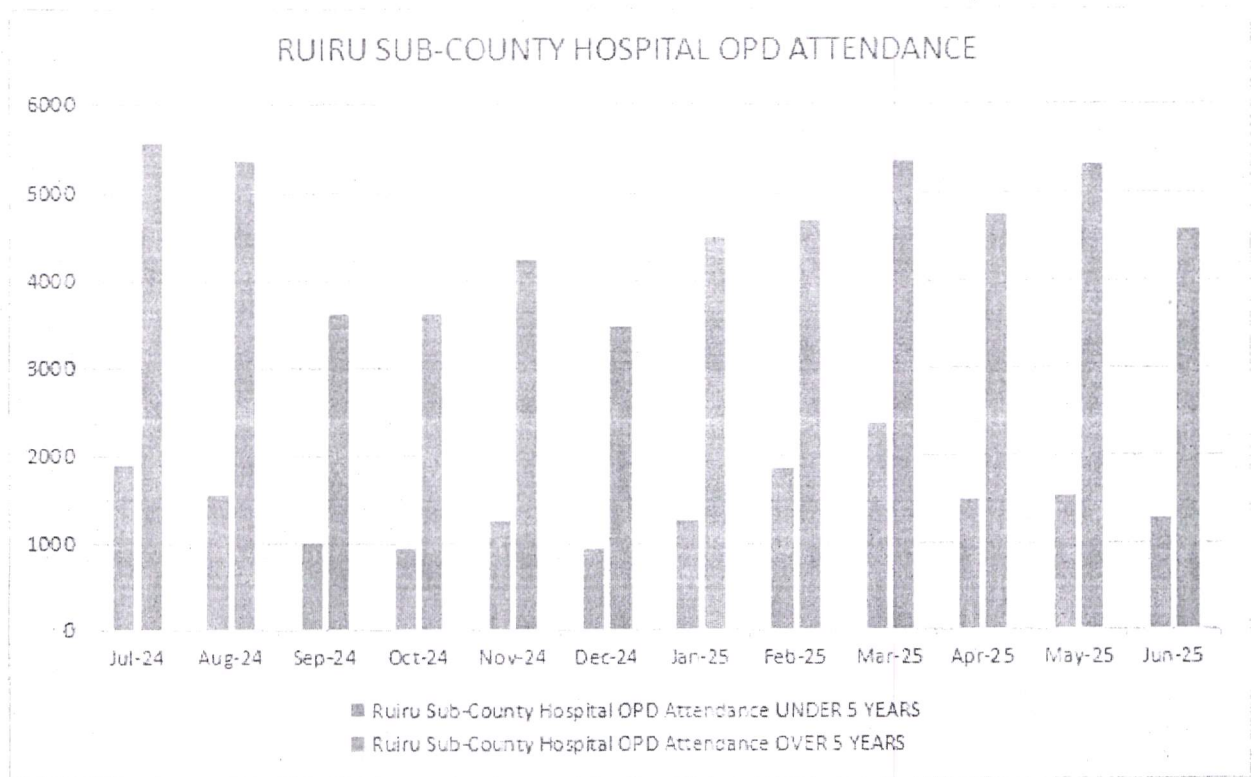
9. Management Discussion and Analysis

The hospital strives to ensure that the health care services provided are safe, timely, appropriate, innovative, effective, evidence-based and in line with modern technological advances. Clinical governance has continually been strengthened to improve patient safety and ensure quality healthcare. The hospital patient attendance continues to increase despite the many challenges including inadequate budgetary allocations and constrained workforce the patient attendance has continued to increase.

Workload

The number of clients who visited the hospital to seek medical services was 19300 with a monthly average of about 6,350 clients. The charts below show the monthly client attendance and client attendance by service

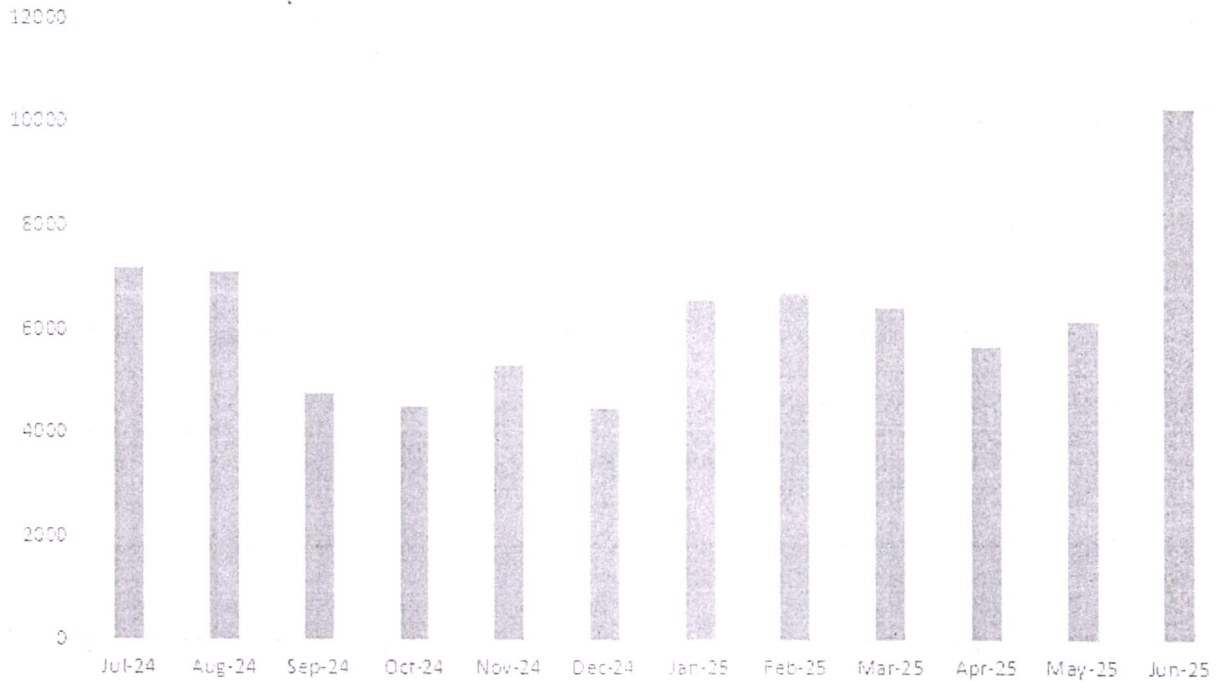
| Ruiru Sub-County Hospital | | |
|---------------------------|---------------|--------------|
| OPD Attendance | | |
| Period | UNDER 5 YEARS | OVER 5 YEARS |
| Jul-24 | 1909 | 5579 |
| Aug-24 | 1572 | 5364 |
| Scp-24 | 1014 | 3614 |
| Oct-24 | 939 | 3625 |
| Nov-24 | 1270 | 4233 |
| Dec-24 | 958 | 3477 |
| Jan-25 | 1268 | 4497 |
| Feb-25 | 1853 | 4675 |
| Mar-25 | 2374 | 5352 |
| Apr-25 | 1490 | 4743 |
| May-25 | 1549 | 5323 |
| Jun-25 | 1295 | 4585 |



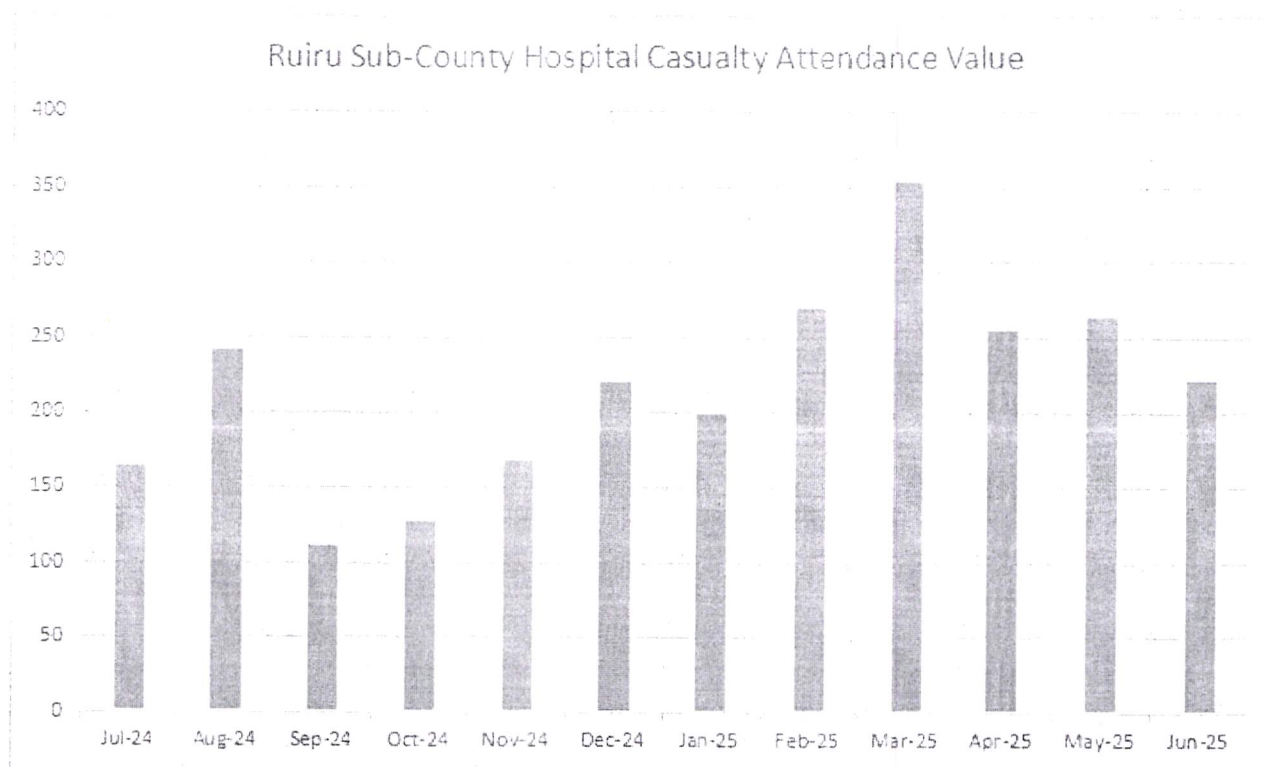
| Ruiru Sub-County Hospital | |
|--|--------------|
| Files and Outpatient Cards Issued | |
| Period | Value |
| Jul-24 | 7208 |
| Aug-24 | 7117 |
| Sep-24 | 4772 |
| Oct-24 | 4540 |
| Nov-24 | 5312 |
| Dec-24 | 4507 |
| Jan-25 | 6590 |
| Feb-25 | 6743 |
| Mar-25 | 6456 |
| Apr-25 | 5694 |
| May-25 | 6170 |
| Jun-25 | 10290 |

Ruiru level 4 Hospital (Kiambu county Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Ruiru Sub-County Hospital Files and Outpatient
 Cards Issued

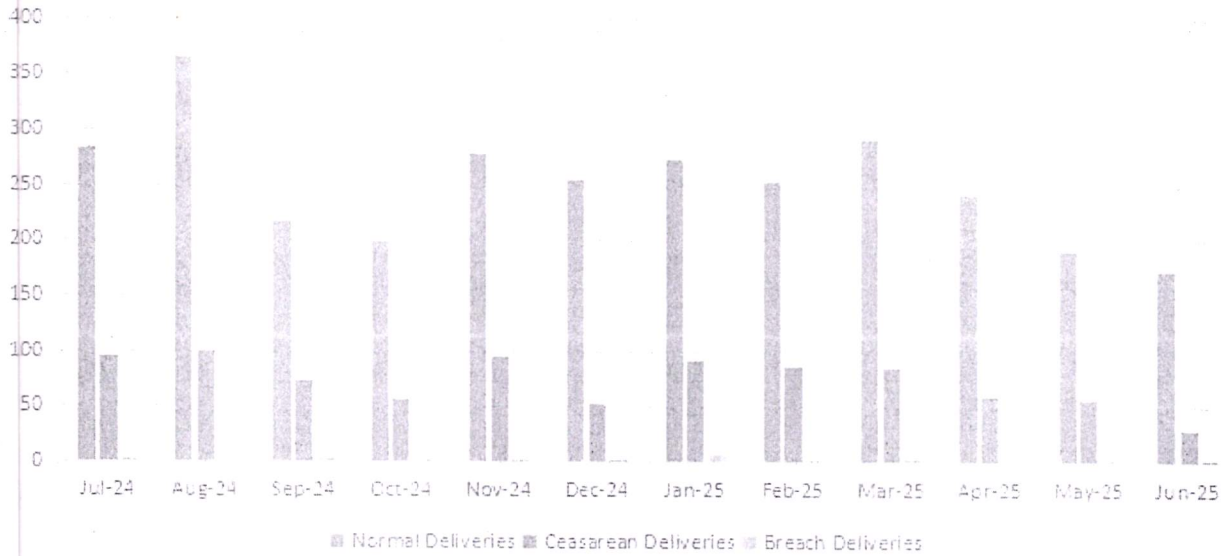


| Ruiru Sub-County Hospital | |
|---------------------------|-------|
| Casualty Attendance | |
| Period | Value |
| Jul-24 | 165 |
| Aug-24 | 241 |
| Sep-24 | 112 |
| Oct-24 | 127 |
| Nov-24 | 168 |
| Dec-24 | 221 |
| Jan-25 | 200 |
| Feb-25 | 270 |
| Mar-25 | 354 |
| Apr-25 | 255 |
| May-25 | 264 |
| Jun-25 | 222 |



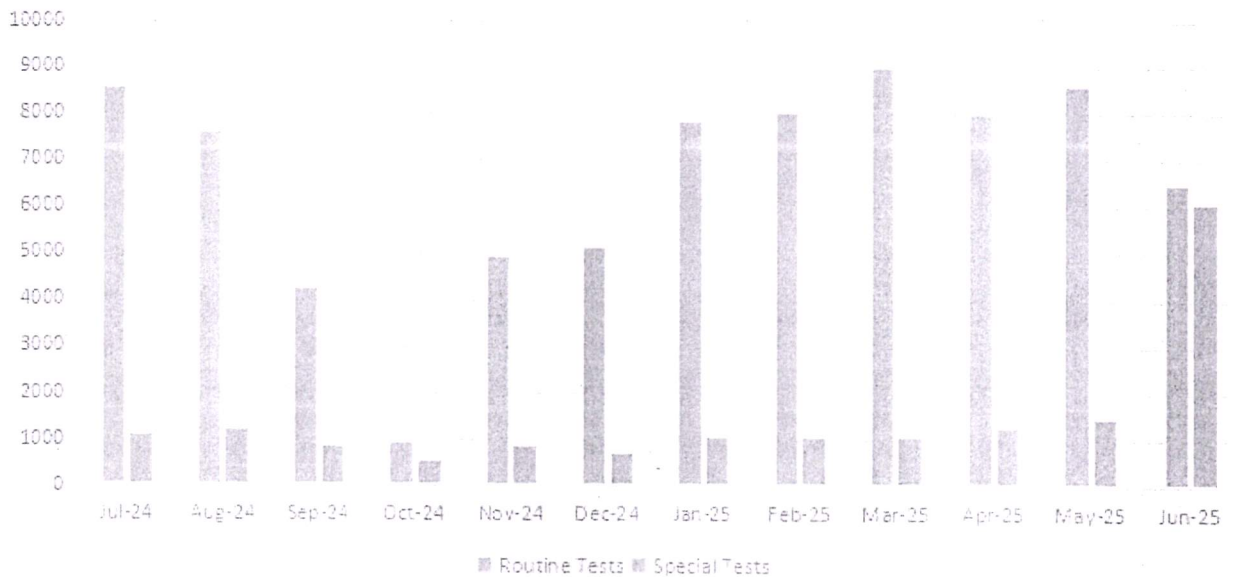
| | | | | | | | | | | |
|---------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|
| Normal Deliveries | 283 | 366 | 218 | 200 | 278 | 255 | 273 | 254 | 293 | 24 |
| Cesarean Deliveries | 95 | 100 | 74 | 56 | 96 | 53 | 92 | 87 | 85 | 6 |
| Breach Deliveries | 1 | 2 | 4 | 2 | 1 | 3 | 7 | 3 | 4 | |

RUIRU SUB- COUNTY HOSPITAL DELIVERIES

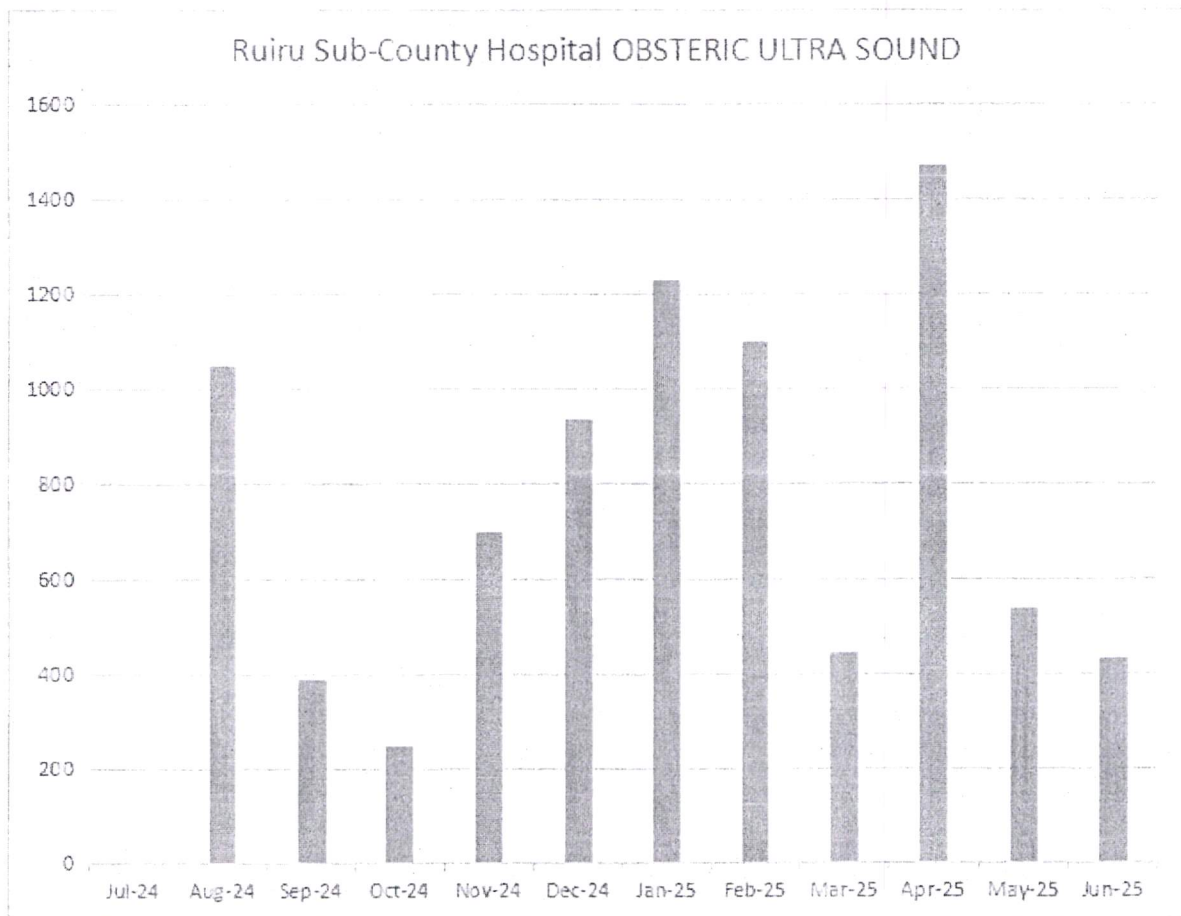


| LABORATORY | | | | | | | | | | | |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | Jan-25 | Feb-25 | Mar-25 | Apr-25 | May-25 |
| Routine Tests | 8545 | 7588 | 4223 | 928 | 4902 | 5102 | 7823 | 8042 | 9013 | 8014 | 8586 |
| Special Tests | 1101 | 1201 | 836 | 522 | 844 | 670 | 1038 | 1044 | 1033 | 1258 | 1459 |

Ruiru Sub-County Hospital Laboratory Workload



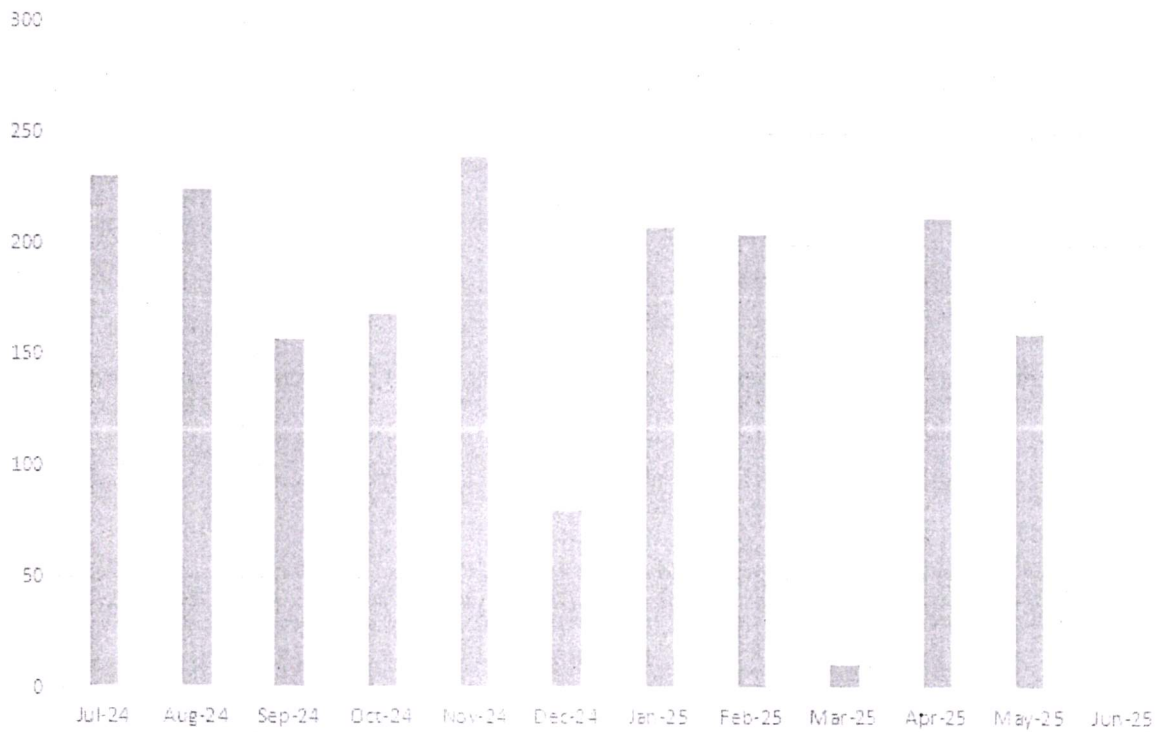
| Ruiru Sub-County Hospital | |
|---------------------------|-------|
| OBSTERIC ULTRA SOUND | |
| Period | Value |
| Jul-24 | 0 |
| Aug-24 | 1049 |
| Sep-24 | 388 |
| Oct-24 | 249 |
| Nov-24 | 701 |
| Dec-24 | 935 |
| Jan-25 | 1228 |
| Feb-25 | 1100 |
| Mar-25 | 443 |
| Apr-25 | 1472 |
| May-25 | 539 |
| Jun-25 | 434 |



Ruiru level 4 Hospital (Kiambu county Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

| Ruiru Sub-County Hospital | |
|---------------------------|-------|
| Medical Clinic Attendance | |
| Period | Value |
| Jul-24 | 231 |
| Aug-24 | 225 |
| Sep-24 | 157 |
| Oct-24 | 169 |
| Nov-24 | 240 |
| Dec-24 | 80 |
| Jan-25 | 208 |
| Feb-25 | 205 |
| Mar-25 | 11 |
| Apr-25 | 212 |
| May-25 | 160 |
| Jun-25 | 0 |

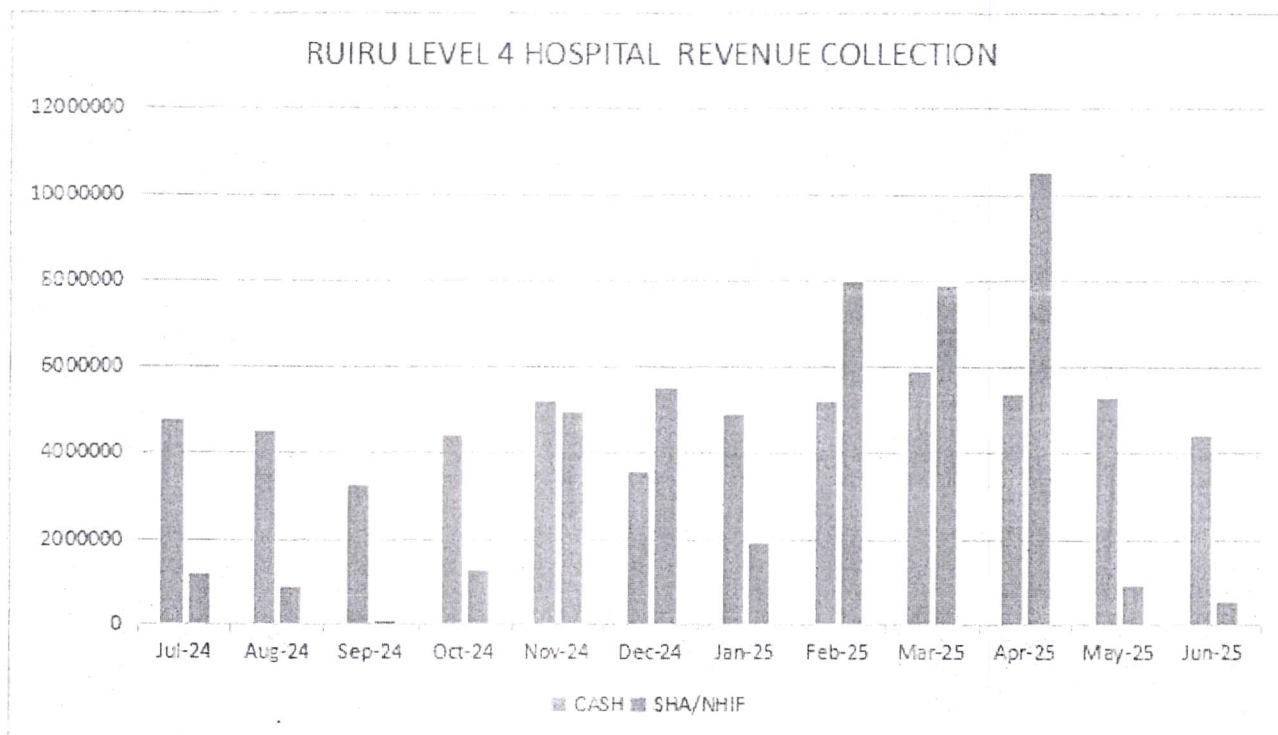
Ruiru Sub-County Hospital Medical Clinic Attendance



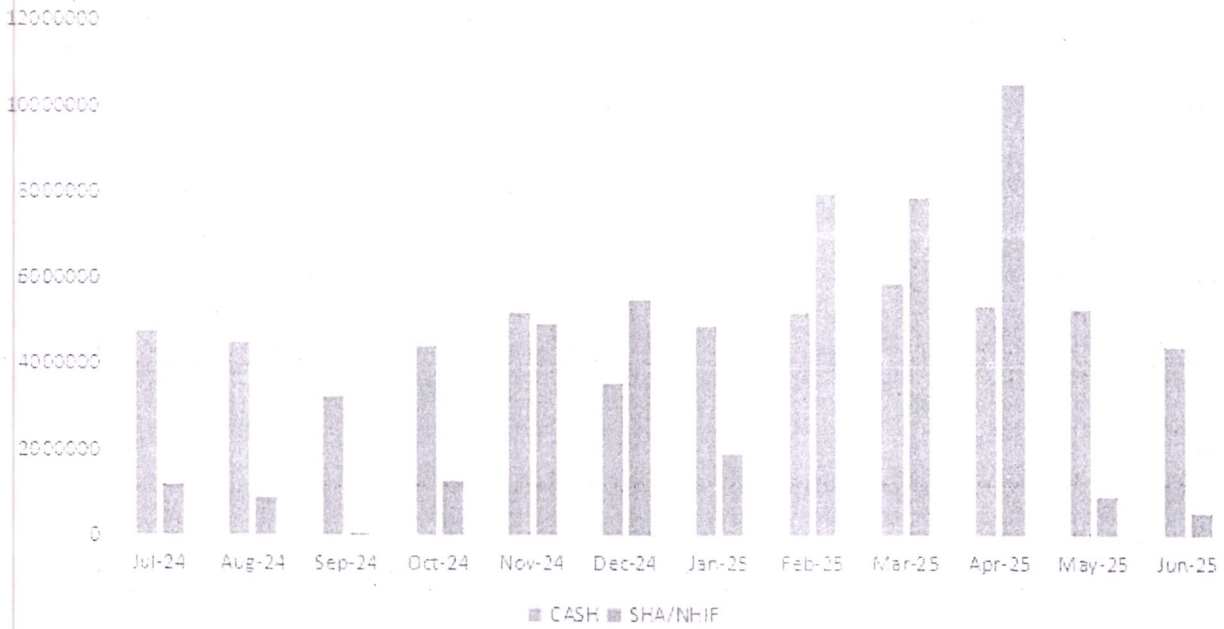
Financial performance that includes: -

- Revenue sources,

| RUIRU LEVEL 4 HOSPITAL | | | | |
|------------------------|---------|----------|--|--|
| REVENUE COLLECTION | | | | |
| PERIOD | CASH | SHA/NHIF | | |
| Jul-24 | 4773011 | 1181400 | | |
| Aug-24 | 4520211 | 866148 | | |
| Sep-24 | 3275373 | 52000 | | |
| Oct-24 | 4417053 | 1256912 | | |
| Nov-24 | 5207671 | 4932020 | | |
| Dec-24 | 3574309 | 5520000 | | |
| Jan-25 | 4907900 | 1923040 | | |
| Feb-25 | 5227065 | 7987720 | | |
| Mar-25 | 5886260 | 7892883 | | |
| Apr-25 | 5376620 | 10541689 | | |
| May-25 | 5298167 | 942700 | | |
| Jun-25 | 4431562 | 535262 | | |



RUIRU LEVEL 4 HOSPITAL REVENUE COLLECTION



Patience Karimi

Name *PATIENCE KARIMI*

Secretary to the Board

10. Environmental And Sustainability Reporting

These are our first sustainability report and have reflected the hospital's performance as well as the hospital strategy and vision for the future. As a hospital, we recognize that we must conduct our operations in a manner that considers the environmental and social impact to ensure the success and longevity of providing health services. We are committed to being transparent, candid and open about our activities and this report is a reflection of that commitment. At Ruiru Sub County Hospital, we have a pragmatic approach to sustainability. We focus on identifying and putting into practice initiatives and programs that deliver real world and lasting benefits.

(a) Sustainability Strategy and Profile

Engaging with stakeholders informs our decision making, strengthens our relationships and helps us deliver our commitments and succeed in health care service delivery. In order to achieve these goals, we recognise that we must work in partnership with other interested stakeholders who share our commitment and have a stake in our business. We actively engage with the County Government, regulators, customers, suppliers, investors and individual citizens to create an environment that is supportive of solutions.

(b) Environmental Performance

In our offices and clinical areas, we continue to encourage employees to help reduce energy consumption by switching of their computers and lights at the end of the day. Ruiru being in a semi-arid area the hospital has planted trees to conserve soil, provide shade for parked vehicles and firewood for use in the kitchen. The trees have also created habitat for birds and other small animals. In line with adopting energy efficient technologies the hospital intends to invest in a hospital information management system (HIS) which apart from improving service delivery will positively impact on the environment through minimal use of papers and space. In packaging of medicine, we are using environmentally friendly bags. In medical waste, we are also using bags which are clearly marked for clinical waste, bottles and left-over foods. Staffs are also provided with personal protective equipment.

(c) Employee Welfare Employees are encouraged and supported to continually build on their skills and knowledge. The hospital allocates funds every year to support staff in learning and development program. These include courses on leadership, management and technical competencies relevant to each employee. Additionally, the hospital organizes CMEs every week to allow our health care workers learn and discover viable ways to improve on the patient care they deliver and effectively manage a career in the ever-changing landscape of the medical industry.

(a) Responsible Supply Chain and Supplier Relations Ruiru Sub County Hospital has over 30 suppliers

that supply good and services. When we engage multiple service providers for our operations and projects, our own reputation as service provider is always a top priority. For that reason, we are focused on ensuring our suppliers comply with best practice and adhere to our contract agreement for all services and goods offered.

(b) Corporate Social Responsibility / Community Engagements

Ruiru Sub County Hospital seeks to impact people's lives through its Corporate Social Responsibility (CSR) initiatives. The initiatives are aimed at improving lives and enhance engagement with the public. Central to this philosophy is the commitment to enhance the quality of life of people from marginalized and vulnerable communities, by empowering them and catalysing change through creating awareness on diseases and available interventions. Through the initiatives mentioned above, Ruiru Sub County Hospital has achieved the following results in financial year ended 30th June 2023. (a) Provided free cervical and breast cancer screening programs in Kahawa West and Githurai localities in September 2024.

(b) Conducted free dental check up at the newly refurbished dental clinic on 20th March 2025. (c) Administered for free Human Papilloma Virus (HPV) vaccine to students at St. George's and Ruiru Primary Schools in the months of November and December 2024 respectively

Report of The Board of Management

The Board of Management submits their report together with the unaudited financial statements for the year ended 30th June, 2025 which shows the state of the hospital affairs.

Principal Activities

The principal activities of the hospital are:

- (a) To receive patients on referral from other hospitals or institutions within or outside Kenya for specialized health care
- (b) To provide facilities for medical education for various institutions and for research either directly or through other co-operating health institutions
- (c) To provide facilities for education and training in nursing and other health and allied institutions
- (d) To participate, as referral hospital within the sub county

Results

The results of the Hospital for the year ended 30th June, 2025 are set out on page 25.

Board of Management

The members of the Board of Management who served during the year are shown under the corporate governance statement in the annual report on page 6.

Auditors

The Auditor-General is responsible for the statutory audit of the Hospital in accordance with Articles 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board


.....

Name *PATIENCE WAIRIMU*
Secretary to the Board

11. Statement of Board of Management's Responsibilities

Section 164 of the Public Finance Management Act, 2012 requires the Board of Management to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of the *entity* at the end of the financial year/period and the operating results of the *entity* for that year/period. The Board of Management is also required to ensure that the *entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The council members are also responsible for safeguarding the assets of the *entity*.

The Board of Management is responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.


The Board of Management accepts responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the *entity's* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.


In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern

Nothing has come to the attention of the Board of management to indicate that the *entity* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 30th JUNE 2025 and signed on its behalf by:


.....
Name: Titus K. Ndirangu
Chairperson
Board of Management


.....
Name: PATIENCE KHAMU
Accounting Officer

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 RUIRU LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF KIAMBU

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Ruiru level 4 Hospital – County Government of Kiambu set out on pages 1 to 56, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison

Report of the Auditor-General on Ruiru Level 4 Hospital for the year ended 30 June, 2025 - County Government Kiambu

of budget and 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Ruiru Level 4 Hospital – County Government of Kiambu as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Government Act, 2012, Health Act, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Inaccuracies and Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.126,296,516 as detailed in Note 29 to the financial statement. Included in this balance is Kshs.88,640,516 which has been outstanding for over three (3) years. Further, balance of claims approved but not remitted by Social Health Authority (SHA) was Kshs.17,376,920 as per letter from Chief Officer Health Services, and amount of cash collected for May and June was Kshs.9,729,729. However, a balance of Kshs.10,530,000 remitted from SHA account on 20 May, 2025 to the County Health Management Committee (CHMC) account had not been reimbursed to the Hospital and was omitted from the balances of receivables disclosed in the financial statements resulting in understatement by the same amount.

In the circumstances, the accuracy and completeness of receivables balance of Kshs.126,296,516 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ruiru level 4 Hospital's 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 comparison of budget and actual amounts reflects final receipts budget and actual amounts of Kshs.100,000,000 and Kshs.117,903,895 respectively resulting to over funding of Kshs.17,903,895 or 17% of the budget. Similarly, the Hospital spent a total of Kshs.105,300,980 against actual receipts of Kshs.117,903,895 resulting to underutilization of Kshs.12,602,915 or 11% of the actual receipts.

The underutilization may have affected planned activities and may have impacted negatively of service delivery.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion section of my report, I have determined that, there were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Lawfulness and Effectiveness in the Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance.

Review of the status during audit of the Hospital in 2024/2025 revealed that the following matters remained unresolved.

| | Financial Year | Audit Issue |
|----|-----------------------|---|
| 1 | 2023/2024 | Inaccuracies in the Financial Statements |
| 2 | 2023/2024 | Anomaly in Cash and Cash Equivalents |
| 3 | 2023/2024 | Variance in Receivables from Exchange Transactions |
| 4 | 2023/2024 | Anomalies in Trade and Other Payables |
| 5 | 2023/2024 | Failure to Maintain Comprehensive Fixed Assets Register and Lack of Asset Ownership Documents |
| 6 | 2023/2024 | Errors and Omissions in Presentation and Disclosure of the Financial Statements |
| 7 | 2023/2024 | Universal Health Services |
| 8 | 2023/2024 | Inequitable Award in the Prequalified List |
| 9 | 2023/2024 | Irregular Engagement of Casual Employees |
| 10 | 2023/2024 | Failure to Remit Housing Levy for Casual Employees |
| 11 | 2023/2024 | Failure to Develop Risk Management Policy |
| 12 | 2023/2024 | Anomalies in governance and Government Structure |

Other Information

Board of Management are responsible for the Other Information set out on page iii to xxxiii which comprise of Key Entity Information and Management, The Board of Management, Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and Statement of the Board of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Long Outstanding Trade and Other Payables

The statement of financial position reflects payables balance of Kshs.84,664,685. However, included in the balance are trade payables balance of Kshs.63,368,132 which had been outstanding for more than two (3) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates.

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

2. Failure to Remit Housing Levy for Casual Employees

Examination of employee cost revealed that the Hospital deducted an amount of Kshs.414,152 from casual workers as housing levy which was inclusive of employer's deduction in line with Kenya Revenue Authority circular KRA/DTD/PSD/P051098570M dated 11 August, 2023 which directs that all employers are required to adhere to the guidelines. However, the amount was not remitted to the beneficiary as required by Section 4(3) of Affordable Housing Act, 2024 which requires that the amounts to be remitted not later than the ninth working day after the end of the month in which the gross salary was due or gross income was received or accrued.

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

3. Irregular Engagement of Employees on Renewable Short-Term Contracts

The statement of financial performance reflects employees costs amount of Kshs.13,718,000 which relates to wages to casual employees, However, Management had been engaging casual laborers' more than three months on renewable terms contrary to Section 37 of the Employment Act, 2007 which requires conversion of the casual employment to term contract.

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

4. Non-Compliance with Public Sector Accounting Standards Board (PSASB) Reporting Template

Examination of the financial statements presented for audit revealed that **Appendix I** on progress on Follow up of Auditor Generals recommendation was blank despite several issues in the previous year report.

In the circumstances, the financial statements were not prepared in a form that complies with the relevant template as prescribed and published by the Public Sector Accounting Standards Board.

5. Non-Compliance with the Universal Health Coverage

Verification of equipment and review of staff levels at the Hospital revealed that during the year under review, the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines. It was noted that equipment available were not as per Kenya Quality Model for Health Policy Guidelines as shown below,

| | | Minimum Required | Actual | Remarks |
|----------|-----------------------------------|------------------|-----------|-------------------|
| 1 | Staffing Requirement | | | Short Fall |
| | Total | 101 | 92 | 9 |
| | Medical Officers | 16 | 8 | 8 |
| | Anesthesiologists | 2 | 0 | 2 |
| | General Surgeons | 2 | 1 | 1 |
| | Radiologists | 2 | 0 | 2 |
| | Renal Services | | No | |
| 2 | Equipment & Machines | | | Short fall |
| | Incubators (Newborn) | 5 | 3 | 2 |
| | Cots | 5 | 3 | 2 |
| | Resuscitaire In Labour Ward | 2 | 1 | 1 |
| | Functional ICU Beds | 6 | 0 | 6 |
| | Hdu Beds | 6 | 0 | 6 |
| | Renal Unit with Dialysis Machines | 5 | 0 | 5 |

| | | Minimum Required | Actual | Remarks |
|---|---|------------------|-----------------------------|---------|
| | Functional Operating Theaters Maternity and General | 2 | 1 (Major maternity theatre) | |
| 3 | Ambulances | | On call by Many Hosp | |

In the circumstances, these deficiencies contravene the provisions of the First Schedule to the Health Act, 2017, and imply that the attainment of the highest possible standard of health, including the right to health care services, such as reproductive health care as guaranteed under Article 43(1) of the Constitution of Kenya, 2010 may not be realized.

6. Failure to Retain Facilities Improvement Funds (FIF) at the Hospital

Review of revenue records obtained from the health facility revealed that the facility collected total revenue of Kshs.100,526,976 towards the health facilities improvement. The total of Kshs.100,526,976 was transferred to County Revenue Fund. However, the County Treasury reimbursed revenue of Kshs.82,777,184 to the health facility resulting in a deficit of Kshs.17,749,792. This was contrary to Section 5(1) of the Facilities Improvement Financing Act, 2023 which requires that all monies raised or received by or on behalf of all public health facilities be retained in the Hospital Facilities Improvement Financing account. In addition, failure to reimburse the total amount transferred by the facilities negatively impacted on service delivery by the health facilities.

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

7. Non-Collection and Remittance of Procurement Capacity Building Levy

Review of records revealed that the Hospital entered into contracts but no documentary evidence has been provided to confirm that the Entity complied with paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition, Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 which requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20th day of the subsequent month and also file monthly returns.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Expired Medical Supplies

Note 31 of financial statements reflected inventory balance of Kshs.11,002,740, review of stores records on pharmaceuticals revealed that Kshs.251,437 worth of various drugs had expired and had not been disposed posing a health hazard.

In the circumstances, proper maintenance and safe custody of stores at the facility could not be confirmed.

2. Lack of Assets Ownership Documents

The statement of financial position reflects property, plant and equipment net book value of Kshs.10,979,838. However, the title deed for the piece of land on which the Hospital is built was not provided for audit and no valuation was done to confirm the present asset values. Further, the depreciation charge amount of Kshs.1,510,499 on various assets for the year under reviewed was not supported by applicable rates in the financial statements.

In the circumstances, the ownership of the 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 the Management and the Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Hospital's, ability to continue to as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

The Board of Management is responsible for overseeing the Hospitals' financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 December, 2025

Ruiru level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

12. Statement of Financial Performance for The Year Ended 30 June 2025

| Description | Note | 2024/2025 | 2023/2024 |
|---|------|--------------------|-------------------|
| | | Kshs | Kshs |
| Revenue from non-exchange transactions | | | |
| Transfers from the County Government | 6 | 0 | 0 |
| In- kind contributions from the County Government | 7 | 0 | 0 |
| Grants from donors and development partners | 8 | 0 | 0 |
| Transfers from other Government entities | 9 | 0 | 0 |
| Public contributions and donations | 10 | 0 | 0 |
| | | 0 | 0 |
| Revenue from exchange transactions | | | |
| Rendering of services- Medical Service Income | 11 | 117,903,895 | 68,232,912 |
| Revenue from rent of facilities | 12 | 0 | 0 |
| Finance /Interest Income | 13 | 0 | 0 |
| Miscellaneous Income | 14 | 0 | 0 |
| Revenue from exchange transactions | | 0 | 68,232,912 |
| Total revenue | | 117,903,895 | 68,232,912 |
| | | | |
| Expenses | | | |
| Medical/Clinical costs | 15 | 53,759,000 | 35,223,752 |
| Employee costs | 16 | 13,718,000 | 10,192,040 |
| Board of Management Expenses | 17 | 66,000 | 21,500 |
| Depreciation and amortization expense | 18 | 1,510,499 | 0 |
| Repairs and maintenance | 19 | 2,902,750 | 2,136,481 |
| Grants and subsidies | 20 | 23,580,779 | 13,485,878 |
| General expenses | 21 | 10,600,557 | 7,544,960 |
| Finance costs | 22 | 0 | 0 |
| Total expenses | | 106,137,605 | 68,604,611 |
| Other gains/(losses) | | | |
| Gain/Loss on disposal of non-Current assets | 23 | 0 | 0 |

Ruiru Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

| Description | Note | 2024/2025 | 2023/2024 |
|--|------|-------------------|------------------|
| | | Kshs | Kshs |
| Unrealized gain on fair value of investments | 24 | 0 | 0 |
| Medical services contracts Gains/Losses | 25 | 0 | 0 |
| Impairment loss | 26 | (0) | 0 |
| Gain on foreign exchange transactions | | 0 | |
| Total other gains/(losses) | | 0 | 0 |
| Net Surplus / (Deficit) for the year | | 11,766,290 | (371,699) |

(The notes set out on pages 28 to 47 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 30th JUNE 2025 and signed on its behalf by:

..... *TK* *NR* *Patience Karimi*
Chairman *Titus K Ndiraya* **Head of Finance** **Medical Superintendent**
Board of Management **ICPAK No: 33272**

Ruiru Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

13. Statement of Financial Position as at 30th June 2025

| | Note | 2024/2025 | Reinstated 2023/2024 |
|---|------|--------------------|----------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 27 | 1,490,304 | 17,783,623 |
| Prepayments | 28 | | 0 |
| Receivables from exchange transactions | 29 | 126,296,516 | 99,258,846 |
| Receivables from non-exchange transactions | 30 | 0 | 0 |
| Inventories | 31 | 11,002,740 | 2,627,075 |
| Total Current Assets | | 138,789,541 | 119,669,544 |
| | | | |
| Non-current assets | | | |
| Property, plant, and equipment | 32 | 10,979,838 | 12,490,337 |
| Intangible assets | 33 | 0 | 0 |
| Investment property | 34 | 0 | 0 |
| Biological Assets | 35 | 0 | 0 |
| Total Non-current Assets | | 10,979,838 | 132,159,881 |
| | | | |
| Total assets (A) | | 149,769,379 | 132,159,881 |
| | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 36 | 84,664,685 | 78,821,477 |
| Refundable deposits from Patients/Prepayments | 37 | 0 | 0 |
| Provisions | 38 | 0 | 0 |
| Finance lease obligation | 39 | 0 | 0 |
| Current portion of deferred income | 40 | 0 | 0 |
| Current portion of borrowings | 41 | 0 | 0 |
| Total Current Liabilities | | 84,664,685 | 78,821,477 |
| | | | |
| Non-current liabilities | | | |
| Provisions | 38 | 0 | 0 |
| Non-Current Finance lease obligation | 39 | 0 | 0 |
| Non-Current portion of deferred income | 40 | 0 | 0 |
| Non - Current portion of borrowings | 41 | 0 | 0 |
| Service concession Arrangements | 42 | 0 | 0 |

Ruiru Level 4 Hospital (Kiambu County Government)
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| | | | |
|-------------------------------|--|------------|------------|
| Total non-current liabilities | | 0 | 0 |
| | | | |
| Total Liabilities (B) | | 84,664,685 | 78,821,477 |
| | | | |
| Net assets (A-B) | | 65,104,694 | 53,338,404 |
| | | | |
| Represented by: | | | |
| Revaluation reserve | | 0 | |
| Accumulated surplus/Deficit | | 11,766,290 | 33,097,973 |
| Capital Fund | | 53,338,404 | 20,240,431 |
| | | | |
| Net Assets | | 65,104,694 | 53,338,404 |

The Hospital's financial statements were approved by the Board on 30TH JUNE 2025 and signed on its behalf by:

.....
 Chairman
 Board of Management

.....
 Head of Finance
 ICPAK No: 33272

.....
 PATIENCE KARIMI
 Medical Superintendent

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14. Statement of Changes in Net Assets for The Year Ended 30 June 2025

| | Revaluation reserve | Accumulated surplus/Deficit | Capital Fund | Total |
|-------------------------------------|---------------------|-----------------------------|--------------|------------|
| As at July 1, 2023 (Reinstated) | 0 | 33,469,672 | 20,240,431 | 53,710,103 |
| Revaluation gain | 0 | - | - | - |
| Surplus/(deficit) for the year | 0 | -371699 | | (371,699) |
| Capital/Development grants | 0 | - | - | - |
| As at June 30, 2024 (previous year) | 0 | 33,097,973 | 20,240,431 | 53,338,404 |
| | | | | |
| At July 1, 2025 (current year) | 0 | 33,097,973 | 0 | 53,338,404 |
| Revaluation gain | 0 | 0 | 0 | 0 |
| Surplus/(deficit) for the year | 0 | 11,766,290 | - | 11,766,290 |
| Capital/Development grants | 0 | - | 0 | 0 |
| At June 30, 2025 (current year) | 0 | 44,865,263 | 20,240,431 | 65,104,694 |

15. Statement of Cash Flows for The Year Ended 30 June 2025

| Description | Note | 2024/2025 | 2023/2024 |
|--|------|-------------------|-------------------|
| | | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from the County Government | | 0 | 0 |
| Grants from donors and development partners | | 0 | 0 |
| Transfers from other Government entities | | 0 | 0 |
| Public contributions and donations | | 0 | 0 |
| Rendering of services- Medical Service Income | | 82,777,184 | 68,232,912 |
| Revenue from rent of facilities | | 0 | 0 |
| Finance / interest income | | 0 | 0 |
| Miscellaneous receipts(<i>specify</i>) | | 0 | 0 |
| Total Receipts | | 82,777,184 | 68,232,912 |
| | | | |
| Payments | | | |
| Medical/Clinical costs | | 53,722,633 | 22,391,284 |
| Employee costs | | 13,147,447 | 6,949,040 |
| Board of Management Expenses | | 33,000 | 21,500 |
| Repairs and maintenance | | 3,741,070 | 1,604,797 |
| Grants and subsidies | | 0 | 13,485,878 |
| General expenses | | 10,642,730 | 5,996,790 |
| Finance costs | | 0 | 0 |
| Refunds paid out | | 0 | 0 |
| Total Payments | | 81,286,880 | 50,449,289 |
| Net cash flows from operating activities | 43 | 1,490,304 | 17,783,623 |
| Cash flows from investing activities | | | |
| Purchase of property, plant, equipment | | (0) | 0 |
| Purchase of intangible assets | | (0) | 0 |
| Proceeds from the sale of PPE | | 0 | 0 |
| Acquisition of investments | | (0) | 0 |
| Net cash flows used in investing activities | | (0) | 17,823,62 |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | 0 | 0 |
| Repayment of borrowings | | (0) | 0 |

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| | | | |
|--|----|------------|------------|
| Capital grants received | | 0 | 0 |
| Net cash flows used in financing activities | | (0) | 0 |
| Net increase/(decrease) in cash and cash equivalents | | 0 | 17,783,623 |
| Cash and cash equivalents as at 1 July 2024 | 27 | 17,783,623 | 0 |
| Cash and cash equivalents as at 30 June 2025 | 27 | 1,490,304 | 17,783,623 |

16. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2025

| Description | Original budget | Adjustments | Final budget | Actual on comparable basis | Performance difference | % of utilisation |
|---|--------------------|-------------|--------------------|----------------------------|------------------------|------------------|
| | a | b | c=(a+b) | d | e=(c-d) | f=d/c% |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Budget carryovers from the previous year | - | 0 | 0 | 0 | 0 | % |
| Receipts | | | | | | |
| Transfers from the County Government | 0 | 0 | 0 | 0 | 0 | % |
| Grants from donors and development partners | 0 | 0 | 0 | 0 | 0 | % |
| Transfers from other Government entities | 0 | 0 | 0 | 0 | 0 | % |
| Public contributions and donations | 0 | 0 | 0 | 0 | 0 | % |
| Rendering of services- Medical Service Income | 100,000,000 | 0 | 100,000,000 | 117,903,895 | 17,903,895 | 117.90% |
| Revenue from rent of facilities | 0 | 0 | 0 | 0 | 0 | % |
| Finance / interest income | 0 | 0 | 0 | 0 | 0 | % |
| Miscellaneous receipts (<i>specify</i>) | 0 | 0 | 0 | 0 | 0 | % |
| Total receipts | 100,000,000 | 0 | 100,000,000 | 117,903,895 | 17,903,895 | % |
| Payments | | | | | | |
| Medical/Clinical costs | 53,759,000 | 0 | 53,759,000 | 53,759,000 | 0 | 100% |
| Employee costs | 14,494,240 | 0 | 14,494,240 | 13,718,000 | 776,240 | 88.25% |
| Remuneration of directors | 154,000 | 0 | 154,000 | 66,000 | 88,000 | 42.8% |
| Repairs and maintenance | 3,250,000 | 0 | 3,250,000 | 2,902,750 | 347,250 | 89.31% |
| Grants and subsidies | 20,000,000 | 0 | 20,000,000 | 23,580,779 | 3,580,779 | 117.90% |
| General expenses | 9,100,000 | 0 | 9,100,000 | 10,600,557 | 1,500,557 | 116.49% |
| Finance costs | 0 | 0 | 0 | 0 | 0 | % |
| Refunds | 0 | 0 | 0 | 0 | 0 | % |
| Total Operational Expenditure paid | 100,000,000 | 0 | 100,000,000 | 105,300,980 | 5,300,980 | |
| Capital Expenditure paid | 0 | 0 | 0 | 0 | 0 | % |
| Surplus | 0 | 0 | 0 | 12,602,987 | 12,602,987 | % |

Ruiru Level 4 Hospital (Kiambu County Government)
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Budget Reconciliation

| | Description of Particulars | Amount in Kshs |
|---|---|----------------|
| | Actual Surplus Amounts as per the statement of Budget | 12,602,987 |
| 1 | Reason for differences | 0 |
| 2 | Reason for differences | 0 |
| 3 | Reason for differences | 0 |
| 4 | Reason for differences | 0 |
| | Closing Cash and Cash Equivalent as per the statement of Cash flows | 12,602,987 |

17. Notes to the Financial Statements

1. General Information

Ruiru level 4 Hospital is established by and derives its authority and accountability from health Act. The entity is wholly owned by the Kiambu County Government and is domiciled in County in Kenya. The entity's principal activity is Kiambu county Government.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025

There were no new and amended standards issued in the financial year.

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

| Standard | Effective date and impact: |
|--|---|
| IPSAS 43 | <p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | <p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> |
| IPSAS 45- Property Plant and Equipment | <p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the</p> |

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| Standard | Effective date and impact: |
|--|---|
| | <p>scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> |
| <p>IPSAS 46 Measurement</p> | <p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> |
| <p>IPSAS 47- Revenue</p> | <p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> |
| <p>IPSAS 48- Transfer Expenses</p> | <p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and</p> |

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| Standard | Effective date and impact: |
|---|--|
| | cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. |
| IPSAS 49- Retirement Benefit Plans | <i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. |
| IPSAS 50: Exploration For & Evaluation of Mineral Resources | <i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized |

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Entity* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income for each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2024/2025 was approved by Board on 27th July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *entity* recorded additional appropriations on the FY 2024/2025 budget following the Board's approval. The *entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts, and the actuals as per the statement of cash flows.

c. Taxes

Sales tax/ Value Added Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Notes to the Financial Statements (Continued)

d. Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 5 years. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Notes to the Financial Statements (Continued)

f. Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g. Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

Notes to the Financial Statements (Continued)

h. Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i. Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- The asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

j. Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the hospital's financial statements.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

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Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

k. Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour, and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower cost and the current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

l. Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

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The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Notes to the Financial Statements (Continued)

m. Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

n. Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

o. Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

p. Nature and purpose of reserves

The entity creates and maintains reserves in terms of specific requirements.

q. Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Notes to the Financial Statements (Continued)

r. Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump-sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

s. Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

t. Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when

construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

u. Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO/principal and senior managers.

v. Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

w. 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 the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

x. Comparative figures

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

y. 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 June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. (IPSAS 1.140)

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to Financial Statements Continued

6. Transfers from the County Government

| Description | 2024/2025 | 2023/2024 |
|---|-----------|-----------|
| | KShs | KShs |
| Unconditional grants | | |
| Operational grant | 0 | 0 |
| Level 4/5 grants | 0 | 0 |
| Unconditional development grants | 0 | 0 |
| Other grants (<i>specify</i>) | 0 | 0 |
| | 0 | 0 |
| Conditional grants | | |
| User fee forgone | 0 | 0 |
| Transforming health services for Universal care project (THUCP) | 0 | 0 |
| DANIDA | 0 | 0 |
| Wards Development grant | 0 | 0 |
| Paediatric block grant | 0 | 0 |
| Administration block grant | 0 | 0 |
| Laboratory grant | 0 | 0 |
| Total government grants and subsidies | 0 | 0 |

6 b Transfers from The County Government

| Name of the Entity sending the grant | Amount recognized to Statement of financial performance* KShs | Amount deferred under deferred income KShs | Amount recognised in capital fund. | Total grant income during the year | Comparative Period |
|--------------------------------------|--|---|------------------------------------|------------------------------------|--------------------|
| | | | | | |
| | | | KShs | KShs | KShs |
| Kiambu County Government | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

| Description | 2024/2025 | 2023/2024 |
|---|-----------|-----------|
| | KShs | KShs |
| Salaries and wages | 0 | 0 |
| Medical supplies-Drawings Rights (KEMSA) | 0 | 0 |
| Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers) | 0 | 0 |
| Utility bills | 0 | 0 |
| Total grants in kind | 0 | 0 |

8. Grants From Donors and Development Partners

| Description | 2024/2025 | 2023/2024 |
|---|-----------|-----------|
| | KShs | KShs |
| Cancer Centre grant- DANIDA | 0 | 0 |
| World Bank grants | 0 | 0 |
| Paediatric ward grant- JICA | 0 | 0 |
| Research grants | 0 | 0 |
| Other grants (<i>specify</i>) | 0 | 0 |
| Total grants from development partners | 0 | 0 |

8

(a) Grants from donors and

development partners (Classification)

| Name of the Entity sending the grant | Amount recognized to Statement of financial performance | Amount deferred under deferred income | Amount recognised in capital fund. | Total grant income during the year | 2023/2024 |
|--------------------------------------|---|---------------------------------------|------------------------------------|------------------------------------|-----------|
| | KShs | KShs | KShs | KShs | KShs |
| Donor e.g., DANIDA | 0 | 0 | 0 | 0 | 0 |
| JICA | 0 | 0 | 0 | 0 | 0 |
| World Bank | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

| Description | 2024/2025 | 2023/2024 |
|--|-----------|-----------|
| | KShs | KShs |
| Transfer from National Government (Ministry of Health) | 0 | 0 |
| Transfer from National Hospital | 0 | 0 |
| Transfer from Institute | 0 | 0 |
| Total Transfers | 0 | 0 |

10. Public Contributions and Donations

| Description | 2024/2025 | 2023/2024 |
|--|-----------|-----------|
| | KShs | KShs |
| Public donations | 0 | 0 |
| Donations from local leadership | 0 | 0 |
| Donations from religious institutions | 0 | 0 |
| Donations from other international organisations and individuals | 0 | 0 |
| Other donations(<i>specify</i>) | 0 | 0 |
| Donations in kind-amortised | 0 | 0 |
| Total donations and sponsorships | 0 | 0 |

10 (a) Reconciliations of amortised grants

| Description | 2024/2025 | 2023/2024 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Balance unspent at beginning of year | 0 | 0 |
| Current year receipts | 0 | 0 |
| Amortised and transferred to revenue | 0 | 0 |
| Conditions to be met – remain liabilities | 0 | 0 |

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

| Description | 2024/2025 | 2023/2024 |
|---|--------------------|-------------------|
| | Kshs | Kshs |
| Pharmaceuticals | 5,200,003 | 0 |
| Non-Pharmaceuticals | 8,436,115 | 0 |
| Laboratory | 13,342,363 | 0 |
| Radiology | 4,257,218 | 0 |
| Orthopedic and Trauma Technology | 813,248 | 0 |
| Theatre | 94,000 | 0 |
| Accident and Emergency Service | 9,450 | 0 |
| Anesthesia Service | 0 | 0 |
| Ear Nose and Throat service | 74,210 | 0 |
| Nutrition service | 173,300 | 0 |
| Cancer centre service | 0 | 0 |
| Dental services | 405,941 | 0 |
| Reproductive health | 15,804,870 | 0 |
| Paediatrics services | 1,962,502 | 0 |
| Farewell home services | 0 | 0 |
| Ambulance services | 0 | 0 |
| Other medical services income (<i>specify</i>) | 67,330,675 | 68,232,912 |
| Total revenue from the rendering of services | 117,903,895 | 68,232,912 |

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

| Description | 2024/2025 | 2023/2024 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Residential property | 0 | 0 |
| Commercial property | 0 | 0 |
| Total Revenue from rent of facilities | 0 | 0 |

13. Finance /Interest Income

| Description | 2024/2025 | 2023/2024 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Interest income from Cash investments and fixed deposits | 0 | 0 |
| Interest income from short- term/ current deposits | 0 | 0 |
| Interest income from Treasury Bills | 0 | 0 |
| Interest income from Treasury Bonds | 0 | 0 |
| Interest from outstanding debtors | 0 | 0 |
| Total finance income | 0 | 0 |

14. Miscellaneous Income

| Description | 2024/2025 | 2023/2024 |
|---|-----------|-----------|
| | KShs | KShs |
| Insurance recoveries | 0 | 0 |
| Income from sale of tender | 0 | 0 |
| Services concession income | 0 | 0 |
| Sale of goods (water, publications, containers etc) | 0 | 0 |
| Write backs (Deposits, payments in advance etc) | 0 | 0 |
| Bad debts recovered | 0 | 0 |
| <i>Others (Specify)</i> | 0 | 0 |
| Total Miscellaneous income | 0 | 0 |

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

| Description | 2024/2025 | 2023/2024 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Dental costs/ materials | 897,050 | 989,500 |
| Laboratory chemicals and reagents | 8,244,434 | 5,912,130 |
| Public health activities | 0 | 0 |
| Food and Ration | 4,828,919 | 3,132,084 |
| Uniform, clothing, and linen | 261,820 | 0 |
| Dressing and Non-Pharmaceuticals | 23,004,153 | 13,130,662 |
| Pharmaceutical supplies | 9,969,041 | 6,434,925 |
| Health information stationery | 2,786,660 | 0 |
| Reproductive health materials | 0 | 2,258,176 |
| Sanitary and cleansing Materials | 1,956,598 | 996,000 |
| Purchase of Medical gases | 952,325 | 1,352,625 |
| X-Ray/Radiology supplies | 858,000 | 786,150 |
| Other medical related clinical costs (<i>specify</i>) | 0 | 231,500 |
| Total medical/ clinical costs | 53,759,000 | 35,223,752 |

16. Employee Costs

| Description | 2024/2025 | 2023/2024 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Salaries, wages, and allowances | 13,718,000 | 10,192,040 |
| Contributions to pension schemes | 0 | 0 |
| Service gratuity | 0 | 0 |
| Performance and other bonuses | 0 | 0 |
| Staff medical expenses and Insurance cover | 0 | 0 |
| Group personal accident insurance and WIBA | 0 | 0 |
| Social contribution | 0 | 0 |
| Other employee costs (<i>specify</i>) | 0 | 0 |
| Employee costs | 13,718,000 | 10,192,040 |

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

| Description | 2024/2025 | 2023/2024 |
|------------------------------------|---------------|---------------|
| | Kshs | Kshs |
| Chairman's Honoraria | 0 | 0 |
| Sitting allowance | 66,000 | 21,500 |
| Mileage | 0 | 0 |
| Insurance expenses | 0 | 0 |
| Induction and training | 0 | 0 |
| Travel and accommodation allowance | 0 | 0 |
| Airtime allowances | 0 | 0 |
| Total | 66,000 | 21,500 |

18. Depreciation and Amortization Expense

| Description | 2024/2025 | 2023/2024 |
|--|------------------|-----------|
| | Kshs | Kshs |
| Property, plant and equipment | 1,510,499 | 0 |
| Intangible assets | 0 | 0 |
| Investment property carried at cost | 0 | 0 |
| Total depreciation and amortization | 1,510,499 | 0 |

19. Repairs And Maintenance

| Description | 2024/2025 | 2023/2024 |
|--------------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Property- Buildings | 1,028,350 | 1,360,238 |
| Medical equipment | 873,000 | 182,900 |
| Office equipment | 299,720 | 99,984 |
| Furniture and fittings | 385,180 | 0 |
| Computers and accessories | 158,500 | 231,000 |
| Motor vehicle expenses | 158,000 | 158,000 |
| Maintenance of civil works | | 104,359 |
| Total repairs and maintenance | 2,902,750 | 2,136,481 |

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

| Description | 2024/2025 | 2023/2024 |
|---------------------------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Community development and social work | 0 | 0 |
| Education initiatives and programs | 0 | 0 |
| Free/ subsidised medical camp | 0 | 0 |
| Disability programs | 0 | 0 |
| Free cancer screening | 0 | 0 |
| Social benefit expenses | 0 | 0 |
| Other grants and subsidies | 23,475,384 | 13,485,878 |
| Total grants and subsidies | 23,475,384 | 13,485,878 |

21. General Expenses

| Description | 2024/2025 | 2023/2024 |
|------------------------------------|-----------|-----------|
| | Kshs | Kshs |
| Advertising and publicity expenses | 0 | 0 |
| Catering expenses | 300,000 | 100,000 |
| Waste management expenses | 0 | 0 |
| Insecticides and rodenticides | 0 | 0 |
| Audit fees | 0 | 0 |
| Bank charges | 4,260 | 5,666 |
| Conferences and delegations | 0 | 0 |
| Consultancy fees | 0 | 0 |
| Contracted services | 1,664,000 | 1,536,000 |
| Electricity expenses | 2,775,000 | 2,620,000 |
| Fuel and Lubricants | 0 | 0 |
| Insurance | 0 | 0 |
| Research and development expenses | 0 | 0 |
| Travel and accommodation allowance | 0 | 0 |
| Legal expenses | 0 | 0 |
| Licenses and permits | 0 | 0 |
| Courier and postal services | 0 | 0 |
| Printing and stationery | 2,558,950 | 1,935,500 |
| Beddings and linen | 261,820 | 261,820 |
| Other gases (cooking gas) | 357,587 | 0 |
| Water and sewerage costs | 2,000,000 | 300,000 |

Ruiru level 4 Hospital (Kiambu County Government)
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| Description | 2024/2025 | 2023/2024 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| Skills development levies | 0 | 0 |
| Telephone and mobile phone services | 477,000 | 201,000 |
| Internet expenses | 21,000 | 0 |
| Staff training and development | 0 | 0 |
| Subscriptions to professional bodies | 0 | 0 |
| Subscriptions to newspapers periodical, magazines, and gazette notices | 0 | 0 |
| Kitchen utensils | 181,050 | 181,050 |
| Parking charges | 0 | 0 |
| Total General Expenses | 10,600,667 | 7,544,960 |

22. Finance Costs

| Description | 2024/2025 | 2023/2024 |
|---|-----------|-----------|
| | KShs | KShs |
| Borrowings (amortized cost) * | 0 | 0 |
| Finance leases (amortized cost) | 0 | 0 |
| Interest on Bank overdrafts/Guarantees | 0 | 0 |
| Interest on loans from commercial banks | 0 | 0 |
| Total finance costs | 0 | 0 |

23. Gain/Loss on Disposal of Non-Current Assets

| Description | 2024/2025 | 2023/2024 |
|---|-----------|-----------|
| | KShs | KShs |
| Property, plant, and equipment | 0 | 0 |
| Intangible assets | 0 | 0 |
| Other assets not capitalised (<i>specify</i>) | 0 | 0 |
| Total gain on sale of assets | 0 | 0 |

24. Unrealized Gain On Fair Value Investments

| Description | 2024/2025 | 2023/2024 |
|---------------------------|-----------|-----------|
| | KShs | KShs |
| Investments at fair value | 0 | 0 |
| Total gain | 0 | 0 |

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

| Description | 2024/2025 | 2023/2024 |
|---|-----------|-----------|
| | KShs | KShs |
| Comprehensive care contracts with NHIF/SHA | 0 | 0 |
| Non- Comprehensive contracts care with NHIF/SHA | 0 | 0 |
| Linda Mama Program | 0 | 0 |
| Waivers and Exemptions | 0 | 0 |
| Total Gain/Loss | 0 | 0 |

26. Impairment Loss

| Description | 2024/2025 | 2023/2024 |
|--------------------------------|-----------|-----------|
| | KShs | KShs |
| Property, plant, and equipment | 0 | 0 |
| Intangible assets | 0 | 0 |
| Investments | 0 | 0 |
| Total impairment loss | 0 | 0 |

27. Cash And Cash Equivalentents

| Description | 2024/2025 | 2023/2024 |
|---|------------------|-------------------|
| | KShs | KShs |
| Current accounts | 1,490,304 | 17,783,623 |
| On - call deposits | 0 | 0 |
| Fixed deposits accounts | 0 | 0 |
| Cash in hand | 0 | 0 |
| Others(<i>specify</i>)- Mobile money | 0 | 0 |
| Total cash and cash equivalentents | 1,490,304 | 17,783,623 |

Notes to the Financial Statements (Continued)

27 (a). Detailed Analysis of Cash and Cash Equivalents

| Description | | 2024/2025 | 2023/2024 |
|-----------------------------------|----------------|------------------|-------------------|
| Financial institution | Account number | KShs | KShs |
| a) Current account | | | |
| Kenya Commercial bank | 1156993164 | 870 | 5,519,009 |
| Kenya Commercial bank | 1256161306 | 1,489,434 | 12,102,289 |
| Family bank | 1000053777 | 0 | 162,325 |
| Sub- total | | 1,490,304 | 17,783,623 |
| b) On - call deposits | | | |
| Kenya Commercial bank | | 0 | 0 |
| Equity Bank – etc | | 0 | 0 |
| Sub- total | | 0 | 0 |
| c) Fixed deposits account | | | |
| Bank Name | | 0 | 0 |
| Sub- total | | 0 | 0 |
| d) Others(specify) | | | |
| cash in hand | | 0 | 0 |
| Mobile money- Mpesa, Airtel money | | 0 | 0 |
| Sub- total | | 0 | 0 |
| | | | |
| Grand total | | 1,490,404 | 17,783,623 |

28. Prepayments

| Description | 2024/2025 | 2023/2024 |
|----------------|-----------|-----------|
| | Kshs | Kshs |
| Insurance | 0 | 0 |
| Rent | 0 | 0 |
| Water | 0 | 0 |
| Internet | 0 | 0 |
| Others specify | 0 | 0 |
| Total | 0 | 0 |

29. Receivables From Exchange Transactions

| Description | 2024/2025 | Reinstated 2023/2024 |
|------------------------------|--------------------|----------------------|
| | KShs | KShs |
| Medical services receivables | 126,296,516 | 99,258,846 |
| Rent receivables | 0 | 0 |
| Other exchange debtors | 0 | 0 |
| Less: impairment allowance | 0 | 0 |
| Total receivables | 126,296,516 | 99,258,846 |

Analysis of Receivables From Exchange Transactions

| Description | 2024/2025 | | 2023/2024 | |
|--------------------|--------------------|----------------|-------------------|----------------|
| | Kshs | | Kshs | |
| | 2024/2025 | % of the total | 2023/2024 | % of the total |
| Less than 1 year | 37,656,000 | 23.43% | 10,618,330 | 16% |
| Between 1- 2 years | | % | 88,640,516 | 84% |
| Between 2-3 years | 0 | % | 0 | % |
| Over 3 years | 88,640,516 | 76.57% | 0 | % |
| Total (a+b) | 126,296,516 | 100% | 99,258,846 | 100% |

30. Receivables From Non-Exchange Transactions

| Description | 2024/2025 | 2023/2024 |
|--|-----------|-----------|
| | KShs | KShs |
| Transfers from the County Government | 0 | 0 |
| Undisbursed donor funds | 0 | 0 |
| Other debtors (<i>non-exchange transactions</i>) | 0 | 0 |
| Less: impairment allowance | (0) | (0) |
| Total | 0 | 0 |

Analysis of Receivables From Non-Exchange Transactions

| Description | 2024/2025 | | 2023/2024 | |
|--------------------|-----------|----------------|-----------|----------------|
| | Kshs | | Kshs | |
| | | % of the total | | % of the total |
| Less than 1 year | 0 | % | 0 | % |
| Between 1- 2 years | 0 | % | 0 | % |
| Between 2-3 years | 0 | % | 0 | % |
| Over 3 years | 0 | % | 0 | % |
| Total (a+b) | 0 | % | 0 | % |

31. Inventories

| Description | 2024/2025 | 2023/2024 |
|--|-------------------|------------------|
| | KShs | KShs |
| Pharmaceutical supplies | 2,189,375 | 1,882,532 |
| Maintenance supplies | 137,475 | 0 |
| Food supplies | 224,070 | 124,703 |
| Non pharmaceutical supplies | 5,725,275 | 0 |
| Cleaning materials supplies | 103,045 | 168,000 |
| General supplies | 2,623,500 | 451,840 |
| Less: provision for impairment of stocks | (0) | (0) |
| Total | 11,002,740 | 2,627,075 |

Ruiru level 4 Hospital (Kiambu County Government)
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Detailed disclosure on inventories

| | 2024/2025 | 2023/2024 |
|----------------------------------|------------------|------------------|
| Opening balance | 2,627,075 | 0 |
| Additional Inventory in the year | 8,375,465 | 0 |
| Inventory expensed in the year | 0 | 0 |
| Write-downs in the year | 0 | 0 |
| Others specify | 0 | 0 |
| Closing balance | 11,002,740 | 2,627,075 |

Ruiru level 4 Hospital (Kiambu County Government)
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Notes to the Financial Statements (Continued)

32. Property, Plant and Equipment

| Description | Land | Buildings and Civil works | Motor vehicles | Furniture, fittings, and office equipment | ICT Equipment | Plant and medical equipment | Other Assets (specify) | Capital Work in progress | Total |
|------------------------------------|----------|---------------------------|----------------|---|----------------|-----------------------------|------------------------|--------------------------|-------------------|
| | Ksh | Ksh | Ksh | Ksh | Ksh | Ksh | | Ksh | Ksh |
| Cost | | | | | | | | | |
| At 1 July 2023 (previous year) | 0 | 2,128,272 | 0 | 668,500 | 779,270 | 12,288,684 | 0 | 0 | 15,864,726 |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | (0) | (0) | (0) | (0) | (0) | (0) | 0 | - | (0) |
| Transfers/adjustments | 0 | 0 | (0) | 0 | 0 | 0 | 0 | 0 | (0) |
| Revaluation Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | 0 |
| At 30th Jun 2024 | 0 | 2,128,272 | 0 | 668,500 | 779,270 | 12,288,684 | 0 | 0 | 15,864,726 |
| | | | | | | | | | |
| At 1 July 2024 (current year) | 0 | 2,128,272 | 0 | 668,500 | 779,270 | 12,288,684 | 0 | 0 | 15,864,726 |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | (0) | (0) | (0) | (0) | (0) | (0) | 0 | (0) | (0) |
| Transfer/adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | 0 |
| Revaluation Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | 0 |
| At 30th Jun 2025 | 0 | 2,128,272 | 0 | 668,500 | 779,270 | 12,288,684 | 0 | 0 | 15,864,726 |
| Depreciation and impairment | | | | | | | | | |
| At 1 July 2023 (previous year) | | 1,372,300 | 0 | 570,537 | 415,562 | 10,131,938 | 0 | - | 12,490,337 |

Ruiru level 4 Hospital (Kiambu County Government)

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| Description | Land | Buildings and Civil works | Motor vehicles | Furniture, fittings, and office equipment | ICT Equipment | Plant and medical equipment | Other Assets (specify) | Capital Work in progress | Total |
|---|------|---------------------------|----------------|---|----------------|-----------------------------|------------------------|--------------------------|-------------------|
| Depreciation for the year | | 0 | 0 | 0 | 0 | 0 | 0 | - | 0 |
| Disposals | | (0) | (0) | (0) | (0) | (0) | (0) | - | (0) |
| Impairment | | (0) | (0) | (0) | (0) | (0) | (0) | - | (0) |
| At 30 June 2024 | | 1,372,300 | 0 | 570,537 | 415,562 | 10,131,938 | 0 | - | 12,490,337 |
| At July 2024 (current year) | | 1,372,300 | 0 | 570,537 | 415,562 | 10,131,938 | 0 | - | 12,490,337 |
| Depreciation | | 34,308 | 0 | 71,317 | 138,382 | 1,266,492 | 0 | - | 1,510,499 |
| Disposals | | (0) | (0) | (0) | (0) | (0) | (0) | - | (0) |
| Impairment | | (0) | (0) | (0) | (0) | (0) | (0) | - | (0) |
| Transfer/adjustment | | 0 | - | 0 | - | - | 0 | | (0) |
| At 30th June 2025 | | 1,337,992 | 0 | 499,220 | 277,180 | 8,865,446 | 0 | - | 10,979,838 |
| Net book values | | | | | | | | | |
| At 30 th Jun 2024 (previous) | 0 | 1,372,300 | 0 | 570,537 | 415,562 | 10,131,938 | 0 | 0 | 12,490,337 |
| At 30 th Jun 2025 (current) | 0 | 1,337,992 | 0 | 499,220 | 277,180 | 8,865,446 | 0 | 0 | 10,979,838 |

Ruiru level 4 Hospital (Kiambu County Government)
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Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

| Description | 2024/2025 | 2023/2024 |
|------------------------------------|-----------|-----------|
| | KShs | KShs |
| Cost | | |
| At beginning of the year | 0 | 0 |
| Additions | 0 | 0 |
| Additions–Internal development | 0 | 0 |
| Disposal | (0) | (0) |
| At end of the year | 0 | 0 |
| Amortization and impairment | | |
| At beginning of the year | 0 | 0 |
| Amortization for the period | 0 | 0 |
| Impairment loss | 0 | 0 |
| At end of the year | 0 | 0 |
| NBV | 0 | 0 |

34. Investment Property

| Description | 2024/2025 | 2023/2024 |
|---------------------------------|-----------|-----------|
| | KShs | KShs |
| At beginning of the year | 0 | 0 |
| Additions | 0 | 0 |
| Disposals during the year | (0) | (0) |
| Fair value gain | 0 | 0 |
| Depreciation | (0) | (0) |
| Impairment | (0) | (0) |
| At end of the year | 0 | 0 |

Ruiru level 4 Hospital (Kiambu County Government)
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Notes to the Financial Statements (Continued)

35. Biological Assets

| Description | 2024/2025 | 2023/2024 |
|------------------------------------|-----------|-----------|
| | Kshs | Kshs |
| Trees in a plantation forest | 0 | 0 |
| Animals: Dairy Cattle, Pigs, Sheep | 0 | 0 |
| Others specify | 0 | 0 |
| Total | 0 | 0 |

36. Trade and other Payables

| Description | 2024/2025 | | 2023/2024 | |
|---|-------------------|-----------------------|-------------------|-----------------------|
| | KShs | | KShs | |
| Trade payables | 84,664,685 | | 78,821,477 | |
| Employee dues | 0 | | 0 | |
| Third-party payments (e.g. unremitted payroll deductions) | 0 | | 0 | |
| Audit fee | 0 | | 0 | |
| Doctors' fee | 0 | | 0 | |
| Total trade and other payables | 84,664,685 | | 78,821,477 | |
| Ageing analysis: | 2024/2025 | % of the Total | 2023/2024 | % of the total |
| Under one year | 21,296,553 | 28.91% | 15,368,345 | 17% |
| 1-2 years | 0 | % | 0 | % |
| 2-3 years | 0 | % | 0 | % |
| Over 3 years | 63,368,132 | 71.08% | 63,368,132 | 83% |
| Total | 84,664,685 | 100% | 78,821,447 | 100% |

37. Refundable Deposits from Customers/Patients

| Description | 2024/2025 | 2023/2024 |
|------------------------------|-----------|-----------|
| | KShs | KShs |
| Medical fees paid in advance | 0 | 0 |
| Credit facility deposit | 0 | 0 |
| Rent deposits | 0 | 0 |
| Others (specify) | 0 | 0 |
| Total deposits | 0 | 0 |

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| | 2024/2025 | % of the Total | 2023/2024 | % of the Total |
|-------------------------|-----------|----------------|-----------|----------------|
| Ageing analysis: | | | | |
| Under one year | 0 | % | 0 | % |
| 1-2 years | 0 | % | 0 | % |
| 2-3 years | 0 | % | 0 | % |
| Over 3 years | 0 | % | 0 | % |
| Total | 0 | % | 0 | % |

38. Provisions

| Description | Leave provision | Bonus provision | Other provision | Total |
|---|-----------------|-----------------|-----------------|----------|
| | KShs | KShs | KShs | KShs |
| Balance at the beginning of the year | 0 | 0 | 0 | 0 |
| Additional Provisions | 0 | 0 | 0 | 0 |
| Provision utilised | (0) | (0) | (0) | (0) |
| Change due to discount & time value for money | (0) | (0) | (0) | (0) |
| Total provisions | 0 | 0 | 0 | 0 |
| Current Provisions | 0 | 0 | 0 | 0 |
| Non-Current Provisions | 0 | 0 | 0 | 0 |
| Total Provisions | 0 | 0 | 0 | 0 |

39. Finance Lease Obligation

| Description | 2024/2025 | 2023/2024 |
|----------------------------|-----------|-----------|
| | Kshs | Kshs |
| Current Lease obligation | 0 | 0 |
| Long term lease obligation | 0 | 0 |
| Total | 0 | 0 |

40. Deferred Income

| Description | 2024/2025 | 2023/2024 |
|---------------------|-----------|-----------|
| | KShs | KShs |
| Current Portion | 0 | 0 |
| Non-Current Portion | 0 | 0 |
| Total | 0 | 0 |

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Notes to the Financial Statements (Continued)

40 (a) The deferred income movement is as follows:

| Description | National government | International funders/donors | Public contributions and donations | Total |
|---|---------------------|------------------------------|------------------------------------|-------|
| Balance b/f | 0 | 0 | 0 | 0 |
| Additions during the year | 0 | 0 | 0 | 0 |
| Transfers to Capital fund | 0 | 0 | 0 | 0 |
| Transfers to statement of financial performance | 0 | 0 | 0 | 0 |
| Other transfers (<i>Specify</i>) | 0 | 0 | 0 | 0 |
| Balance C/F | 0 | 0 | 0 | 0 |

41. Borrowings

| Description | 2024/2025 | 2023/2024 |
|---|-----------|-----------|
| | KShs | KShs |
| Balance at beginning of the period | 0 | 0 |
| External borrowings during the year | 0 | 0 |
| Domestic borrowings during the year | 0 | 0 |
| Repayments of external borrowings during the year | 0 | 0 |
| Repayments of domestic borrowings during the year | 0 | 0 |
| Balance at end of the period | 0 | 0 |

41. (a) Breakdown of Long- and Short-Term Borrowings

| Description | 2024/2025 | 2023/2024 |
|------------------------|-----------|-----------|
| | KShs | KShs |
| Current Obligation | 0 | 0 |
| Non-Current Obligation | 0 | 0 |
| Total | 0 | 0 |

Notes to the Financial Statements (Continued)

42. Service Concession Arrangements

| Description | 2024/2025 | 2023/2024 |
|--|-----------|-----------|
| | KShs | KShs |
| Fair value of service concession assets recognized under PPE | | 0 |
| Accumulated depreciation to date | 0 | 0 |
| Net carrying amount | <u>0</u> | <u>0</u> |
| Service concession liability at beginning of the year | 0 | 0 |
| Service concession revenue recognized | 0 | 0 |
| Service concession liability at end of the year | <u>0</u> | <u>0</u> |

43. Cash Generated from Operations

| Description | 2024/2025 | 2023/2024 |
|--|-------------------|-----------|
| | KShs | KShs |
| Surplus for the year before tax | 12,602,987 | 0 |
| Adjusted for: | | |
| Depreciation | 0 | 0 |
| Non-cash grants received | (0) | 0 |
| Impairment | 0 | 0 |
| Gains and losses on disposal of assets | (0) | 0 |
| Contribution to provisions | 0 | 0 |
| Contribution to impairment allowance | 0 | 0 |
| Working Capital adjustments | | |
| Increase in inventory | (0) | 0 |
| Increase in receivables | (0) | 0 |
| Increase in deferred income | 0 | 0 |
| Increase in payables | 0 | 0 |
| Increase in payments received in advance | 0 | 0 |
| Net cash flow from operating activities | 12,602,987 | 0 |

Notes to the Financial Statements (Continued)

44. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The hospital's overall risk management programme focuses on the unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The hospital does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The entity's financial risk management objectives and policies are detailed below:

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the hospital's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

| Description | Total amount | Fully performing | Past due | Impaired |
|---|--------------|------------------|----------|----------|
| | Kshs | Kshs | Kshs | Kshs |
| At 30 June 2024 (previous year) | | | | |
| Receivables from exchange transactions | 0 | 0 | 0 | 0 |
| Receivables from –non-exchange transactions | 0 | 0 | 0 | 0 |
| Bank balances | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |
| At 30 June 2025 | | | | |
| Receivables from exchange transactions | 0 | 0 | 0 | 0 |
| Receivables from –non-exchange transactions | 0 | 0 | 0 | 0 |
| Bank balances | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |

Notes to the Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the hospital has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due. The board of management sets the hospital's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the hospital's board of management who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the hospital under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|-------------------------------|-------------------|--------------------|---------------|----------|
| | Kshs | Kshs | Kshs | Kshs |
| At 30 June 2024 | | | | |
| Trade payables | 0 | 0 | 0 | 0 |
| Current portion of borrowings | 0 | 0 | 0 | 0 |
| Provisions | 0 | 0 | 0 | 0 |
| Deferred income | 0 | 0 | 0 | 0 |
| Employee benefit obligation | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |
| At 30 June 2025 | | | | |
| Trade payables | 0 | 0 | 0 | 0 |
| Current portion of borrowings | 0 | 0 | 0 | 0 |
| Provisions | 0 | 0 | 0 | 0 |
| Deferred income | 0 | 0 | 0 | 0 |
| Employee benefit obligation | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |

Notes to the Financial Statements (Continued)

(iii) Market risk

The hospital has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The hospital's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Description | KShs | Other currencies | Total |
|---|----------|------------------|----------|
| | Kshs | | Kshs |
| At 30 June 2025 | | | |
| Financial assets (investments, cash, debtors) | 0 | 0 | 0 |
| Liabilities | | | |
| Trade and other payables | 0 | 0 | 0 |
| Borrowings | 0 | 0 | 0 |
| Net foreign currency asset/(liability) | 0 | 0 | 0 |

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting expected sales proceeds and matching the same with expected payments.

Notes to the Financial Statements (Continued)

| Description | KShs | Other currencies | Total |
|---|----------|------------------|----------|
| | Kshs | | Kshs |
| At 30 June 2025 | | | |
| Financial assets (investments, cash, debtors) | 0 | 0 | 0 |
| Liabilities | | | |
| Trade and other payables | 0 | 0 | 0 |
| Borrowings | 0 | 0 | 0 |
| Net foreign currency asset/(liability) | 0 | 0 | 0 |

Foreign currency sensitivity analysis

The following table demonstrates the effect on the hospital's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

| Description | Change in currency rate | Effect on Profit before tax | Effect on equity |
|-----------------------------|----------------------------|--------------------------------|---------------------|
| | Kshs | Kshs | Kshs |
| 2024 (previous year) | | | |
| Euro | 10% | 0 | 0 |
| USD | 10% | 0 | 0 |
| 2025 (current year) | | | |
| Euro | 10% | 0 | 0 |
| USD | 10% | 0 | 0 |

b) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The hospital's interest rate risk arises from bank deposits. This exposes the hospital to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the hospital's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Notes to the Financial Statements (Continued)

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

iv) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the Hospital's ability to continue as a going concern. The entity capital structure comprises of the following funds:

| Description | 2024/2025 | 2023/2024 |
|---|-----------|-----------|
| | Kshs | Kshs |
| Revaluation reserve | 0 | 0 |
| Retained earnings | 0 | 0 |
| Capital reserve | 0 | 0 |
| Total funds | 0 | 0 |
| | | |
| Total borrowings | 0 | 0 |
| Less: cash and bank balances | 0 | 0 |
| Net debt/ (<i>excess cash and cash equivalents</i>) | 0 | 0 |
| Gearing | 0 | 0 |

Notes to the Financial Statements (Continued)

45. Related Party Balances

Nature of related party relationships

Entities and other parties related to the entity include those parties who have the ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates, and close family members.

Kiambu County Government is the principal shareholder of the *entity*, holding 100% of the *entity's* equity interest. The National Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. The related parties include:

- i) The National Government;
- ii) The County Government;
- iii) Board of Directors;
- iv) Key Management

| Description | 2024/2025 | 2023/2024 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Transactions with related parties | | |
| a) Services offered to related parties | | |
| Services | 0 | 0 |
| Sales of services | 0 | 0 |
| Total | 0 | 0 |
| b) Grants from the Government | | |
| Grants from County Government | 0 | 0 |
| Grants from the National Government Entities | 0 | 0 |
| Donations in kind | 0 | 0 |
| Total | 0 | 0 |
| c) Expenses incurred on behalf of related party | | |
| Payments of salaries and wages for xxx employees | 0 | 0 |
| Payments for goods and services for xxx | 0 | 0 |
| Total | 0 | 0 |

Ruiru level 4 Hospital (Kiambu County Government)
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| Description | 2024/2025 | 2023/2024 |
|---------------------------------------|-----------|-----------|
| | Kshs | Kshs |
| d) Key management compensation | | |
| Directors' emoluments | 0 | 0 |
| Compensation to the medical Sup | 0 | 0 |
| Compensation to key management | 0 | 0 |
| Total | 0 | 0 |

46. Segment Information

47. Contingent Liabilities

| Contingent liabilities | 2024/2025 | 2023/2024 |
|---|-----------|-----------|
| | Kshs | Kshs |
| Court case against the hospital | 0 | 0 |
| Bank guarantees in favour of subsidiary | 0 | 0 |
| Total | 0 | 0 |

48. Capital Commitments

| Capital Commitments | 2024/2025 | 2023/2024 |
|-------------------------------|-----------|-----------|
| | Kshs | Kshs |
| Authorised For | 0 | 0 |
| Authorised And Contracted For | 0 | 0 |
| Total | 0 | 0 |

49. Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

50. Ultimate and Holding Entity

The entity is a County Corporation/ or a Semi- Autonomous Government Agency under the Department of Health. Its ultimate parent is the County Government of Kiambu.

51. Currency

The financial statements are presented in Kenya Shillings (Kshs) and all values are rounded off to the nearest shilling.

18. Appendices


Appendix 1: 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|-----------------------------------|---------------------|--------------------------------------|---|
| | | | | |
| | | | | |

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from the final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for the implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



Accounting Officer

Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

| Project title | Project Number | Donor | Period/ duration | Donor commitment | Separate donor reporting required as per the donor agreement (Yes/No) | Consolidated in these financial statements (Yes/No) |
|---------------|----------------|-------|---------------------|------------------|---|---|
| 1 | | | | | | |
| 2 | | | | | | |

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

| SN | Project | Total project Cost | Total expended to date | Completion % to date | Budget | Actual | Sources of funds |
|----|---------|--------------------|------------------------|----------------------|--------|--------|------------------|
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |

Ruiru level 4 Hospital (Kiambu County Government)
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Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity.....

Name of Beneficiary entity.....

| Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY) | | | | | |
|--|----------------|---------------|-----------------|-----------------|---------|
| Reference Number | Date Disbursed | Recurrent (A) | Development (B) | Total (C)=(A+B) | Remarks |
| | 12/7/2024 | 5,214,000 | 0 | 5,214,000 | |
| | 12/7/2024 | 10,212,838 | 0 | 10,212,838 | |
| | 18/10/2024 | 3,168,750 | 0 | 3,168,750 | |
| | 6/11/2024 | 10,339,710 | 0 | 10,339,710 | |
| | 6/2/2025 | 25,405,056 | 0 | 25,405,056 | |
| | 20/5/2025 | 28,436,828 | 0 | 28,436,828 | |
| | | | | | |
| Total | | 82,777,182 | 0 | 82,777,182 | |

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:
 Name Alex Wani Sign Date 30th 6th 25

Head of Accounts Department - Beneficiary Entity:
 Name PATIENCE KARIMI Sign [Signature] Date 30th JUNE 2025

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Appendix IV Reporting of Climate Relevant Expenditures

| Project Name | Project Description | Project Objectives | Project Activities | Quarter | | | | Source Of Funds | Implementing Partners |
|--------------|---------------------|--------------------|--------------------|---------|----|----|----|-----------------|-----------------------|
| | | | | Q1 | Q2 | Q3 | Q4 | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

XX Hospital (XX County Government)
Annual Report and Financial Statements for The Year Ended 30th June 20xx

Appendix V: Disaster Expenditure Reporting Template

| Programme | Sub-programme | Disaster Type | Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness) | Expenditure item | Amount (Kshs.) | Comments |
|-----------|---------------|---------------|--|------------------|----------------|----------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |