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OF

THE AUDITOR-GENERAL

ON

NYATHUNA LEVEL 4 HOSPITAL

FOR THE YEAR ENDED  
30 JUNE, 2025

COUNTY GOVERNMENT OF KIAMBU



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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

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

*Nyathuna Hospital (Kiambu County Government)*

*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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**1. Acronyms & Glossary of Terms**

1. CSR	Corporate Social Responsibility
2. OSHA	Occupational Health & Safety Act
3. PFMA	Public Financial Management Act
4. MED SUP	Medical Superintendent
5. HAO	Health Administrative Officer
6. HRIO	Health Records Information Officer
7. NSM	Nursing Services Manager
8. NHIF	National Health Insurance Fund
9. SHIF	Social Health Insurance Fund
10. SHA	Social Health Authority
11. NGO	Non-Governmental Organization
12. USAID	United States Agency for International Development
13. LVCT-Dhibiti	Liverpool Voluntary Counselling and Testing
14. EGPAF	Elizabeth Glaser Pediatric AIDS Foundation
15. CWC/MCH	Child Welfare Clinic /Maternal Child Health
16. ANC & FP	Antenatal Clinic & Family Planning
17. NCD	Noncommunicable Diseases
18. MOPC	Medical Out-Patient Clinic
19. OPD	Out Patient Department
20. IPSAS	International Public Sector Accounting Standards
21. FY	Financial Year
22. SCMOH	Sub County Medical Officer of Health
23. CEO	Chief Executive Officer

## **2. Key Entity Information and Management**

### **(a) Background information**

Nyathuna Hospital is a level 4 hospital established under gazette notice 6 supplement number 3 dated 25<sup>th</sup> Jan 2017 and is domiciled in Kiambu County. The hospital is governed by a Board of Management and Hospital Management Team.

### **(b) Principal Activities**

**The mission** mandate of the is to promote and participate in provision of integrated and high quality promotive, preventive, curative and rehabilitative health care services to all.

**The vision-** an efficient and high quality health care system that is accessible, equitable and affordable.

### **(c) Key Management**

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

- Kiambu County department of health
- Nyathuna Hospital Board of Management
- Medical officer in charge - (Accounting Officer/ CEO)
- Hospital Management Team

### **(d) Fiduciary Management**

The key management personnel who held office during the financial quarter ended 30<sup>th</sup> June, 2024 and who had direct fiduciary responsibility were:

	<b>Designation</b>	<b>Name</b>
1.	Medical Officer In Charge	Dr Mary Wambui Njoroge
2.	Nursing services Manager	Grace Wairimu Thiong'o
3.	Accountant	Jedidah Wambui Njogu
4.	Procurement Officer	Eunice Muthoni Ndonga
5.	Pharmacy In Charge	Patrick Kamau Maina
6.	Nutritionist	Linet Wanjiru Warui
7.	Laboratory In Charge	Philip Githongo Kahunga
8.	Clinician In Charge	Simon Wachira Mergu
9.	Hospital Sanitation In Charge	Joyce Thiong'o

**(a) Fiduciary Oversight Arrangements**

1. Finance And General Purposes Board Sub-Committee-which provides oversight and guidance over the finances of the facility and recommends to the general hospital board
2. Hospital Management Committee- consisting of departmental heads, role of which is assessing the delivery of services and financial budgeting and guidance toward implementation of said services at the health facility
3. Inspection And Acceptance Committee- involved in review of products supplied to the facility
4. Procurement Committee- involved in sourcing of suppliers for commodities and services for the facility
5. Medicine And Therapeutic Committee- oversight of medications and health products use at facility
6. Corruption And Advisory Committee- involved in assessment and resolution of disciplinary and corruption cases and implementation of prevention measures of the same
7. Disposal Committee-role of assessing equipment, medication and medical and non-medical inventory and implement measure of disposal of such.

**(b) Entity Headquarters**

PO Box 160,00128  
Nyathuna Level 4 Hospital  
Wangige-Ngecha Road  
Ngecha, Kenya

**(c) Entity Contacts**

Telephone: (254) 745521153  
email: [sdnyathuna@gmail.com](mailto:sdnyathuna@gmail.com)  
No facility website available

**(d) Entity Bankers**

**Kenya Commercial Bank**

Nyathuna Sub County hospital 1157590187  
Nyathuna Level 4 Hospital NHIF collection 1263471145

**Family Bank**

Nyathuna level 4 hospital 001000053770

**(e) Independent Auditors**

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



**(f) Principal Legal Adviser**

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

**(g) County Attorney**

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

### 3. The Board of Management

	<p><b>CHAIRPERSON</b>  Retired primary school Headteacher. with an experience of 36 years in Kabete sub-county.</p> <p><u>Education</u>  1969-70 Gikuni nursery  1971-78 Kirangari pry CPE  1979-82 Kirangari high sch KCE  1985-87 Asumbi trs college PI  2011-13 Kemi Diploma edu management</p> <p><u>Work experience</u>  1987-95 Ast teacher Nyathuna pry  1996-98 D/headteacher King'eero pry  1999-02 Headteacher Mukui pry  2003-08 Headteacher Nyathuna pry  2009-23 Headteacher Kibiku school (Retired)</p> <p>He has been instrumental in guiding the facility through his experience in governance.</p>
	<p><b>MEMBER</b></p> <p>Retired primary school teacher, with an experience of 38 years in Kabete sub-county.</p> <p><u>Education</u>  1979-82: Kenya Certificate of Education  1974-76: P2 Teacher Certificate  1970-73 : Kenya Junior Secondary Certificate  1969: certificate of Primary Education</p> <p><u>Work experience</u>  2004-2014 : Wangige Primary P1 Teacher  1975-2003: Kirangari Primary P2 Teacher</p>

Stephen Mwenyura Kariuki  
Date of birth: 3/7/1963

Victoria Wanjiru Mburu  
Date of Birth: 01/11/1955



James Peter Kamau  
 Date of Birth:09/03/1968

**MEMBER**

An auditor of OAG with several roles in the accountability in the agricultural, education sectors and the Kakamega Regional office .

Education

1999: diploma in Audit in Kenya School of Government, Embu

1987: Kenya Advanced Certificate of Education (A Level)

Kirangari High School

Continuous professional development in audit, public finance ,  
 governance, leadership in the OAG framework

Work experience

2022-2025: member of Karura ka Nyungu Health Facility Board

2013-2014: OAG technical role Nairobi Governance Support

April 1992 to date: auditor of OAG

2021 to date: Citizens accountability auditor

2015-2021: kakamega regional office Auditor

2013-2014: Managerial Accountability Auditor

2011-2013: OAG Secretariat (Accounts)

2008-2011: Agriculture Sector Auditor

1992-2008: Audit examiner, Education sector

1991: Finance PA at Robialac Paints Ltd

1989-1990: teacher at Wangunyu High School



Rev. Francis Kanae Kurende

**MEMBER**

He current serves at revered of ACK, Diocese of Mount Kenya South, he has an experience of more than 20 years. Hence, he has been positively impacting the community through ministering.



Dr Mary Wambui Njoroge  
Date of Birth:17/12/1985

**SECRETARY**



Medical officer in charge

MBChB Medicine and surgery

**Duties**




- chairperson of HMT and other committees
- secretary of hospital board
- oversee and give clinical services as medical officer
- oversee daily functions of all departments of the facility
- authorise payments as per budget and as a signatory of facility accounts




**4. Key Management Team**

<p>Dr Mary Wambui Njoroge</p> 	<p><u>Date of birth</u>- 17th December 1985</p> <p>Medical officer in charge</p> <p>MBChB Medicine and surgery</p> <p><b>Duties</b></p> <ul style="list-style-type: none"> <li>- chairperson of HMT and other committees</li> <li>-secretary of hospital board</li> <li>- oversee and give clinical services as medical officer</li> <li>-oversee daily functions of all departments of the facility</li> <li>-authorise payments as per budget and as a signatory of facility accounts</li> </ul>
<p>Grace Wairimu Thiong'o</p> 	<p>Date of birth 14<sup>TH</sup> April 1982</p> <p>Nursing services manager</p> <p>Diploma in registered community health nursing (KRCHN)</p> <p><b>Duties</b></p> <ul style="list-style-type: none"> <li>-coordinate and oversee nursing services in the facility and various departments</li> <li>-allocation of duties to staff in nursing and support staff</li> <li>- oversee and give nursing services as a nurse</li> </ul>
<p>Eunice Muthoni Ndonga</p> 	<p>Date of birth 14<sup>TH</sup> April 1990</p> <p>Senior Supply-chain Management Officer</p> <p>Diploma in Purchasing and Supply Management</p> <p><b>Duties</b></p> <ul style="list-style-type: none"> <li>-coordinate all procurement activities in the facility</li> <li>-invite timely quotations timely so as to coordinate quarterly purchases</li> <li>-to organise disposal activities of idle and surplus stores</li> <li>to manage inventory activities</li> </ul>

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<p>Jedidah Wambui Njogu</p> 	<p>Date of birth 27<sup>TH</sup> June 1989</p> <p>Accountant in charge</p> <p>MBA Finance option, Bcom (Finance) and CPA(K)</p> <p><b>Duties</b> - Preparation Revenue Report on monthly basis</p> <ul style="list-style-type: none"><li>-Expenditure analysis through monthly bank reconciliation</li><li>-Ensure optimal utilization of Budget issued through AIES</li><li>- Preparation of Quarterly and Annual Financial Report.</li></ul>
<p>Patrick Kamau Maina</p> 	<p>Date of birth 21<sup>st</sup> December 1984</p> <p>Pharmacy In Charge (Pharmaceutical technologist II)</p> <p>Diploma in Pharmaceutical technologist</p> <p><b>Duties</b></p> <ul style="list-style-type: none"><li>-Coordinate and oversee running and operations of the pharmacy department.</li><li>-Making pharmacy commodities orders.</li><li>-pharmacovigilance reports</li><li>-Allocation of duties to pharmacy staff.</li></ul>
<p>Philip Githongo Kahunga</p> 	<p>Date of birth 29<sup>th</sup> March 1985</p> <p>Laboratory In Charge</p> <p>medical laboratory technologist 2</p> <p><b>Duties</b></p> <ul style="list-style-type: none"><li>-coordinate all services in the laboratory ,including reagents stock control and equipment care</li><li>- perform lab tests on clients at facility</li><li>-infection control and disease surveillance at facility</li><li>- prepare monthly laboratory reports</li></ul>

<p>Joyce Thiongo</p> 	<p>Date of birth 15th April 1986 Hospital Sanitation In Charge &amp; Public Health Officer Bsc. Environmental Health Sciences <b>Duties</b></p> <ul style="list-style-type: none"><li>• Reduce health risks arising from inadequate sanitation and hygiene, poor housing and environmental pollution, and ensure work place safety<ul style="list-style-type: none"><li>• Protect consumers' health by ensuring that food and water safety.</li><li>• Ensure control of all disease vectors and vermin in vessels, households and the environment in line with CAP 242.</li><li>• Ensure sanitation and hygiene standards are maintained in health facilities.</li></ul></li></ul>
<p>Linnet Warui</p> 	<p>Date of birth 23<sup>rd</sup> August 1993 Nutrition technologist 3 Diploma nutrition and health <b>Duties</b></p> <ul style="list-style-type: none"><li>- stock control of nutrition supplements</li><li>- management of kitchen services and commodities at facility</li><li>- children's growth monitoring</li><li>- nutrition counselling to patients</li></ul>
<p>Simon Wachira Mergu</p> 	<p>Date of birth- 16 March 1991 Clinical officer in charge Bsc Clinical Medicine <b>Duties</b></p> <ul style="list-style-type: none"><li>-Allocation of clinical officer duties</li><li>-Coordination and monthly reporting of clinical services in the OPD</li><li>-Give clinical services in the facility as a Clinical officer</li><li>report and surveillance of infection prevention procedures</li></ul>

## **5. Chairman's Statement**

I take this opportunity to thank His Excellency Dr Kimani Wamatangi Governor of Kiambu County for appointing me as the chairman of this hospital's board. May I also appreciate the good work done by the outgoing board. It is my hope and prayer that we shall fit in the role they have left behind.

The new board members have begun their roles well and are up to the task. The hospital management team, led by our medical superintendent Dr. Mary Wambui, and the entire hospital have worked tirelessly and have greatly assisted the community to provide the desired medical services.

I wish to convey my gratitude to the county government for the refurbishment and repairs of the facility infrastructure particularly the maternity wing that is now operational. The hospital now has a modern look and appeal. Furthermore, I wish to convey my gratitude to the Safaricom Foundation for constructing a burning chamber to enhance the facility's waste management. The hospital also has a canteen that caters to our patients, community and staff as well.

### **Proposals and Recommendations**

It is the board proposes the following:

1. Building of male, female and children wards
2. Building of Surgical theatre- even if a minor one
3. Construction of an X-ray machine room
4. Avail an ultrasound machine and the staff to operate it and the X-ray machine
5. Ambulance
6. A canteen to cater for patients and staff

### **Challenges facing the facility**

1. Shortage of staff- nurses, clinical officers, pharmacy and lab staff
2. Non-payment of board members allowances
3. Shortage of housing for the staff, some coming from as far as Thika
4. Lack of perimeter fencing of the facility for security purpose
5. Lack of an ambulance

**Way Forward**

It is my desired hope and that of the entire board that the facility will give services to the community equivalent to its standard as a level 4 facility.

Signed..........

Stephen Mwenyura Kariuki  
CHAIRMAN

## **6. Report of The Medical Superintendent**

The following is a report regarding the issues affecting the facility, its challenges and achievements during the financial year, labelled under the pillars of health.

### **Health information systems-**

The facility was enrolled onto the new Kiambu Q-Afya online EMR system in November 2024. The system enables registering and recording client treatment data, as well as financial records of payments made by clients. The system is however affected by frequent downtimes and errors in its functioning. The facility also still suffers from frequent power outages and lack of a power back-up often affects data quality.

The system is backed by manual records for financial (MPESA and SHIF), and MOH registers in all departments. CWC is the only department not registered electronically.

The comprehensive care department (CCC) and HTS (HIV testing services) use ICT equipment (tablets) to enter and attain data in the nationwide Electronic Medical Record (Kenya EMR) system. This helps counter the challenge of following up on migrating clients and treatment defaulters, and overrides loss of data from power outage.

The Nutrition and nursing- CWC/MCH department also often lacks reporting tools.

### **Medical products, vaccines and technologies**

The facility is well stocked with essential medications, with a few non-essential, particularly for Non-Communicable Diseases running out.

Vaccines have also been available despite the recent reports of countrywide shortage of the BCG vaccine. The hospital budgets provide for supply of these items with guidance by the Health Products and Technologies Department and new health procurement system protocols.

The laboratory was supplied with a full haemogram machine and reagents

### **Challenges**

The exclusion of higher level facilities from the PHC fund have reduced patient attendances and the facility income from the outpatient department. Many maternity patients also preferred paying in cash for the services over the higher SHIF cover, due to the caveat that it requires a full year's premiums payment for such coverage.

The reduction in finances has caused a challenge in the procurement of biochemistry reagents.

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Shortage in supply of certain medication especially for Non-Communicable Diseases due to increased costs in the market and lack thereof of the commodities.

The facility and subcounty lacks a utility vehicle for the transport of vaccines and county provided commodities from the Thika based county offices and Kabete sub-county, as well as forwarding relevant financial and non-financial reports and birth documentation to the same offices and Limuru registry respectively. These are transported by members of staff with limitations on transport compensation.

**Achievements**

There has been an adequate supply of essential medication, lab and non-pharm commodities for most of 2025, with less stock-outs of other supplies.

The facility was able to weather the closeout of donor funded HIV and Family planning services occasioned by the withdrawal of USAID and other donors funding. The facility is progressively integrating the CCC services with the other outpatient departments and suffered minimal lack of commodities and medication in the department.

**Human Resources**

**Achievement**

The county engaged the facility's contracted staff, enabling repurposing of the high salary budget to other sectors.

**Challenges**

The facility currently retains the same number of staff as per last year, with a reduction of one by the recent transfer out of a cashier. The nutrition department also saw changes in its coverage by an exchange posting of the staff there.

<b>Personnel cadre</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>
Medical officers	1	1	1
Nurses	8	7	7
Clinical officers	3	2	2
laboratory	1	1	1
pharmacy	2	1	1

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nutritionist	1	1	1
HAO	0	0	0
HRIO	0	0	0
accountant	1	1	1
procurement officer	2	1	1
ICT officer	1	1	1
revenue officer/cashier	1	3	2
support staff	2	2	2
contracted casuals	4	4	4

**Service Delivery**

The facility provides services in the following departments:

1. general outpatient
2. casualty/injection room
3. maternity inpatient
4. MCH-CWC and family planning
5. VCT, CCC & TB clinics
6. pharmacy
7. laboratory
8. NCD-MOPC clinic
9. Occupational therapy- (free partner supported service)
10. others- cervical cancer screening, COVID-19 screening and vaccination, and HPV vaccination

**Achievements**

The facility held a free dental and ANC inreach camp, supported by the County dental and Wangige Hospital dental departments and Kabete subcounty team.

The facility also procured a full haemogram machine to expand the laboratory services

The CCC, TB and Family planning departments also continue to provide services, medication and other health commodities to patients despite the closeout by US based donors earlier in the year.

**Challenges**

The implementation of SHA and cessation of NHIF has caused a disruption in finances, with patients shying away from the facility as they're required to pay for services. This has especially affected clients previously covered by UHC and Kiambu Afya care, and the recently added requirement for full annual premium payment discourages expectant mothers from taking it up.

The prolonged doctors strike, currently in its third month, has exposed the facility to risk of increasing patient morbidity and mortality due to lack of referral facilities at the higher levels.

24-hour services are not available at pharmacy and laboratory departments on weekends and nights. The outpatient department service at night runs on an on call basis with the two clinicians available.

### **Health financing**

#### **Achievement**

The new online EMR system, enables relatively continuous cashless payment services and progressive monitoring of departmental income and other financial follow-up in a paperless system. This has enabled the facility to minimize fraud by locking-out cash payments.

Despite the lack of outpatient SHA coverage, the facility was able to regain an uptake in its finances in the last quarter. The higher returns from maternity services from Ksh 5000 in NHIF to KSH 10,000 per delivery in SHIF has also had a positive effect on the revenue.

#### **Challenge**

The exclusion of higher level facilities from the PHC fund have reduced patient attendances and the facility income from the outpatient department. Many maternity patients also preferred paying in cash for the services over the higher SHIF cover, due to the caveat that it requires a full year's premiums payment for such coverage.

The lack of lab and pharmacy services on weekends and nights still discourages patient attendance. The clinicians are however provided with medication for emergency and weekend sales, as well as updated price lists.

Lack of outpatient services at night also have reduced patient numbers and often with several patients are unable to or decline to pay, many opting out of enrolling into the SHIF programmes.

#### **Infrastructure**

The renovation of the maternity and kitchen units were completed in March 2025, and services resumed. The ANC department was moved from the MCH block to the maternity ward to publicize the unit. The second phase of renovations is ongoing with the construction of a paved and covered ambulance receiving bay ongoing, as well as replastering of the partially completed blocks.

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The Safaricom Foundation completed and handed over the project for the construction of a burning chamber to enable proper waste disposal in July 2025.

The only setbacks are the shifting and combination of several departments in the remaining available spaces, as well as continued water damage to the asbestos covered upper blocks by rains and progressive decay.

**Leadership and governance**

The previous facility hospital board completed its term of service in May 2024, but continued to serve until the new board was inaugurated in February 2025. The new board has held two quarterly meetings and have been active in assisting the facility by engaging with the county government and other stakeholders .

They were instrumental in the recent visit by His Excellency Dr Kimani Wamatangi, Governor of Kiambu County, in his tour of the facility on July 31st, highlighting and presenting the facility's challenges for his oversight and intervention. They also represented the facility during the launch of the new burning chamber and handing over by the Safaricom foundation.

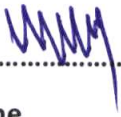
The hospital management team saw minimal changes in its members with the transfer of it's nutritionist Ms Linet Warui, her duties taken up by the NSM Grace and DNSM Beatrice.

**Challenges**

Facility still lacks HAO and HRIO.

The HAO is required in several committees and is key in HR and financial management.

A lack of HRIO provides a challenge in Health information systems and data management.



.....

**Name**

**Secretary to the Board**

### 7. Statement of Performance Against Predetermined Objectives

The Hospital has strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2024- FY 2025. These strategic pillars/ themes/ issues are as follows;

Pillar /theme/issue 1: Service Delivery

Pillar/theme/issue 2: Health financing

Nyathuna level 4 Hospital develops its annual work plans based on the above pillars/Themes/Issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. It achieved its performance targets set for the FY 2024/2025 period for its strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Service Delivery	-Eliminate Communicable conditions - Eliminate Non Communicable conditions -Provide essential Medical services	-Average cost per discharge -Average length of stay - Bed Turnover - Number of maternal referrals -Average waiting time -Medical equipment utilisation	-Immunization ,Child health,nutrition and Screening for communicable conditions -TB at triage and active Case finding (ACF)at departments -Provision of comprehensive Antenatal Care with free IFAAS - Institutional early Screening for	-Reduction of new TB cases and recurrence of the disease by 60 % (from 27in previous year to 16 ) -Reduction in Number of maternal referrals From 20% (26 cases) to 13% (8 cases). -Reduction in Number of new NCD cases by 10% (from 149 in previous year 133) -Reduction of waiting times for patients from 30 to 15 minutes maximum. - Diversification of tests done at the laboratory

			<p>NCD's triage and prompt care and referral of difficult cases.</p> <p>- Health Promotion and education on violence / injuries</p> <p>- Good hygiene practices</p>	<p>with addition of complete blood count haematology test</p> <p>-Positive reports by community and stakeholders on facility cleanliness.</p>
Health financing	<p>Implement cashless based systems in facility</p> <p>Increase insurance utilization and revenue</p>	<p>-Number of cash based transactions</p> <p>-Number of capitations and revenue under insurance</p>	<p>-Enroll clients into UHC,NHIF-SHIF</p> <p>-Deter cash payments in favour of MPESA</p>	<p>-New EMR system Q-Afya implemented from the defunct Funsoft CHIS</p> <p>-Number of cash payments reduced by 90%</p> <p>-UHC - Kiambu afya claims at 109,976,nhif and SHIF claims at 302,425, with 30 capitation patients.</p>

## **8. Corporate Governance Statement**

The hospital board members were appointed by the CEC health in accordance to Kiambu county Health services Act No 2 of 2019, after a shortlisting and interviews held by the county management.

The board has held 4 general quarterly meetings in the last financial year, with attendance by all board members as well as NSM and accountant. The remuneration of some board attendance fees for these sittings are still pending.

*The hospital board was appointed (under gazette notice of 16<sup>th</sup> April 2021) and its appointment and duties are guided by the Kiambu county health services act 2019 as follows:*

- (1) The Executive Member shall appoint a Board for a level four and above hospital, comprising of—
  - (a) a chairperson who shall not be a staff of the County Government with a minimum of a diploma;
  - (b) the hospital superintendent who shall be the secretary;
  - (c) four residents of the sub-county in which the hospital is located who have attained basic level education taking into account gender parity and special interest groups.
- (2) The Board may co-opt any person with relevant expertise necessary to assist the Board determine a matter before it.
- (3) A person shall not be appointed as a Chairperson of a Board unless that person—
  - (a) is a Kenyan;
  - (b) possesses at least a diploma from an institution recognized in Kenya;
  - (c) has experience in management, leadership or administration; and
  - (d) meets the requirements Chapter six of the Constitution.
- (4) The Members of the Board, other than the *ex-official* Member, shall serve for a term of three years which term may be renewed once.

### **Roles And Functions of The Board**

- (5) The Board shall—
  - (a) provide oversight over the general administration of the hospital;
  - (b) promote the development of the hospital;

- (c) recommend to the Executive Member plans and programs for implementing the county health strategies in the hospital;
  - (d) recommend to the Executive Member budget estimates;
  - (e) establishing a hospital-community participation and feedback platform;
  - (f) assessing the delivery of services at the hospital and advice the Executive Member;
  - (g) monitoring the hospitals performance against set targets and advice the Executive Member; and
  - (h) carrying out any other function that may be assigned by the Executive Member.
- (6) The Executive Member may by Regulations prescribe the conduct of business of the Board.

**Ethics and Conduct**

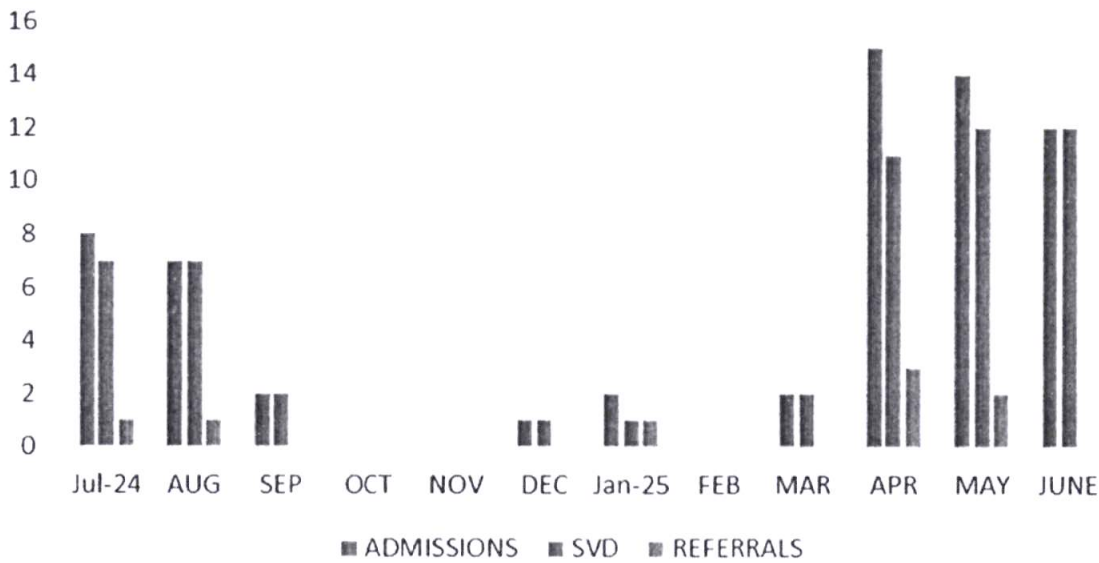
- (7) The Executive Member may remove from office any member of the Board who—
- (a) has been absent for three consecutive meetings of the Board without the permission of the Chairperson;
  - (b) is adjudged bankrupt;
  - (c) is unable to discharge his or her duties due to physical or mental incapacity;
  - (d) violates or is suspected of violating the provisions of Chapter six of the Constitution; or
  - (e) is charged with a criminal offence in court of law or a traffic offence attracting an imprisonment term of a minimum of six months.

**9. Management Discussion and Analysis**

**Clinical/Operational Performance**

-Bed capacity of the hospital- the facility currently has 12 beds in the maternity ward, up from 9 in the previous year.

**INPATIENT ATTENDANCE**



- Overall patient attendance during the year for both inpatient and out patient

The year 2024-2025 had a total outpatient attendance 16123 of with a monthly average of 1344 patients, 2838 at specialised clinics, 8057 general OPD attendance and 5695 at MCH& FP.

Total admissions were 63 with 8 referrals and 55 deliveries. There was a significant reduction in the department during the maternity unit renovations between September and March.

No mortalities were recorded at the facility.

The facility doesn't have a theatre.

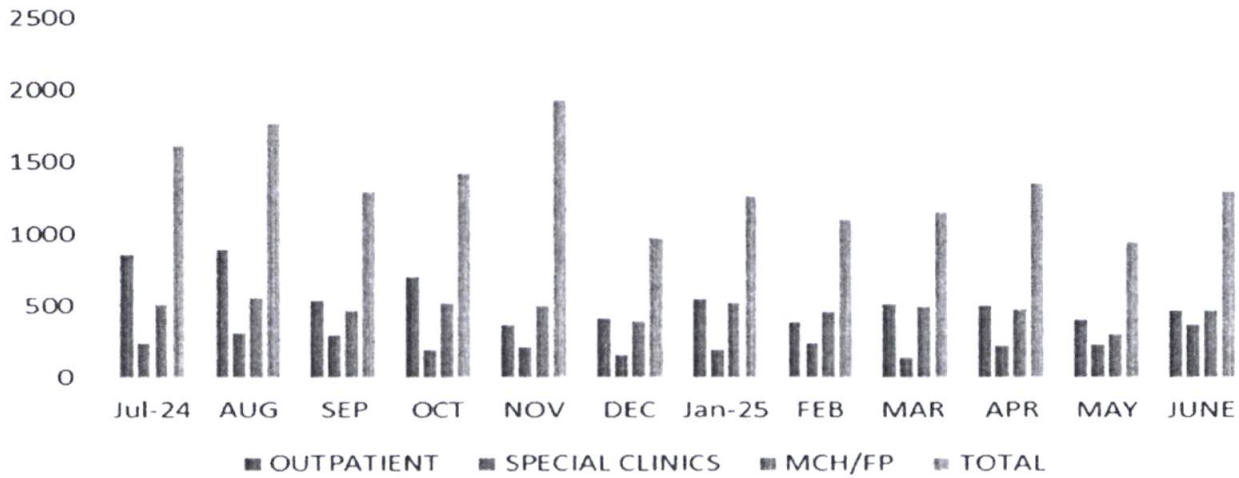
The average length of stay for a patient is 24 hours.

**Sponsorship and partners**

The facility is partnered with the LVCT - Thibiti programme who engage in support for HIV activities.

Watoto CIAO project provides physical therapists and free occupational therapy to children.

**OUTPATIENT ATTENDANCE**

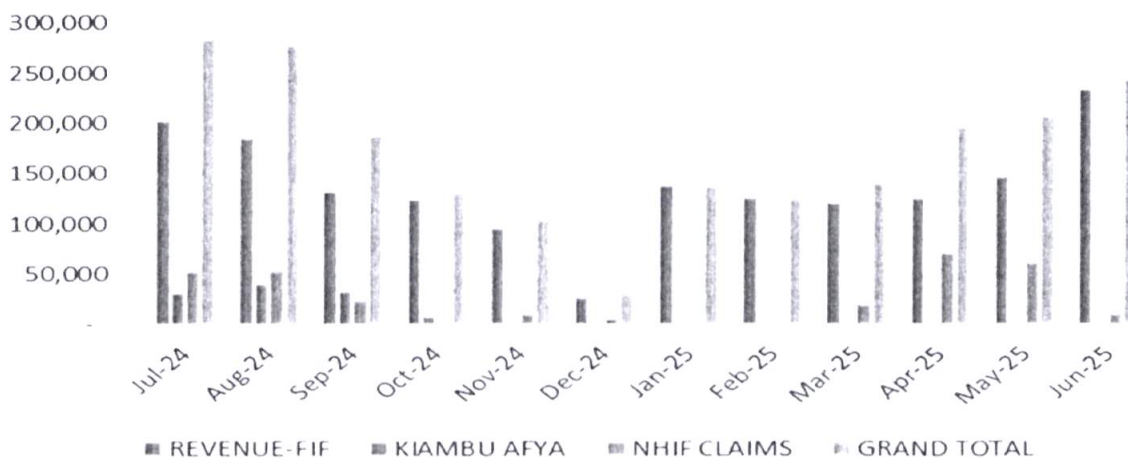


- Financial performance that includes revenue sources, utilisation of funds

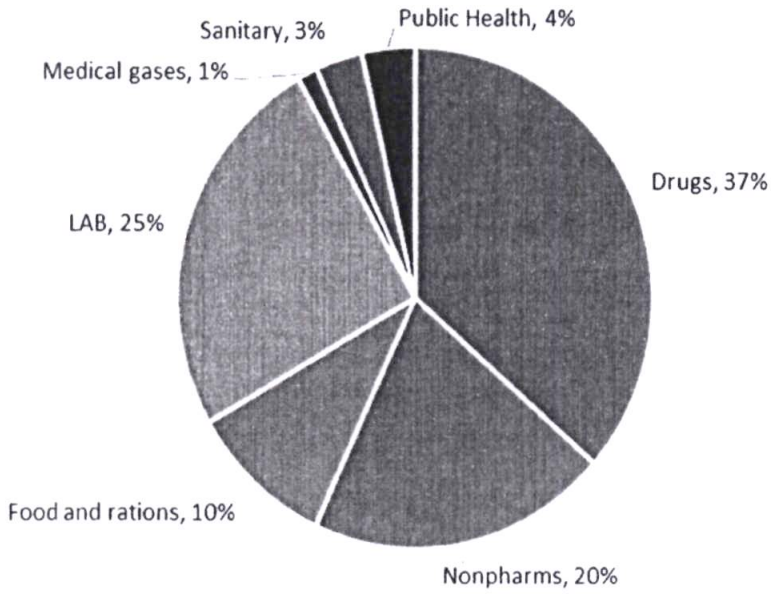
The facility relies on revenue from FIF- patient payments via MPESA and SHIF that covers registered mothers in maternity care.

The National UHC and Kiambu Wamatangi UHC programmes were scrapped in favor of the SHA/SHIF system. The uptake of the new insurance system had a slow uptake by clients and lack of PHC accreditation at the facility level lowered revenue from that source.

**JULY 2024-JULY2025 REVENUE**



2024-2025 FIF UTILIZATION



.....  
**Name**

**Secretary to the Board**

## **10. Environmental And Sustainability Reporting**

Nyathuna level 4 Hospital exists to transform lives. It's what guides us to deliver our strategy, putting the client/Citizen first, delivering health services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

### **i) Sustainability strategy and profile**

Sustainability prompts us to think in terms of the future and using global perspective, recognising the connections between economy, society and ecology. The concept carries the aim of improving quality of life for people and communities across the globe, whilst protecting the natural systems upon which life depends. We support 17 Sustainable Development Goals adopted by UN Member States in Transforming our world: the 2030 Agenda for Sustainable Development. It reflects the commitment behind the Global Goals to make further advances on social progress, economic growth and environmental protection, balancing the three pillars of sustainable development. We have engaged in Community Dialogues to sensitise the community on the services we offer and any feedback that they provide is key to improving our services. Continuous ploughing of the Fif back into the facility has also been key in planning and sustaining the activities of the hospital

### **ii) Environmental performance**

We obtained a burning chamber from the Safaricom Foundation which we utilise in burning waste that is segregated in the black, yellow and red bags as per public health guidelines. Due to lack of incinerator, we don't burn sharps but take them to Kiambu Hospital Incinerator

### **iii) Employee welfare**

Hiring is on the basis of competitive and fair recruitment looking out for Gender balance and following all applicable laws of the land with regards to employment. Employees are deployed from the County Government through the Public Services within their respective departments.

### **iv) Market place practices**

The organisation should outline its efforts to:

a) Responsible competition practice. Procurement processes are done competitively and fairly offering opportunity to all people groups. Nyathuna level 4 Hospital follows to the latter PFM and Public Procurement and Asset Disposal Act

- b) Responsible Supply chain and supplier relations Nyathuna level 4 Hospital maintains good business practices, and treats its own suppliers responsibly by honouring contracts and respecting payment practices. Put in place guidelines to offer equal business opportunities.
- c) Responsible marketing and advertisement We maintain ethical marketing practices and a culture of Transparency. Protection of data, commitment to sustainability and human rights
- d) Product stewardship. Set laws and acts in safeguarding its consumers
- v) **Corporate Social Responsibility / Community Engagements**  
Conduct community outreaches. Like medical camps in the surrounding Nyathuna area where we reach out to special groups like patients with special needs and PLWD.

## **11. Report of The Board of Management**

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2025, which show the state of the hospital's affairs.

### **Principal activities**

The principal activities of Nyathuna level 4 Hospital are to promote and participate in provision of integrated and high quality promotive, preventive, curative and rehabilitative health care services to all.

### **Results**

The results of the entity for the year ended June 30 are set out on page ....

### **Board Of Management**

The members of the Board who served during part of the year are shown on page VII to XII. Dr Mary Wambui was appointed MOIC/CEO/Secretary of Board with effect from February 2025.

### **Auditors**

The Auditor General is responsible for the statutory audit of the facility in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

  
.....

**Name**

**Secretary to the Board**

## **12. Statement of Board of Management's Responsibilities**

Section 164 of the Public Finance Management Act, 2012 and Kiambu county health Act 2019 requires the Board of Management to prepare financial statements in respect of Nyathuna level 4 Hospital, which give a true and fair view of the state of affairs of the facility at the end of the financial year/period and the operating results of the facility for that year/period. The Board of Management is also required to ensure that the facility keeps proper accounting records which disclose with reasonable accuracy the financial position of the facility. The council members are also responsible for safeguarding the assets of the facility. The Board of Management is responsible for the preparation and presentation of the Nyathuna level 4 Hospital financial statements, which give a true and fair view of the state of affairs of the facility for and as at the end of the financial year (period) ended on June 30, 2024. 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 facility; (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 facility 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 and Kiambu County Health Services Act 2019. The Board members are of the opinion that the facility's financial statements give a true and fair view of the state of facility transactions during the financial year ended June 30, 2024 and of the facility financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the facility, which have been relied upon in the preparation of the facility financial statements as well as the adequacy of the systems of internal financial control.

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

*Nyathuna Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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**Approval of the financial statements**

The Hospital's financial statements were approved by the Board on 17/12/25 and signed on its behalf by:

  
.....

**Name:**  
**Chairperson Board of Management**

  
.....

**Name:**  
**Accounting Officer**

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON NYATHUNA LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF KIAMBU**

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### **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 financial statements of Nyathuna Level 4 Hospital - County Government of Kiambu set out on pages 1 to 52, 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

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*Report of the Auditor-General on Nyathuna Level 4 Hospital for the year ended 30 June, 2025-County Government of 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Nyathuna 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 Health Act, 2017 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in Accumulated Surplus**

The statement of financial position reflects Kshs.507,934 in respect of accumulated surplus. However, the statement of changes in net assets reflects Kshs.277,149 resulting to unexplained variance of Kshs.230,785.

In the circumstances, the accuracy of the accumulated surplus could not be confirmed.

#### **2. Non-Disclosure of In-Kind Contributions and Grants**

The statement of financial performance reflects Nil amounts in respect of In-kind contribution from County Government and grants from donors and development partners as disclosed in Notes 7 and 8 respectively. However, during the year under review the County Government and donors paid salaries, supplied drugs and non-pharmaceutical items of unknown value to the Hospital which were not disclosed in the financial statements.

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

#### **3. Unsupported Cash and Cash Equivalents**

The statement of financial position reflects cash and cash equivalents balance of Kshs.477,286 as disclosed in Note 27 to the financial statements. However, the bank reconciliation statements and certificate of bank balance were not provided for audit review.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance totalling Kshs.477,286 could not be confirmed.

#### **4. Unsupported Receivables from Exchange Transactions**

The statement of financial position and as disclosed in Note 29 to the financial statements reflect receivables from exchange transactions balance of Kshs.1,023,202. However, the balance was not supported by invoice/bills and details of services offered.

Further, included in the balance were receivables amounting to Kshs.458,545 which had been outstanding for more than one (1) year. In addition, there was no Policy on impairment of long outstanding receivables casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and recoverability of the outstanding receivables balance of Kshs.1,023,202 could not be confirmed.

#### **5. Unsupported Inventories**

The statement of financial position and as disclosed in Note 31 to the financial statements reflect inventories balance of Kshs.766,079. However, the balance was not supported by stock take report and store ledgers.

In the circumstances, the accuracy and completeness of inventories balance of Kshs.766,079 could not be confirmed.

#### **6. Non- Disclosure of Property, Plant and Equipment**

The statement of financial position reflects a Nil balance of property, plant and equipment as disclosed in Note 32 to the financial statements. However, physical verification carried out during the month of November, 2023 revealed that the Hospital had other assets of unknown value such as land, buildings, furniture, equipment and computers which were not disclosed in the financial statements.

Further, the assets register provided was incomplete and did not include details such as; date of acquisition, cost/value of assets, location, condition of the asset, asset tag number, description of the asset, equipment mode and serial number (where applicable). In addition, the Hospital is built on land whose ownership documents, size and value were not provided for audit review.

In the circumstance, the security, location and value of fixed assets could not be confirmed.

#### **7. Unsupported and Long Outstanding Trade and Other Payables**

The statement of financial position and as disclosed in Note 36 to the financial statements reflect trade and other payables balance of Kshs.1,554,434 which includes Kshs.949,655 which has been outstanding for more than one (1) year. 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 the approved budget estimates.

Further, a total of Kshs.1,182,921 in respect to trade and other payables was not supported by payment vouchers, invoices, quotations, tender opening and evaluation Committee minutes, professional opinion, local purchase orders and stores ledgers.

In the circumstances, the accuracy and completeness of trade and other payables could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Nyathuna Level 4 Hospital - County Government of Kiambu 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.

### **Key Audit Matters**

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

### **Other Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.10,000,000 and Kshs.2,060,300 respectively, resulting to revenue shortfall of Kshs.7,939,700 or approximately 79% of the budget. Similarly, the Hospital expended Kshs.2,701,481 against actual receipts of Kshs.2,060,300 resulting to over expenditure of Kshs.641,181 without prior authority.

The revenue shortfall may have affected the planned activities and may have impacted negatively on service delivery to the public.

### **Other Information**

The Management is responsible for the Other Information set out on pages iii to xxx which comprises of Key Entity Information and Management, Board of Directors, Key Management Team, Chairman's Report, Report of Medical Superintendent, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and Statement of Directors 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. Non-Disclosure of Progress on Follow up of Auditor-General Recommendations**

The financial statement did not include the progress on follow up of auditor-General's recommendation on issues raised, management comments and status of each issue that were raised in the 2023-2024 audit report as required by International Public Sector Accounting Standards (IPSAS) annual financial reporting template issued on 30 June 2025 for level 4 and 5 Hospitals. Further, the Accounting Officer did not sign the section on progress on follow up of the Auditor- General's recommendations.

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

### **2. Expired and Non-Disposal of Medical Supplies**

The statement of financial position and as disclosed in Note 31 to the financial statements reflect an inventories balance of Kshs.766,079. However, review of the store's records for pharmaceuticals and non-pharmaceuticals supplies revealed that four thousand two hundred and seventy-one (4,271) units of undetermined value had expired but had not been disposed as at the time of audit in November, 2025. This was contrary to rule 16(2) of Pharmacy and Poisons (Pharmaceutical Waste Management) Rules, 2022 which provides that pharmaceutical waste shall be disposed of within one year from the date of its generation.

In the circumstances, the effectiveness of management of pharmaceutical and non-pharmaceutical supplies could not be confirmed and Management was in breach of the law.

### **3. Failure to Prepare a Procurement Plan**

The Hospital Management did not prepare a Procurement Plan during the year under review despite several items including medical/clinical item, printing and stationery, fuel and lubricants having been procured during the year under review. This was contrary to Section 53 (2) of the Public Procurement and Asset Disposal Act, 2015 which provides that an Accounting Officer shall prepare an annual Procurement Plan which is realistic in a format set out in the Regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process.

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

#### 4. Failure to Retain Facilities Improvement Fund (FIF) at the Hospital

Review of records from the Hospital revealed that that Kshs.1,780,251 was collected towards health facilities improvement which was all transferred to Kiambu County Health Services Fund. This was contrary to Section 5 (1) of the Facilities Improvement Financing Act, 2023 which requires that all monies raised or received on behalf of all public health Facilities be retained in the Hospital's Facilities improvement Financing Account.

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

#### 5. Deficiency in Implementation of Universal Health Coverage (UHC)

Review of the Hospital's records and interviews on verification of services offered, equipment used and medical specialists in the Hospital as at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits of ninety-three (93) or approximately ninety-two (92%) of staff requirements compared to the authorized establishment as shown below:

Staff Requirements	Level 4 standard	Number in Hospital	Variance	Percentage (%)
Medical officers	16	1	15	94
Anesthesiologists	2	0	2	0
General surgeons	2	0	2	0
Pediatrician	2	0	2	0
Radiologists	2	0	2	0
Kenya Registered Community	75	7	68	91
Gynecologists	2	0	2	0
<b>Total</b>	<b>101</b>	<b>8</b>	<b>93</b>	<b>92</b>

In addition, the Hospital lacked the necessary equipment and machines outlined in the Health Policy Guidelines as detailed below;

Service	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage (%)
Bed Capacity	150	12	138	92
Newborn incubators	5	1	4	80
New born unit cots	5	5	0	0
Resuscitative in theatre	1	0	1	100
Resuscitative in labor ward	2	1	1	50
Functional Intensive Care Unit beds	6	0	6	0
Renal Unit with at least 5 dialysis	5	0	5	0
Functional operating theaters Maternity	2	0	2	0

The deficit contravenes the first schedule of the Health Act, 2017 which requires that accessing the highest attainable standard of health, includes the right to health care services, including reproductive health care as required by Article 43(1) of the Constitution of Kenya, 2010 may not be achieved.

In the circumstances, the Hospital Management will not be able to deliver on its mandate and Universal Health Care Services may not be effectively delivered at the Hospital.

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 THE 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. Inadequate Membership of Hospital Board of Management**

The statement of financial performance reflects board of management expenses of Kshs.48,000 as disclosed in Note 17 to the financial statements. However, during the year under review, the Hospital's Board of Management had four (4) instead of 5 (five) members. This was contrary to Section 19(1) of the Kiambu County Health Services Act, 2019 which require a County or Sub-County Hospital to be administered by a Board appointed by executive member in consultation with the governor with the approval of the County Assembly.

In the absence of adequate Board of Management membership, it was not possible to determine the effectiveness of governance in the Hospital.

#### **2. Lack of Risk Management Policy and Disaster Recovery Plan**

The Hospital Management did not put in place a Risk Management Policy, strategies and risk register to mitigate against risks. It was therefore not clear how risk exposure was managed. This was contrary to Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which require the Accounting Officer to ensure that the County Government entity develops risk management strategies, which include fraud prevention mechanism; and the County Government entity

develops a system of risk management and internal controls that builds robust business operations. Further, the Hospital did not have a Disaster Recovery and Business Continuity Plans required for identifying, preventing and mitigating against disasters and ensuring that its operations are not interrupted. This was contrary to the provisions of Regulations 158(b)(1) of the Public Finance Management (County Governments) Regulations, 2015.

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

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of the Management and Board of Directors**

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 the 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 Hospital's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**19 December, 2025**

*Nyathuna Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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

Description	Note	Period ended	Comparative
		30th June, 2025	Period 30th June, 2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	-	-
In-kind contributions from the County Government	7	-	-
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		-	-
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	11	2,060,300	2,501,843
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
<b>Revenue from exchange transactions</b>		<b>2,060,300</b>	<b>2,501,843</b>
<b>Total revenue</b>		<b>2,060,300</b>	<b>2,501,843</b>
<b>Expenses</b>			
Medical/Clinical costs	15	1,248,547	280,824
Employee costs	16	-	548,596
Board of Management Expenses	17	48,000	34,500
Depreciation and amortization expense	18	-	-
Repairs and maintenance	19	15,620	65,000
Grants and subsidies	20	468,884	486,351
General expenses	21	701,970	578,638
Finance costs	22	-	-
<b>Total expenses</b>		<b>2,483,021</b>	<b>1,993,909</b>
<b>Other gains/(losses)</b>			

**Nyathuna Hospital (Kiambu County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

Description	Note	Period ended	Comparative
		30th June, 2025	Period 30th June, 2024
		Kshs	Kshs
Gain/Loss on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	-
Impairment loss	26	(-)	(-)
Gain on foreign exchange transactions		-	-
<b>Total other gains/(losses)</b>		-	-
<b>Net Surplus / (Deficit) for the year</b>		<b>(422,721)</b>	<b>507,934</b>

*(The notes set out on pages 25 to 33 form an integral part of the Annual Financial Statements.)*

The Hospital's financial statements were approved by the Board on 17/12/25 and signed on its behalf by:

  
 .....

**Chairman**  
**Board of Management**

  
 .....

**Head of Finance**  
**ICPAK No:**

  
 .....

**Medical Superintendent**

**Nyathuna Hospital (Kiambu County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

**15. Statement of Financial Position As At 30<sup>th</sup> June 2025**


Description	Note	Period ended	Comparative
		30th June, 2025	Period 30th June, 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27	477,286	63,320
Prepayments	28	-	-
Receivables from exchange transactions	29	1,023,202	656,536
Receivables from non-exchange transactions	30	-	-
Inventories	31	766,079	950,551
<b>Total Current Assets</b>		<b>2,266,567</b>	<b>1,670,407</b>
<b>Non-current assets</b>			
Property, plant, and equipment	32	-	-
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
<b>Total Non-current Assets</b>		<b>-</b>	<b>-</b>
<b>Total assets (A)</b>		<b>2,266,567</b>	<b>1,670,407</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	36	1,554,434	1,103,090
Refundable deposits from Patients/Prepayments	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
<b>Total Current Liabilities</b>		<b>1,554,434</b>	<b>1,103,090</b>
<b>Non-current liabilities</b>			
Provisions	38	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-

**Nyathuna Hospital (Kiambu County Government)**  
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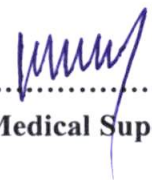
Description	Note	Period ended	Comparative
		30th June, 2025	Period 30th June, 2024
		Kshs	Kshs
Non - Current portion of borrowings	41	-	-
Service concession Arrangements	42	-	-
<b>Total non-current liabilities</b>		-	-
<b>Total Liabilities (B)</b>		<b>1,554,434</b>	<b>1,103,090</b>
<b>Net assets (A-B)</b>		<b>712,133</b>	<b>567,317</b>
<b>Represented by:</b>			
Revaluation reserve		-	-
Accumulated surplus/Deficit		507,934	507,934
Capital Fund		204,199	-
<b>Net Assets</b>		<b>712,133</b>	<b>699,870</b>

(The notes on pages 34 to 44 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 17/12/25 and signed on its behalf by:

  
 .....  
**Chairman**  
**Board of Management**

  
 .....  
**Head of Finance**  
**ICPAK No:**

  
 .....  
**Medical Superintendent**

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
<b>As at July 1, 2023 (previous year)</b>	-	<b>191,936</b>	-	<b>191,936</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	<b>507,934</b>	-	<b>507,934</b>
Capital/Development grants	-	-	-	-
<b>As at June 30, 2024 (previous year)</b>	-	<b>699,870</b>	-	<b>699,870</b>
<b>At July 1, 2024 (current year)</b>	-	<b>699,870</b>	-	<b>699,870</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	<b>(422,721)</b>	-	<b>(422,721)</b>
Capital/Development grants	-	-	-	-
<b>At June 30, 2025 (current year)</b>	-	<b>277,149</b>	-	<b>277,149</b>

*Nyathuna Hospital (Kiambu County Government)*  
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**17. Statement of Cash Flows for The Year Ended 30 June 2025**

Description	Note	Period ended 30th June, 2025	Comparative Period 30th June, 2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government		-	-
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		2,358,391	1,650,526
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts( <i>specify</i> )		-	-
<b>Total Receipts</b>		<b>2,358,391</b>	<b>1,650,526</b>
<b>Payments</b>			
Medical/Clinical costs		734,203	311,011
Employee costs		-	885,785
Board of Management Expenses		91,500	26,500
Repairs and maintenance		15,620	65,000
Grants and subsidies		139,304	-
General expenses		900,479	563,610
Finance costs		-	-
Refunds paid out		-	-
<b>Total Payments</b>		<b>1,881,106</b>	<b>1,851,906</b>
<b>Net cash flows from operating activities</b>	43	<b>477,286</b>	<b>(198,736)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment		(-)	(-)
Purchase of intangible assets		(-)	(-)
Proceeds from the sale of PPE		-	-
Acquisition of investments		(-)	(-)
<b>Net cash flows used in investing activities</b>		<b>(-)</b>	<b>(-)</b>

*Nyathuna Hospital (Kiambu County Government)*  
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Description	Note	Period ended 30th June, 2025	Comparative Period 30th June, 2024
		Kshs	Kshs
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		(-)	(-)
Capital grants received		-	(-)
<b>Net cash flows used in financing activities</b>		(-)	(-)
<b>Net increase/(decrease) in cash and cash equivalents</b>		-	(198,736)
Cash and cash equivalents as at 1 July	27	-	262,056
<b>Cash and cash equivalents as at 30 June</b>	27	477,286	63,320

## 18. 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
	<b>A</b>	<b>b</b>	<b>c=(a+b)</b>	<b>D</b>	<b>e=(c-d)</b>	<b>f=d/c%</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Budget carryovers from the previous year	-	-	-	-	-	%
<b>Receipts</b>						
Transfers from the County Government	-	-	-	-	-	%
Grants from donors and development partners	-	-	-	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	10,000,000	-	10,000,000	2,060,300	7,939,700	21%
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Miscellaneous receipts ( <i>specify</i> )	-	-	-	-	-	%
<b>Total receipts</b>	<b>10,000,000</b>	<b>-</b>	<b>10,000,000</b>	<b>2,060,300</b>	<b>7,939,700</b>	<b>21%</b>
<b>Payments</b>						
Medical/Clinical costs	4,000,000	-	4,000,000	1,248,547	2,751,453	31%
Employee costs	-	-	-	-	-	%
Remuneration of directors	90,000	-	90,000	48,000	42,000	53%
Repairs and maintenance	1,010,000	-	1,010,000	15,620	994,380	2%
Grants and subsidies	2,000,000	-	2,000,000	468,884	1,531,116	23%
General expenses	2,900,000	-	2,900,000	920,430	1,979,570	32%
Finance costs	-	-	-	-	-	%
Refunds	-	-	-	-	-	%
<b>Total Operational Expenditure paid</b>	<b>10,000,000</b>	<b>-</b>	<b>10,000,000</b>	<b>2,701,481</b>	<b>7,298,519</b>	<b>27%</b>
<b>Capital Expenditure paid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>%</b>
<b>Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(641,181)</b>	<b>-</b>	<b>%</b>

*Nyathuna Hospital (Kiambu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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**Budget notes**

*Changes between the original and final budget is due to reallocations to meet the requirement for Level 4 Hospitals to have a budget of at least Ksh. 10,000,000*

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	<b>(641,181)</b>
1	Reason for differences - arrears of payables in the current year	570,279
2	Reason for differences – bank balance of NHIF/SHIF account	49,878
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	<b>477,286</b>

## **19. Notes to the Financial Statements**

### **1. General Information**

Nyathuna Level 4 Hospital entity is established by and derives its authority and accountability from Health Act of 2017. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is health care service.

### **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 hospital's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the hospital. 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><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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 cashflows 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><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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 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>
IPSAS 46 Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p>

Standard	Effective date and impact:
	<ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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 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.</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>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.</p>
<p>IPSAS 50:</p>	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p>

Standard	Effective date and impact:
Exploration For & Evaluation of Mineral Resources	<p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>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.</li> </ul>

*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 hospital 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.

### **b. Budget information**

The original budget for FY 2024/2025 was approved by Board on *2<sup>nd</sup> July 2025*. 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 hospital recorded additional appropriations on the FY 2024/1015 budget following the Board's approval. The hospital'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.

**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 reasonable 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.

**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.

**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 hospital does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the hospital's financial statements. (amend as appropriate).*

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 26*.

## **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.

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

**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.

**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 hospital 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 in Note 38. 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.

**6. Transfers from the County Government**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
<b>Unconditional grants</b>		
Operational grant	-	-
Level 4/5 grants	-	-
Unconditional development grants	-	-
Other grants ( <i>specify</i> )	-	-
	-	-
<b>Conditional grants</b>		
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
<b>Total government grants and subsidies</b>	-	-

**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	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**7. In Kind Contributions from The County Government**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Salaries and wages	-	-
Medical supplies-Drawings Rights (KEMSA)	-	-

Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	-
Utility bills	-	-
<b>Total grants in kind</b>	-	-

**8. Grants From Donors and Development Partners**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Cancer Centre grant- DANIDA	-	-
World Bank grants	-	-
Paediatric ward grant- JICA	-	-
Research grants	-	-
Other grants ( <i>specify</i> )	-	-
<b>Total grants from development partners</b>	-	-

**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	Comparative Period 30th June, 2024
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**9. Transfers From Other Government Entities**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from National Hospital	-	-
Transfer from Institute	-	-
<b>Total Transfers</b>	-	-

10. Public Contributions and Donations

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from other international organisations and individuals	-	-
Other donations( <i>specify</i> )	-	-
Donations in kind-amortised	-	-
<b>Total donations and sponsorships</b>	-	-

10 (a)Reconciliations of amortised grants

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	Kshs	Kshs
<b>Balance unspent at beginning of year</b>	-	-
Current year receipts	-	-
Amortised and transferred to revenue	-	-
<b>Conditions to be met – remain liabilities</b>	-	-

11. Rendering of Services-Medical Service Income

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	Kshs	Kshs
Pharmaceuticals	483,093	-
Non-Pharmaceuticals	400	-
Laboratory	285,000	-
Radiology	-	-
Orthopedic and Trauma Technology	200	-
Theatre	-	-
Accident and Emergency Service	-	-
Anesthesia Service	-	-
Ear Nose and Throat service	-	-
Nutrition service	650	-

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Cancer centre service	-	-
Dental services	-	-
Reproductive health	317,900	-
Paediatrics services	-	-
Farewell home services	-	-
Ambulance services	-	-
Other medical services income	973,057	2,501,843
<b>Total revenue from the rendering of services</b>	<b>2,060,300</b>	<b>2,501,843</b>

**12. Revenue From Rent of Facilities**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	Kshs	Kshs
Residential property	-	-
Commercial property	-	-
<b>Total Revenue from rent of facilities</b>	<b>-</b>	<b>-</b>

**13. Finance /Interest Income**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	Kshs	Kshs
Interest income from Cash investments and fixed deposits	-	-
Interest income from short- term/ current deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
<b>Total finance income</b>	<b>-</b>	<b>-</b>

**14. Miscellaneous Income**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-

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Sale of goods (water, publications, containers etc)	-	-
Write backs (Deposits, payments in advance etc)	-	-
Bad debts recovered	-	-
<i>Others (Specify)</i>	-	-
<b>Total Miscellaneous income</b>	<b>-</b>	<b>-</b>

**15. Medical/ Clinical Costs**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	Kshs	Kshs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	314,045	94,763
Public health activities	44,580	-
Food and Ration	123,270	42,126
Uniform, clothing, and linen	-	-
Dressing and Non-Pharmaceuticals	254,800	115,935
Pharmaceutical supplies	454,927	-
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	40,000	28,000
Purchase of Medical gases	16,925	-
X-Ray/Radiology supplies	-	-
Other medical related clinical costs ( <i>specify</i> )	-	-
<b>Total medical/ clinical costs</b>	<b>1,248,547</b>	<b>280,824</b>

**16. Employee Costs**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	Kshs	Kshs
Salaries, wages, and allowances	-	511,560
Contributions to pension schemes	-	37,036
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-

Social contribution	-	-
Other employee costs ( <i>specify</i> )	-	-
<b>Employee costs</b>	-	<b>548,596</b>

#### 17. Board of Management Expenses

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	41,000	20,500
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	7,000	14,000
Airtime allowances	-	-
<b>Total</b>	<b>48,000</b>	<b>34,500</b>

#### 18. Depreciation and Amortization Expense

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	Kshs	Kshs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>-</b>	<b>-</b>

#### 19. Repairs And Maintenance

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	Kshs	Kshs
Property- Buildings	15,000	10,820
Medical equipment	-	4,180
Office equipment	-	-
Furniture and fittings	-	-

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Computers and accessories	620	50,000
Motor vehicle expenses	-	-
Maintenance of civil works	-	-
<b>Total repairs and maintenance</b>	<b>15,620</b>	<b>65,000</b>

**20. Grants And Subsidies**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	Kshs	Kshs
Community development and social work	-	-
Education initiatives and programs	-	-
Free/ subsidised medical camp	-	-
Disability programs	-	-
Free cancer screening	-	-
Social benefit expenses	-	-
Other grants and subsidies( <i>specify</i> )	468,884	486,351
<b>Total grants and subsidies</b>	<b>468,884</b>	<b>486,351</b>

**21. General Expenses**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	33,000	14,377
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	28,170	27,028
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	-	-
Electricity expenses	519,000	-
Fuel and Lubricants	-	373,408
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	-	33,825
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Printing and stationery	35,000	33,000
Hire charges	-	-
Rent expenses	-	-
Water and sewerage costs	32,460	10,000
Skills development levies	-	-
Telephone and mobile phone services	255,000	87,000
Internet expenses	17,800	-
Staff training and development	-	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
<b>Total General Expenses</b>	<b>920,430</b>	<b>578,638</b>

## 22. Finance Costs

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Interest on Bank overdrafts/Guarantees	-	-
Interest on loans from commercial banks	-	-
<b>Total finance costs</b>	<b>-</b>	<b>-</b>

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

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised (specify)	-	-
<b>Total gain on sale of assets</b>	<b>-</b>	<b>-</b>

**24. Unrealized Gain On Fair Value Investments**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Investments at fair value	-	-
<b>Total gain</b>	-	-

**25. Medical Services Contracts Gains /Losses**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Comprehensive care contracts with NHIF/SHA	-	-
Non- Comprehensive contracts care with NHIF/SHA	-	-
Linda Mama Program	-	-
Waivers and Exemptions	-	-
<b>Total Gain/Loss</b>	-	-

**26. Impairment Loss**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Investments	-	-
<b>Total impairment loss</b>	-	-

## 27. Cash And Cash Equivalents

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Current accounts	477,286	63,320
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others( <i>specify</i> )- Mobile money	-	-
<b>Total cash and cash equivalents</b>	<b>477,286</b>	<b>63,320</b>

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

Description	Account number	Period ended 30th June, 2025	Comparative Period 30th June, 2024
		KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank	1157590187	427,408	55,824
Kenya Commercial bank	1263471145	49,878	936
Family bank	001000068736	-	6,560
<b>Sub- total</b>		<b>477,286</b>	<b>63,320</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
<b>Sub- total</b>		-	-
<b>c) Fixed deposits account</b>			
Bank Name		-	-
<b>Sub- total</b>		-	-
<b>d) Others(<i>specify</i>)</b>			
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
<b>Sub- total</b>		<b>477,286</b>	<b>63,320</b>

<b>Grand total</b>		<b>477,286</b>	<b>63,320</b>
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**28. Prepayments**

Description	Period ended	Comparative
	30th June, 2025	Period 30th June, 2024
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others specify	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**29. Receivables From Exchange Transactions**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Medical services receivables	1,023,202	656,536
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	(-)	(-)
<b>Total receivables</b>	<b>1,023,202</b>	<b>656,536</b>

**Analysis of Receivables From Exchange Transactions**

Description	Period ended 30th June, 2025		Comparative Period 30th June, 2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	572,926	56%	656,536	100%
Between 1- 2 years	458,545	44%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	<b>1,031,471</b>	<b>100%</b>	<b>656,536</b>	<b>100%</b>

**30. Receivables From Non-Exchange Transactions**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Transfers from the County Government	-	-
Undisbursed donor funds	-	-
Other debtors ( <i>non-exchange transactions</i> )	-	-
Less: impairment allowance	(-)	(-)
<b>Total</b>	<b>-</b>	<b>-</b>

**Analysis of Receivables From Non-Exchange Transactions**

Description	Period ended 30th June, 2025		Comparative Period 30th June, 2024	
	KShs		KShs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	-	%	-	%

**31. Inventories**

Description	Period e-nded 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Pharmaceutical supplies	-	276,919
Maintenance supplies	-	-
Food supplies	-	-
Linen and clothing supplies	530,646	673,632
Laboratory Reagent	235,433	
Cleaning materials supplies	-	-
General supplies	-	-
Less: provision for impairment of stocks	(-)	(-)
<b>Total</b>	<b>766,079</b>	<b>950,551</b>

**Detailed disclosure on inventories**

	Period ended 30th June, 2025	Comparative Period 30th June, 2024
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

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
<b>Cost</b>									
At 1 July 2023 (previous year)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	-	-	(-)
Transfers/adjustments	-	-	-	-	-	-	-	-	(-)
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> Jun 2024</b>	-	-	-	-	-	-	-	-	-
At 1 July 2024 (current year)	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	-	(-)	(-)
Transfer/adjustments	-	-	-	-	-	-	-	(-)	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> Jun 2025</b>	-	-	-	-	-	-	-	-	-
<b>Depreciation and impairment</b>									
At 1 July 2023 (previous year)		-	-	-	-	-	-	-	-
Depreciation for the year		-	-	-	-	-	-	-	-
Disposals		(-)	(-)	(-)	(-)	(-)	(-)	-	(-)

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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
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Impairment		(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
<b>At 30 June 2024</b>		-	-	-	-	-	-	-	-
At July 2024 (current year)		-	-	-	-	-	-	-	-
Depreciation		-	-	-	-	-	-	-	-
Disposals		(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
Impairment		(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
Transfer/adjustment		-	-	-	-	-	-		(-)
<b>At 30<sup>th</sup> June 2025</b>		-	-	-	-	-	-	-	-
<b>Net book values</b>									
At 30 <sup>th</sup> Jun 2024 (previous)	-	-	-	-	-	-	-	-	-
At 30 <sup>th</sup> Jun 2025 (current)	-	-	-	-	-	-	-	-	-

**33. Intangible Assets-Software**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
<b>Cost</b>		
<b>At beginning of the year</b>	-	-
Additions	-	-
Additions-Internal development	-	-
Disposal	(-)	(-)
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization for the period	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

**34. Investment Property**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposals during the year	(-)	(-)
Fair value gain	-	-
Depreciation ( <i>where investment property is at cost</i> )	(-)	(-)
Impairment	(-)	(-)
<b>At end of the year</b>	-	-

**35. Biological Assets**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	Kshs	Kshs
Trees in a plantation forest	-	-
Animals: Dairy Cattle, Pigs, Sheep	-	-
Others specify	-	-
<b>Total</b>	-	-

**36. Trade and other Payables**

Description	Period ended 30th June, 2025		Comparative Period 30th June, 2024	
	KShs		KShs	
Trade payables	1,509,434		995,090	
Employee dues	-		108,000	
Third-party payments (e.g. unremitted payroll deductions)	-		-	
Audit fee	-		-	
Board of Management Expenses	45,000			
Doctors' fee	-		-	
<b>Total trade and other payables</b>	<b>1,554,434</b>		<b>1,103,090</b>	
<b>Ageing analysis:</b>	<b>Period ended 30th June, 2025</b>	<b>% of the Total</b>	<b>Comparative Period 30th June, 2024</b>	<b>% of the total</b>
Under one year	604,779	39%	90,435	8%
1-2 years	10,500	1%	34,500	3%
2-3 years	-	%	-	%
Over 3 years	939,155	60%	978,155	89%
<b>Total</b>	<b>1,554,434</b>	<b>100%</b>	<b>1,103,090</b>	<b>100%</b>

**37. Refundable Deposits from Customers/Patients**

Description	Period ended 30th June, 2025		Comparative Period 30th June, 2024	
	KShs		KShs	
Medical fees paid in advance	-		-	
Credit facility deposit	-		-	
Rent deposits	-		-	
Others (specify)	-		-	
<b>Total deposits</b>	<b>-</b>		<b>-</b>	
<b>Ageing analysis:</b>	<b>Period ended 30th June, 2025</b>	<b>% of the Total</b>	<b>Comparative Period 30th June, 2024</b>	<b>% of the Total</b>
Under one year	-	%	-	%

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1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	%	-	%

**38. Provisions**

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

**39. Finance Lease Obligation**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
<b>Total</b>	-	-

**40. Deferred Income**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
<b>Total</b>	-	-

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

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

**41. Borrowings**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
<b>Balance at beginning of the period</b>	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	(-)	(-)
Repayments of domestic borrowings during the year	(-)	(-)
<b>Balance at end of the period</b>	-	-

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

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Current Obligation	-	-
Non-Current Obligation	-	-
<b>Total</b>	-	-

**42. Service Concession Arrangements**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Fair value of service concession assets recognized under PPE	-	-

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Accumulated depreciation to date	(-)	(-)
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	(-)	(-)
Service concession liability at end of the year	-	-

**43. Cash Generated from Operations**

Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	KShs	KShs
Surplus for the year before tax	-	-
<b>Adjusted for:</b>		
Depreciation	-	-
Non-cash grants received	(-)	(-)
Impairment	-	-
Gains and losses on disposal of assets	(-)	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
<b>Working Capital adjustments</b>		
Increase in inventory	(-)	(-)
Increase in receivables	(-)	(-)
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	<b>477,286</b>	<b>63,320</b>

**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
<b>At 30 June 2024 (previous year)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2025 (current year)</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

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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 from patients. 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
<b>At 30 June 2024</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2025</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**(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
<b>At 30 June 2025</b>			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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.

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

**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
<b>2024 (previous year)</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2025 (current year)</b>			
Euro	10%	-	-
USD	10%	-	-

**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.

**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.

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Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of financial performance if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs 0 (2024: KShs 0). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs 0 (2025 – KShs 0).

**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	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve	-	-
<b>Total funds</b>	-	-
Total borrowings	-	-
Less: cash and bank balances	(-)	(-)
Net debt/ ( <i>excess cash and cash equivalents</i> )	-	-
<b>Gearing</b>	%	%

**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 hospital, holding 100% of the hospital’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

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Description	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		
Services to related parties	-	-
Sales of services to related parties	-	-
<b>Total</b>	-	-
<b>b) Grants from the Government</b>		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
<b>Total</b>	-	-
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for related parties' employees	-	-
Payments for goods and services for related parties	-	-
<b>Total</b>	-	-
<b>d) Key management compensation</b>		
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
<b>Total</b>	-	-

**44. Segment Information**

The hospital doesn't operate in different geographical regions or in departments, hence no allocation of resources to different segments.

**45. Contingent Liabilities**

Contingent liabilities	Period ended 30th June, 2025	Comparative Period 30th June, 2024
	Kshs	Kshs
Court case against the hospital	-	-
Bank guarantees in favour of subsidiary	-	-

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<b>Total</b>	-	-
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**46. Capital Commitments**

<b>Capital Commitments</b>	<b>Period ended 30th June, 2025</b>	<b>Comparative Period 30th June, 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Authorised For	-	-
Authorised And Contracted For	-	-
<b>Total</b>	-	-

**47. Events after the Reporting Period**

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

**48. 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.

**49. Currency**

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

**20. 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							

**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 <sup>th</sup> June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

**Head of Accounts Department - Disbursing Entity:**  
 Name ..... Sign ..... Date .....

**Head of Accounts Department - Beneficiary Entity:**  
 Name ..... Sign ..... Date.....

**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		

**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

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