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REPORT

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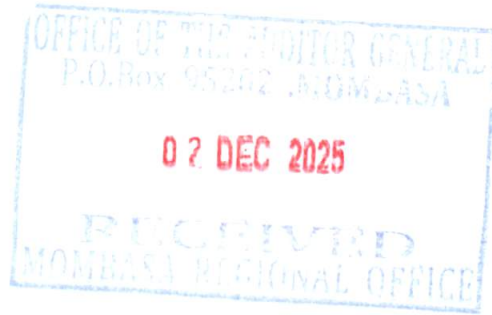
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MSAMBWENI COUNTY REFERRAL AND
TEACHING HOSPITAL LEVEL 5 – KWALE
COUNTY GOVERNMENT

FOR THE YEAR ENDED
30 JUNE, 2025

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-Revised 30th June 2025



MSAMBWENI COUNTY REFERRAL AND TEACHING HOSPITAL LEVEL 5 (Kwale County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

***Msambweni County Referral and Teaching Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025***

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1. Acronyms & Glossary of Terms

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
MCRTH	Msambweni County Referral and Teaching Hospital
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

2. Key Entity Information and Management

a) Background information

Msambweni County Referral and Teaching Hospital was gazetted a level 5 hospital established under gazette (supplement No.6) notice number 3 dated 25th January 2017. It is the only public owned level 5 facility in Kwale County and is among 6, County Referral Facilities in the Coast Region. The hospital was established in the early 1949 as a dispensary. Since then, the institution grew, leading to the present structure that was built in the 1990s and officially opened on the 23rd of August 1997. The hospital is governed by a Board of Management.

b) Principal Activities

The principal activities of the hospital are;

1. Medical Services
The Medical Services Division coordinates and manages Paediatrics/ Neonatal, Mental Health, Nutrition, Social Work, Cancer Treatment, Renal, Respiratory Infectious Disease Unit, Comprehensive Care Unit, Critical Care Services, Diabetes and Haemophilia.
2. Nursing Services
3. Pharmacy Services
The Pharmaceutical Services Division coordinates and manages the Clinical Pharmacy, Pharmacovigilance, Poison & Drug Information, Pharmaceutical Products, and Pharmaceutical Production in order to ensure adherence to professional best practices.
4. Imaging and Diagnostic Services
The Diagnostics Services and Health Information Division provides Radiological, Laboratory, Farewell and Health Information services to support clinical excellence.
5. Surgical Services
MCRTH conducts numerous major and minor surgeries and draws together faculty and staff from several departments (a multi-disciplinary team) to enhance patient care and research.
6. Specialised Clinics
Orthopaedic, Orthopaedic Workshop, Cancer treatment, ENT, General Outpatient, Dental unit, Occupational Therapy, Physiotherapy, High Risk Clinic, Colposcopy, Family Planning, Renal, Oncology and Palliative Care, Eye Clinic, Dermatology.
7. Accident and Emergency Services
8. Intensive Care and High Dependency Services
9. Obstetrics and Gynaecology Services
10. Public and Community Health Services
11. Health Records and Information
12. Pathology

Support Services

Teaching and Training Services

The hospital is a teaching and training facility for medical officers, clinical officers, nursing officers, and students from universities, medical training colleges, TVETs and VTCs. We also offer opportunities for industrial attachment and voluntary service.

Other services include; Biomedical Services, Finance Services, Procurement Services, Human Resource, Medical social work.

Vision

The hospital of choice in provision of health care in Kenya and beyond.

Mission

To promote and provide quality acceptable, accessible, Affordable and timely health care services to all in a conducive environment.

Values

Observe professional ethics

Respect and honesty to all patients/clients

Foster team work among staff

Recognize collaboration and team work with other stakeholder

(a) Key Management

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

- County department of health
- Board of Management
- Accounting Officer
- Hospital Director
- Hospital Accountant

(b) Fiduciary Management

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

No.	Designation	Name
1.	Hospital Director	Francis Ndiege
2.	Hospital Administrative Officer	Bintiali Shee
3.	Head of Clinical Services	Dr. John Ndegwa
4.	Nursing Services Manager	Hanifa Mwarora
5.	Hospital Pharmacist	Dr. Aggrey Okumu
6.	Hospital Accountant	Anita Nzioka
7.	Head of supply chain	Pauline Nerima

(c) Fiduciary Oversight Arrangements

1. Audit committee activities

The primary purpose of internal audit committee is to provide oversight of the financial reporting process the audit process, the hospital's system of internal controls and compliance with laws and regulations.

It comprises of,

- | | | |
|----------------------------|---|-----------|
| 1. CPA Abdallah Mambo Dalu | - | Chairman |
| 2. CPA Biasha Gasare | - | Secretary |
| 3. Mwanaidi Mwang'ombe | - | Member |
| 4. CPA Mwanamisi Libondo | - | Member |
| 5. FCPA Litondo Mwadeghu | - | Member |

There is also a five member Hospital Audit subcommittee derived from the Hospital board members.

2. Risk Committee

The Risk Committee's responsibilities include approval of applicable primary risk policies and review of certain associated frameworks, analysis and reports established by management. The Risk Committee oversees reputational risks and conduct risks within its scope of responsibility.

3. County Assembly

County Assembly-(Public Account & Investment Committee) has an oversight role over the implementation of the facility's budget.

4. **Senate**
5. **County Executive Audit committee**
6. **County Budget Committee.**

Key Entity Information and Management (continued)

(d) Msambweni County Referral Hospital

P.O. Box 8 -80404
Msambweni Hospital
Mombasa Lungalunga road
Kwale, Kenya

(e) Msambweni County Referral Hospital Contacts

Telephone: (+254) 0111781852
E-mail: msambwenihosp@gmail.com
Website: www.go.ke

(f) Msambweni County Referral Hospital Bankers

Kenya Commercial Bank
Ukunda Branch
P.O Box 48400-00100
Nairobi

(g) Independent Auditors

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


(h) Principal Legal Advisor


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

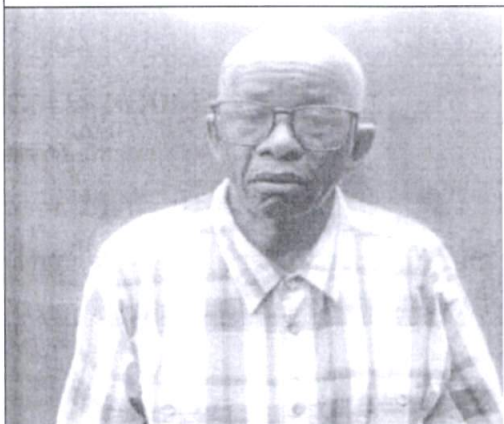
(i) County Attorney

P.O. Box. 4-80403
Kwale, Kenya

3. The Board of Management

Directors	Details
	<p>FRANCIS NDIEGE Ag. Executive Director- MSAMBWENI COUNTY REFERRAL AND TEACHING HOSPITAL <u>Date of Birth : 31/01/1968</u> <u>Educational background</u> Degree in Forestry-Korsholms Skogslaroanstalt, Vasa Finland</p> <p><u>Working experience</u></p> <ul style="list-style-type: none"> • 1995-99 Assistant DFO – Meru District • 1999-2000- DFO- Tharaka District • 2000-2002, Manager -Wakuluzu Friends of the Colobus Trust-Diani • 2005-2008 Product Manager (EA)- Camp Kenya Limited • 2008-2015- today- Technical Lead-Ozone Eco-Solutions • 2015-2017- Political & Policy Advisor –Office of Governor- Kwale County • 2018- Nov 2022- M & E Advisor - Governor’s Service Delivery Unit-Kwale County. <p>Experience and skills in Management, Strategic Planning, Policy Development, Monitoring and Evaluation both in the public and the private sector. Further skills in resource mapping, Participatory Methodologies, Community Mobilization, Proposal</p>

	<p>writing/Fund raising skills, Report Writing, Product Research and Development Baseline surveys, feasibility studies, Business Planning.</p>
	<p>HUSSEIN JUMA MGUNGA Msambweni County Referral and Teaching Hospital Board Chairman Date of Birth ;12/08/1972 <u>Educational background</u></p> <ul style="list-style-type: none"> • 1979-to-1986 Eshu primary School • 1987-to-1990 Shimba Hills High School • April 1991 to October 1991 - Certificate in Clearing and forwarding Kenya institute of Cl. And Forwarding. • 5th Jan 1995 to 31st July 1995 - Computer science Certificate Aries Data system • Professional Driving career - Awarded class “C” license Kilimanjaro Driving School • Foreign language (French) Certificate still schooling Allais French School • Jan 2017 to April 2018 - Diploma in Community Development Mount Kenya University • 2018-2023 Bachelors of Development studies Mount Kenya university

	<p><u>Working experience</u></p> <ul style="list-style-type: none"> • Feb 1992 To Oct 1996 - Accounts clerk The Mombasa hospital • 1st Nov.1996 to Dec.2001 - Hospital Accountant Soweto General Hospital • 5th Feb 2002-11th Dec2002 - Accountant/General Manager Peacock Tours and safaris • 15th Dec 2003 to Date - Operations Director Lipi Adventure Company • 15th Dec 2008 to Date - Owner Trails of EAST Africa Safaris
	<p>THOMAS NGULI Board Member</p> <p>Date of Birth :01/01/1957</p> <p>Mr Thomas Nguli has experience in community work within and outside Msambweni areas.</p>



ABDALLAH GWADZIKO

Date of Birth :01/01/1956

Mr. Abdalla Gwadziko has experience in community work within and outside Msambweni areas.



MWAKAJE HAMZA

Board Member

Date of Birth :26/02/1976

Mwakaje Hamza has experience in community work within and outside Msambweni areas.

She has also worked with human rights organisations.

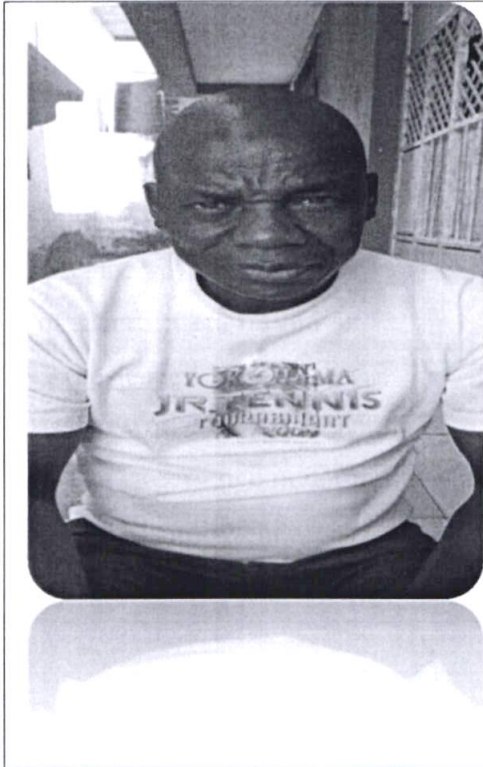


AMANI MAZURI

Board Member

Date of Birth :01/01/1965

Mr. Amani has worked as a Corporal in the Administration Police, Assistant Chief Kingwede/Shirazi Location and later Senior Chief in the same location.



DASI HASSAN

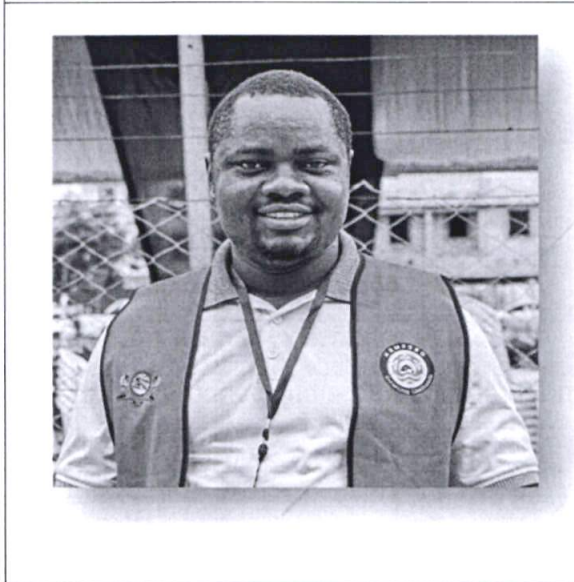
Board Member

Date of Birth :01/01/1966

Work experience

Mr. Dasi has worked at Kiscole Kwale.

He also has experience in community work within and outside Msambweni areas.



NEHEMIA KINYWA

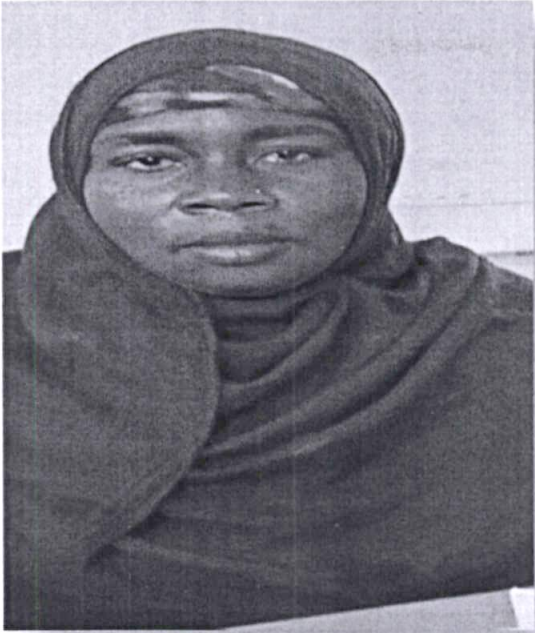
Board Member

Date of Birth :07/08/1993

Academic Qualification

Diploma in Business Administration

Nehemiah Kinywa has experience in the leadership, governance and sector coordination.




IMANI KEA

Board Member

Date of Birth :01/01/1975

Mrs Imani Kea has worked as a Community Health Promoter and Office Assistant of the former Senator of Kwale Juma Boi.

4. Key Management Team

Ref	Management	Details
1.		<p>FRANCIS NDIEGE Ag. Director- Msambweni County Referral And Teaching Hospital</p> <p><u>Academic Qualification</u> Degree in Forestry-Korsholms Skogslaroanstalt, Vasa Finland</p>
2.		<p>BINTIALI SHEE Hospital Administrative Officer</p> <p><u>Academic Qualification</u> - Degree in Business Administration -Health systems strengthening- Kenya Institute of Administration -Health Systems-AMREF Kenya Foundation</p>
3.		<p>HANIFA MWARORA Nursing Manager</p> <p><u>Academic Qualification</u> Degree in Nursing</p>

4.



ANITA NZIOKA

Hospital Accountant

Academic Qualification

-Bachelor of Commerce(
Finance and Accounting)

-CPA level 6

5. Chairman's Statement

I would like to take this chance to thank the entire Board of Management, the Hospital Administration, the Department of Health Services and stakeholders, for their support and cooperation that has resulted to a successful implementation of programmes and service delivery objectives in the Financial Year 2024-2025. Particularly, I want to thank the HE Governor Fatuma Achani for her continued support and response to our needs. We have made significant strides, including:

- Expansion of New Born Services in the Newborn Unit
- Commencement of construction of the main access road to hospital.
- A remarkable increase in revenue collection, reaching to above KSh 135 million in FY 2024/2025.
- Deployment of a hospital administrator.
- Reduced public complaints at the blood bank.
- Acquisition of an additional dialysis machine.
- Procurement of new bed linen, uniforms, mattresses, and standard body trolleys.
- Deployment of a pathologist (enabling post-mortems on-site).
- Establishment of Audiology services.
- Deployment of specialized nurses in the New-born Unit.
- Procurement of a Laparoscopic machine.
- Installation of air conditioners across critical departments.
- Acquisition of a booster pump that has helped to stabilize water supply in the facility

These achievements reflect the County Government's continued investment in health infrastructure, staffing and patient welfare, all aimed at making MCRTH a true centre of excellence in coastal region.

Challenges

Despite these milestones, we still face a number of challenges:

- Shortage of staff across various departments.
- Limited security personnel.
- High water demand occasionally overwhelming existing infrastructure.
- Inadequate storage facilities for scrap and critical equipment.
- Concerns over staff attitude, which the board is addressing through new training and accountability measures.

Future Plans

Moving forward, the board and management plan to:

- Strengthen hospital security through partnerships with private providers.
- Undertake staff training needs assessment.
- Continue upgrading infrastructure, staff and patient welfare services

Conclusion

Many of the essential services that had challenges are now resuming due to the effect of FIF. Moving forward, as a Board, we remain committed to working with the hospital administration, the county government and stakeholders, to improve healthcare which is a key pillar of Kwale's development agenda.

Thank you



.....
Hussein Mgungah

Chairman to the Board

6. Report of The Hospital Director

It is my pleasure to present Msambweni County Referral and Teaching Hospital (MCRTH) financial Statements for the year ended 30th June 2025. The statement presents both the strategic objective and the financial performance of the hospital for the past year. The financial statements have been prepared on a historical cost basis and it is in conformity with International Public Sector Accounting Standards (IPSAS) and the PFM Act. The accounting policies adopted have been consistently applied to all the years presented.

Financing Of The Hospital

The Hospital is mainly funded through the county equitable share and county own source revenue (revenue collected by the facility is deposited in the facility account). This includes development and recurrent expenditure. The total revenue was KES 696,294,903 which includes, KES 530,293,737 transfer/in kind contributions from county government and other government entities and KES 166,001,165 own source revenue. Of this revenue 62.7% was consumed by employee costs and 26.7 by medical costs. The cost of maintenance increases minimally, while the cost for general expense increased substantially due to the hospital taking full costs for Fuel, office supplies, water and sewerage and other costs related to infection prevention and control.

Operating Budget

The initial operating budget for FY 2024-2025 was KES 84M but was increased to KES 100M after supplementary adjustment. The Actual on comparable basis was KES 98,805,581 representing an absorption of 99%. Comparatively the budget for 2023-2024 was Ksh. 69M, which represents 21.7% operating budget increment. This helped in stabilizing services, specifically in the revival of equipment suffered efficiency due to the termination of the MES programme.

Achievements

The hospital however had significant achievements in some of its service delivery objectives. For example outpatient, actual own source revenue grew by 48% from the previous year. In the area of service delivery, the New Born Unit was expanded and modernized with ultra-modern equipment. The capacity was increased to 44 from 21 with additional ICU and HDU for neonates. This increased the

hospital critical care capacity by 14 beds. Further, a modern audiology unit was established in the hospital which has provided screening and intervention for ear impairment.

The hospital however faced challenges of cash flow due to low allocations for specific votes and inconsistent disbursements from the county. Most affected was medical costs, specifically the supply of commodities. For example digitization of services was not achieved.

Challenges

The hospital however faced challenges of cash flow due to low allocations for specific votes and inconsistent disbursements from the county. Most affected was medical costs, specifically the supply of commodities. For example digitization of services and enhancement of security was not achieved.

Consistent stocks in the supply chain also had impact on commodity supplies which resulted into in-situ stock outs. The rolling out of SHA also posed teething challenges which affected revenue collection and public sensitization. The matter of identification documents has continued to be a specific challenge for women and under-aged mothers.

Priorities

Moving forward, the hospital management priorities further improvement of efficiency in service delivery. The priorities for FY 2025-2026 include digitization of the information management systems as the main backbone, establishment of a standalone Accident & Emergency Unit, increase of budgets for medical and maintenance costs which include drugs, reagents, non-pharms, service of equipment, refurbishment of the hospitals ambulance service and face-lifting of the hospital infrastructure.

Hospital security is key in safeguarding patients and assets of the hospital and is considered a strategic need of the facility. Management plans to boost security via outsourcing, install CCTV and conduct valuation of the assets in order to offset risks by way of transfer. Management will continue working closely with players in the chain so as to ensure efficiency and sustainability in commodity supply and treatment

Finally, I would like to thank the all stakeholders who have collaborated with the hospital administration for the success of this ended year. Particularly, MPESA Foundation, Sense International, Stawisha

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Pwani, AMPREF, CHAI, Emergency Medicine Kenya Foundation, all service providers. The county government and national government have been critical in help to achieve the roll out of FIF and SHA.



.....
Francis Ndiege

Ag. Director MCRTH

7. Statement of Performance Against Predetermined Objectives

Msambweni County Referral and Teaching Hospital has 7 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2024- FY 2028. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: Service delivery

Pillar/theme/issue 2: Health workforce

Pillar/theme/issue 3: Health information

Pillar/theme/issue 4: Essential medicines and vaccines

Pillar/theme/issue 5: Health financing.

Pillar/theme/issue 6: Leadership& governors

Pillar/theme/issue 7: Infrastructure

The 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.

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
1:Service delivery	To provide accessible, affordable and sustainable health services	Service delivery indicators, e.g - Number of patient seen, -Number of surgeries done. -No of deliveries conducted by skilled birth attendant.	<ul style="list-style-type: none"> • Clerking and reviewing of patients • Conducting of surgeries • Conducting of deliveries 	<ul style="list-style-type: none"> • 91,780 • 2,612 • 2,883

*Msambweni County Referral and Teaching Hospital (Kwale County Government)
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2:Health workforce	To provide professional, efficient and timely health care services	Service delivery indicators, e.g number of patient seen, number of surgeries done.	<ul style="list-style-type: none"> • Conduct Quarterly supervision • Conduct training and mentorship • On job trainings, mentorship supervision 	<ul style="list-style-type: none"> • Support Supervision conducted • CMEs (10)
3. Health information	To have a reliable health information system that is efficient and user friendly and can be used for decision making {electronic medical Records system}	No. of reports generated and submitted, Data reviews quarterly and annual done, data quality assessment	<ul style="list-style-type: none"> • Prepare and submit monthly reports • Quarterly data sharing reviews • Setting service delivery targets 	Quarterly and annual data reviews, Data quality assessment Report generation and submission.
4: Essential medicines and vaccines	To ensure availability of drugs and Vaccines at affordable, accessible and efficient.	<ul style="list-style-type: none"> • No of orders made. • No, of meetings conducted • No, of minutes filed, 	<ul style="list-style-type: none"> • In Case of delay from KEMSA and MEDS. Quarterly ordering as per drawing rights, conduct quarterly medicine therapeutic committee, make timely direct orders in case of delay from KEMSA and MEDS. 	sixteen orders done
5: Health financing.	To have efficient financial management system that is transparent and accountable of all financial resources.	<ul style="list-style-type: none"> • No of reports prepared and submitted 	<ul style="list-style-type: none"> • Setting of revenue collection targets • Conduct internal 	<ul style="list-style-type: none"> • Targets set • Four meetings conducted • Four reports prepared

			<p>quarterly Financial audit by Board Audit Sub Committee</p> <ul style="list-style-type: none"> • Prepare quarterly financial returns, 	
6. Leadership & governance	<p>To ensure there is clearly defined organisation structure that guides the operational and development processes in the institution to achieve its predetermined objectives and also take into consideration the oversight responsibility for transparency and accountability.</p>	<ul style="list-style-type: none"> • Invitation memo, • No. Of Meetings Conducted • Minutes filed 	<p>Conduct quarterly board meetings, setting of annual individual performance targets, conducting monthly HMT meetings, annual staff appraisal</p>	<ul style="list-style-type: none"> • Four (4) board meetings conducted • One (1) annual target set • Twelve (12) HMT meetings conducted • One (1)
7. Infrastructure	<ul style="list-style-type: none"> • To Procure medical equipment, improve and maintain the medical equipment and buildings in the hospital as per the defined guidelines of level 5 • Expansion of New born Unit • Establishment of an audiology unit • Relocation of ENT services 	<ul style="list-style-type: none"> • No, of medical equipment procured. • No, of medical equipment repaired/main tained. • No, of buildings renovated, • Renovation and equipping of the maternity complex first floor • Partnership agreements 	<ul style="list-style-type: none"> • Procure medical equipment • Repair medical equipment • Renovation of hospital buildings • Resource mobilization, Procurement of service providers and equipment • Installation of container equipped with audiology services 	<ul style="list-style-type: none"> • Received a dialysis machine. • Repair of Oxygen plant. • Received an X-ray Machine • Project completed and operationalised. Improved bed capacity and additional services such as NICU and NBU • Completed and operationalised. 2 Audiologist employed. 1,266 children screened. 16

	<ul style="list-style-type: none"> • Stabilization of water supply in the facility • To provide a conducive environment for machines, supplies and blood products 	<p>with Sense international</p> <ul style="list-style-type: none"> • Renovation of a room in Outpatient • Invested in a booster water pump and a pump house • Number of air conditioners procured 	<ul style="list-style-type: none"> • Repair of windows and carpeting of the floor, painting, installation of fans • Procurement and installation of the booster pump and construction of the pump house • Procurement of air conditioners 	<p>children fitted with bilateral hearing aids.</p> <ul style="list-style-type: none"> • Completed and operational. 1,852 patients attended to. • Water supply is now stabilized • 14 Air conditioners installed and functional
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8. Corporate Governance Statement

The board was appointed on 2nd May 2023 as per gazette notice no 5657

The board conducted 17 meetings by the end of 30th June 2025

1. BOARD MEETING HELD ON 31st JULY, 2024

MEMBERS PRESENT

NO.	NAME	DESIGNATION
1.	Hussein J. Mgungah	Board Chair
2.	Francis Ndiege	Director
3.	Abdalla Gwadziko	Board Member
4.	Thomas Nguli	Board Member
5.	Nehemiah Kinyua	Board Member
6.	Mwakaje Hamza	Board Member
7.	Iman Keya	Board Member
8.	Hassan Dasi	Board Member
9.	Amani Mazuri	Board Member

**2. HEALTH AND ENVIRONMENT SUB-COMMITTEE MEETING HELD ON 7TH
AUGUST, 2024**

MEMBERS PRESENT

NO	NAME	DESIGNATION
1	Hussein Mgungah	Board Chairman
2	Hassan Dasi	Subcommittee Chair
3	Iman keya	Member
4	Amani Mazuri	Member
5	Thomas Nguli	Member
6	Abdalla Gwadziko	Member
7	Mwakaje Hamza	Member

3. FINANCE COMMITTEE MEETING HELD ON 13TH AUGUST, 2024

MEMBERS PRESENT

NO	NAME	DESIGNATION
1.	Hussein Mgunga	Board Chairman
2.	Nehemiah Kinyua	Subcommittee Chair
3.	Abdallah Gwadziko	Member
4.	Imani kea	Member

4. AUDIT COMMITTEE HELD ON 3rd OCTOBER 2024

MEMBERS PRESENT

NO	NAME	DESIGNATION
1.	Hussein Mgunga	Board Chairman
2.	Mwakaje Hamza	Subcommittee Chair
3.	Thomas Nguli	Member
4.	Amani Mazuri	Member
5.	Hassan Dasi	Member
6.	Abdalla Gwadziko	Member

5. BOARD MEETING HELD ON 22ND OCTOBER, 2024

MEMBERS PRESENT

NO.	NAME	DESIGNATION
1.	Hussein Mgungah	Board Chair
2.	Francis Ndiege	Director
3.	Nehemiah Kinyua	Board Member
4.	Thomas Nguli	Board Member
5.	Mwakaje Hamza	Board Member
6.	Abdalla Gwadziko	Board Member
7.	Hassan Dasi	Board Member
8.	Amani Mazuri	Board Member

6. HEALTH AND ENVIRONMENTAL COMMITTEE HELD ON 7TH NOVEMBER, 2024

MEMBERS PRESENT

NO.	NAME	DESIGNATION
1.	Hussein Mgungah	Board Chair
2.	Mwakaje Hamza	Member
3.	Imani Keya	Member
4.	Amani Mazuri	Member
5.	Hassan Dasi	Subcommittee Chair
6.	Abdallah Mwadziko	Member
7.	Nehemiah Kinyua	Member

7. FINANCE COMMITTEE HELD ON 27TH NOVEMBER 2024

MEMBERS PRESENT

NO.	NAME	DESIGNATION
1.	Hussein Mgungah	Board Chair
2.	Abdallah Gwadziko	Member
3.	Imani Keya	Member

8. AUDIT SUB-COMMITTEE MEETING HELD ON 6TH DECEMBER 2024

MEMBERS PRESENT

NO	NAME	DESIGNATION
1.	Hussein Mgunga	Board Chairman
2.	Mwakaje Hamza	Subcommittee Chair
3.	Thomas Nguli	Member
4.	Amani Mazuri	Member
5.	Hassan Dasi	Member

9. BOARD MEETING HELD ON 24TH DECEMBER, 2024

MEMBERS PRESENT

NO.	NAME	DESIGNATION
1.	Hussein Mgungah	Board Chairperson
2.	Francis Ndiege	Director
3.	Hassan Dasi	Board Member
4.	Amani Mazuri	Board Member
5.	Abdalla Gwadziko	Board Member
6.	Thomas Nguli	Board Member
7.	Mwakaje Hamza	Board Member
8.	Imani Keya	Board Member

10. HEALTH AND ENVIRONMENT COMMITTEE MEETING HELD ON 5TH FEBRUARY, 2025

MEMBERS PRESENT

NO	NAME	DESIGNATION.
1	Hussein Mgungah	Board Chair
2	Nehemiah Kinyua	Member
3	Thomas Nguli	Member
7	Hassan Dasi	Environment Chair
5	Abdalla Gwadziko	Member
8	Amani Mazuri	Member
4	Mwakaje Hamza	Member
10	Iman Keya	Health Chair

11. HOSPITAL URGENT BOARD MEETING HELD ON 4TH MARCH, 2025

MEMBERS PRESENT

NO.	NAME	DESIGNATION
1.	Hussein Mgungah	Board Chair
2.	Hassan Dasi	Board Member
3.	Thomas Nguli	Board Member
4.	Nehemiah Kinyua	Board Member
5.	Abdallah Gwadziko	Board Member
6.	Amani Mazuri	Board Member
7..	Iman Keya	Board Member

12. FINANCE COMMITTEE MEETING HELD ON 14TH MARCH, 2025 BOARD ROOM.

MEMBERS PRESENT

NO.	NAME	DESIGNATION
1.	Hussein Mgungah	Board Chair
2.	Nehemiah Kinyua	Subcommittee chair
3.	Abdallah Gwadziko	Member
4.	Imani Keya	Member
5.	Thomas Nguli	Member

13. HOSPITAL BOARD MEETING HELD ON 27/3/2025

MEMBERS PRESENT

NO.	NAME	DESIGNATION
1.	Hussein Mgungah	Board Chair
2.	Francis Ndiege	Director
3.	Hassan Dassi	Board Member
4.	Amani Mazuri	Board Member
5.	Abdalla Gwadziko	Board Member
6.	Thomas Nguli	Board Member
7.	Mwakaje Hamza	Board Member
8.	Iman Keya	Board Member

14. HEALTH SUB COMMITTEE MEETING HELD ON 16TH APRIL, 2025

MEMBERS PRESENT

NO.	NAME	DESIGNATION
1.	Hussein Mgungah	Board Chair
3.	Amani Mazuri	Member
4.	Abdalla Gwadziko	Member
5.	Thomas Nguli	Member
6.	Mwakaje Hamza	Member

15. ENVIRONMENT COMMITTEE MEETING HELD ON 25TH APRIL, 2025

MEMBERS PRESENT

NO.	NAME	DESIGNATION
1.	Hussein Mgungah	Board Chair
2.	Hassan Dasi	Sub-committee chair
3.	Nehemiah Kinyua	Member
4.	Thomas Nguli	Member

16. FINANCE COMMITTEE MEETING HELD ON 14TH MAY, 2025

MEMBERS PRESENT

NO.	NAME	DESIGNATION
1.	Hussein Mgungah	Board Chair
2.	Nehemiah Kinyua	Sub-committee chair
3.	Abdallah Gwadziko	Member
4.	Thomas Nguli	Member
5.	Imani kea	Member

17. AUDIT COMMITTEE MEETING HELD ON 04TH JUNE 2025

MEMBERS PRESENT

NO.	NAME	DESIGNATION
1.	Hussein Mgungah	Board Chair
2.	Mwakaje Hamza	Sub-committee chair
3.	Hassan Dasi	Member
4.	Thomas Nguli	Member

Succession Planning –

Succession planning is a process of recognizing and preparing new leaders who can take the leadership roles and replace the old leaders once they leave due to retirement, resignation, promotion, transfer, or death.

A member shall vacate his /her position in the committee if the following happens;

- If a member is absent without apology and reasonable explanation from 3 consecutive meetings of the committee
- If in the case of a member of non-governmental organization, the member ceases to hold the office by virtue of which his nomination was made.
- If a member is convicted of a criminal offence.
- If a member ceases to reside or practise in the area of hospital jurisdiction
- If a member voluntarily resigns from the committee
- If a member dies
- If a member is involved in gross conflict of interest and the committee recommend to the minister

Membership

In accordance with the legal Notice No 155 of October 2009, the HMC membership shall be as follows:

- a) There shall be at least seven (7) and not more than nine (9) members of the committee appointed by the minister.
- b) A member of the committee, apart from the ex-official, shall hold office for a period of three (3) years and shall be eligible for appointment for one (1) further term
- c) A person shall not be appointed as a member of the committee unless that person holds at least an O-level certificate of education or its equivalent.
- d) To the extent feasible, committee members should ride or work in the hospital service area

Composition

The total membership of the committee shall be at least seven (7) and not more than nine (9) members and shall consist of;

- a) A chairperson nominated by members of the committee from among themselves and appointed by the minister
- b) The area provincial commissioner or his/her (level5 hospital) District medical services officer (level4 hospital) or his /her representative duly nominated by him/her in writing.
- c) The area provincial director of medical services (level5) district medical (level5) district medical services officer (level4) or his/her representative duly nominated by him/her in writing.
- d) The person in charge of the hospital who shall be the secretary.
- e) The person in charge of a local authority provincial/district or sub-district

ROLES

- a) Approve the work plan prepared by the facilities
- b) Ensuring equitable distribution of resources to the medical facilities
- c) Reviewing and approving annual expenditure statements

Core Functions

- a) The legal Notice No 255 of October 2009 spells out the core function of the HMC at the respective level as the following:
- b) To supervise and control the administration of the fund allocated to a provincial district or sub-district hospital;
- c) To open and operate a bank account at a bank to be approved by the minister for the time being responsible for finance
- d) To prepare work plan based on estimated expenditure
- e) To cause to be kept book of accounts of and record of accounts of the income, expenditure, assets and liabilities of the hospital.
- f) To prepare and submit certified periodic financial and performance report at prescribed
- g) To cause to be kept a permanent record of all deliberations.

Core Responsibilities

- Overseeing hospital performance improvements
- Participating in planning for the hospital
- Mobilizing resources
- Overseeing the function operations of the hospital

- Ensuring development of hospital human resources
- Ensuring communities' right are fulfilled and their needs are adequately met.
- Maintaining a positive public image
- Ensuring compliance with environmental regulations and standards
- Ensuring external relationship and partnerships
- Mitigate potential conflict of interest.
- Risk Management

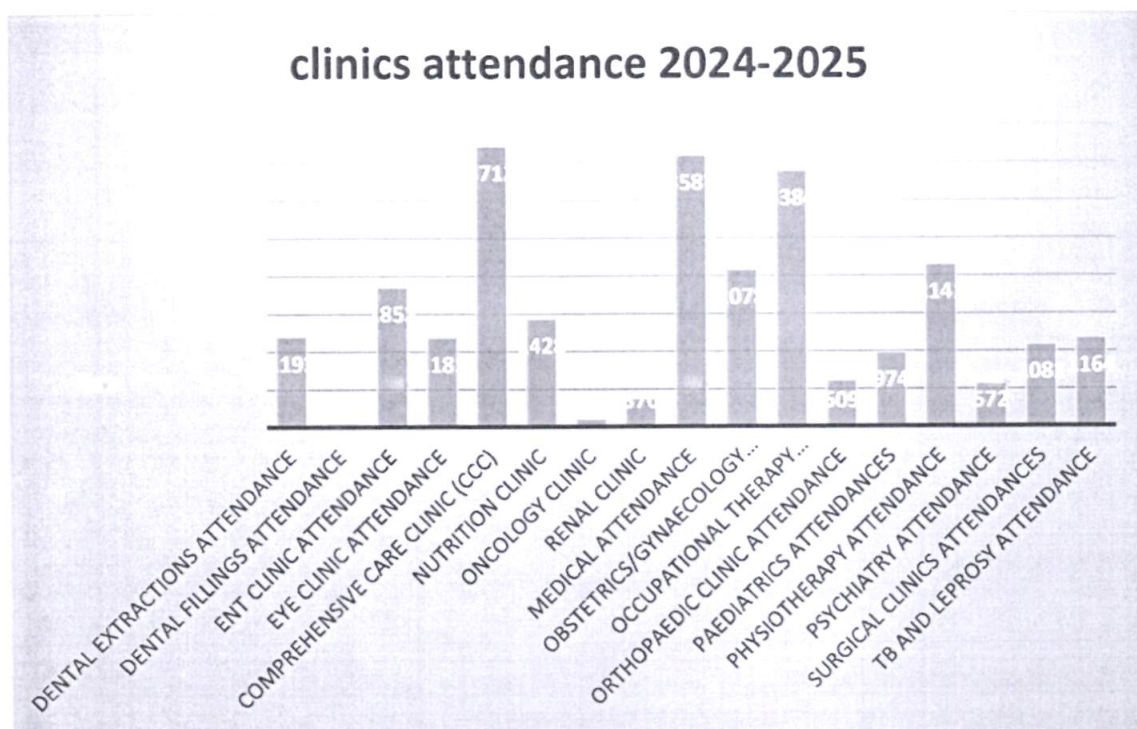
9. Management Discussion and Analysis

Clinical/operational performance

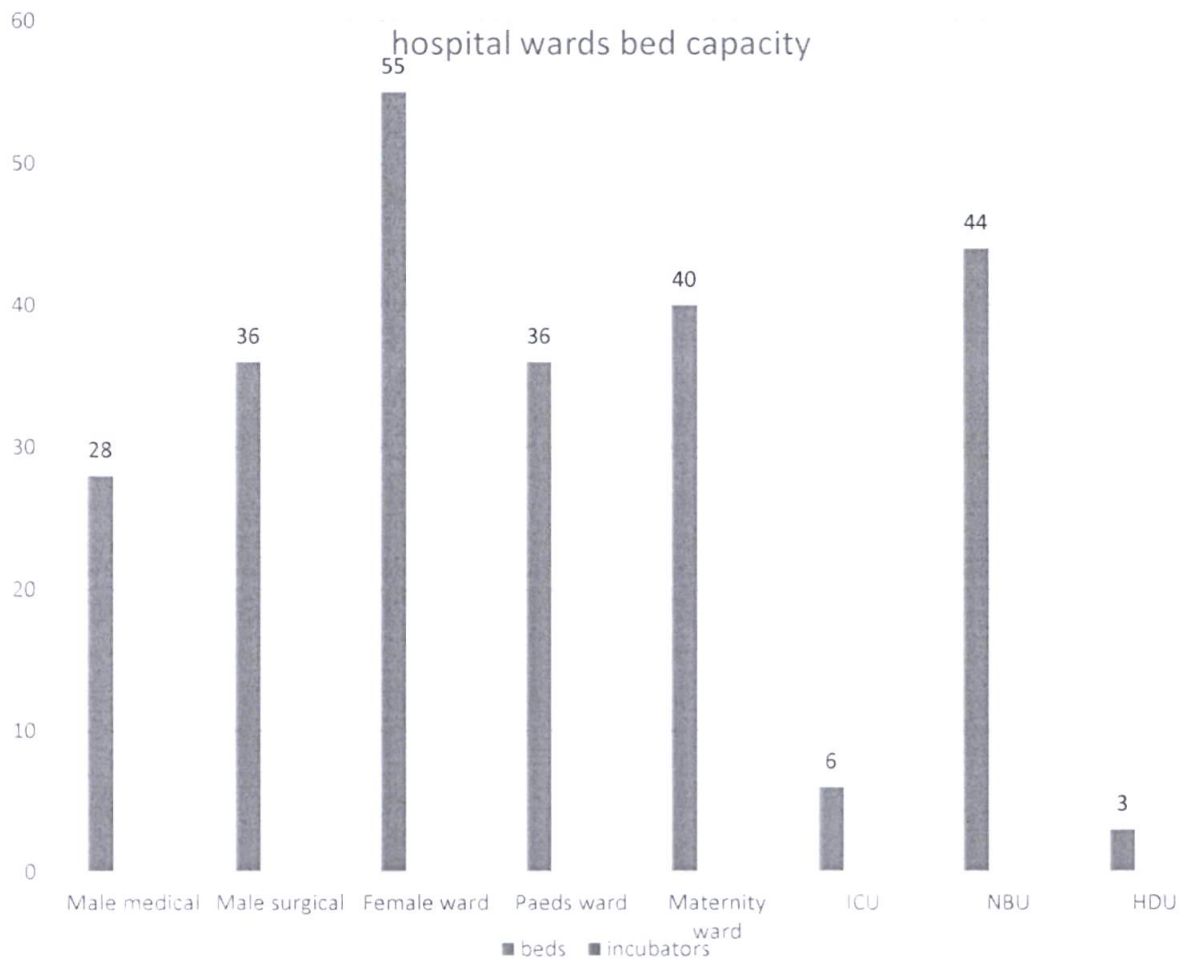
- Bed capacity of the hospital-265
- Overall patient attendance during the year for both inpatient and outpatient 99,633
- Specialised clinic attendance- 25,628
- Other clinics 19,769

Specialized clinics attendances is as follows

	Clinics	Attendance
1	Sopc	1,081
2	Ent	1,852
3	Orthopadic	609
4	Psychiatric	572
5	Popc	974
6	Mopc	3,587
7	Dermatology	849
8	Gopc/Hrc	2,078
9	Eye	1,181
10	Renal	370
11	Oncology	95
12	CCC	3,712
13	TB and Leprosy	1,064
14	Physiotherapy	2,041
15	Occupational Therapy	3,084
16	Nutrition	1,428
	Total	25,628



- Average length of stay for in patient-6 days
- Bed occupancy rate 93%
- Mortality rate 9%
- Surgical theatre utilization (number of operations over a period of time) 2,612
- Sponsorship and partnerships
 - Stawisha Pwani
 - National Government
 - Equity Bank
 - Base Titanium
 - Kemsu
 - Mpesa Foundation
 - AMREF



NOTE: NBU includes 7 bed capacity NICU and HDU respectively.

Overall patient attendance for the financial year 2024-2025 for both outpatient and inpatient were 91,441 and 8,192 respectively, these totals are for female, male, under five years, over five years, sixty plus age.

For the same year the facility emerged to conduct specialized clinics totaling to 25,628

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

OUTPATIENT ATTENDANCE	NUMBERS
Under 5years Female	5,974
Under 5years Male	6,065
Over 5years Female	16,970
Over 5years Male	12,531
60+ years	4,504
Specialized clinics	25,628
Other Clinics	19,769
TOTALS	91,441
INPATIENT ATTENDANCE	
Admissions Under 5years	2,018
Admissions Over 5years	6,174
TOTALS	8,192

Financial performance that includes: -

○ **Revenue sources**

In the year ended 30th June 2025, the hospital received in kind contributions of Kshs 529,028,217. The hospital also received revenue from rendering of medical services amounting to Kshs. 166,001,165 which were both through the hospital paybill and claims paid by SHA. The gross receipts of the Hospital for the year were Kshs. 696,294,903.

- **b) Payments**

- The total expenditure for the year amounted to Kshs. 651,910,951

Director

Signature



10. Environmental And Sustainability Reporting

i) Sustainability strategy and profile

Msambweni County Referral and Teaching Hospital promotes and provides quality, acceptable, accessible, affordable and timely healthcare services to all, in a conducive environment.

It's what guides us to deliver our strategy, putting the client/Citizen first, delivering health services, and improving operational excellence.

Typically, facility managers are expected to oversee a range of services, including but not limited to:

- Ensuring all our clients have access to affordable and quality health care services and have plans for sustainability
- Setting up and organizing routine upkeep and building repairs.
- Dealing with legal or contractual issues (with clients and outside vendors).
- Offering clients the proper amenities and equipment.
- Complying with regulations on health and safety.
- Utilizing space management to make sure residents are content and secure.
- Ensuring the safety of the area.

Being a referral hospital, Her Excellency Governor Fatuma Achanjani ensures the facility receives enough resources for smooth delivery of services to Msambweni residents and its environs.

ii) Environmental performance

Our policy is to ensure compliance with the environmental laws and regulations; Water Resources Authority regulations and Public health Act with regards to waste management, sanitation and environmental cleanliness and beautification.

The above has been accomplished through environmental beautification by planting trees and flowers around the hospital which also has helped prevent soil erosion and encourage environmental conservation within the hospital and its environs.

The facility has a functional incinerator which makes it possible to manage waste to curb environmental pollution.

iii) Employee welfare

The process of employment has been guided by the Act, employment is based on gender and free and fair selection.

The management has a policy of training its employees when there is a need thus sending them to refresher courses,

Staffs are appraised in accordance with the Human Resource policy which makes employees accountable for their performance thus enhancing the achievement of the overall health objectives.

iv) Market place practices-

We ensure the market is free from irregularities. The hospital management works hard to ensure that there is fair;

a) Responsible competition practice.

Among the core values of the facility is innovativeness and professionalism to ensure we maintain our clients and attract more. We also keep the hospital free from corruption, and any person involved in corruption issues, legal actions should be taken against them.

b) Responsible Supply chain and supplier relations

The facility ensures that the procurement procedures are followed during the procurement process.

c) Responsible marketing and advertisement

We care about the competitors in the market and there is a high level of positive ethical issues within the hospital, for that we appreciate the management.

d) Product stewardship

We safeguard consumers' rights; our consumers are mostly patients and we ensure most of the time great care is taken on them.

We carefully and responsibly manage the well-being of the population." Government, as steward, should take responsibility for the population's health by guiding the health system as a whole.

- We safeguard the safety of the patients
- Benefit-Risk Management for Pharmaceuticals and Medical Devices. ...
- Analysis of Residues of Pharmaceuticals in the Environment.

v) Corporate Social Responsibility / Community Engagements

The hospital carried the following social responsibility during the year;

1. Healthcare, The hospital carries out outreaches to community so as to get more children to be immunized. Reaching out to patient in their homes to do physiotherapy.
2. Education- The public health officers reaching out to communities to educate them on the importance of having toilets, washing hands and maintaining cleanliness while selling street foods, providing information to the public for any infectious disease.
3. Environment-The hospital has engaged in planting trees and flowers around the hospital which prevents soil erosion.
4. Staff training and development, the hospital has a lot of training programmes through seminars, cmes.
5. The hospital provides health workers with study leaves which help them to increase knowledge.

6. Water and sanitation initiatives-The hospital has involved itself in providing clean water through the installation of a pump and clean water tanks for patients to use and also an extended the supply of clean water to the community.
7. Waiver
There are some patients at the hospital with financial constraints who cannot pay their hospital bills, this is done in order to allow many citizens to access health facilities.

Impact of CSR to the Society

1. Through staff training and development the hospital has witnessed the growth of qualified staff thus enhancing patient's confidence.
2. The community has secured jobs in the hospital and these jobs have improved their standards of living through the salaries earned.
3. Through outreaches more children have been immunized.
4. Through outreaches more community members have benefitted from cancer screening.
5. Implemented a medical camp in partnership with Mpesa Foundation and Zuri that reached out to over 2,500 people
6. Implemented 2 cardiac camps that reached out to 200 children under twelve years
7. Audiology outreaches that resulted into 1,266 members of public screened for hearing impairments
8. In partnership with AMREF we supported screening and surgery for 40 people affected by hydrocele

11. Report of The Board of Management

The board members submit their report together with the audited financial statements for the year that ended June 30, 2025, which show the state of the *hospital's* affairs.

Principal activities

The principal activities of the entity are

- Health care
- Curative services
- Specialised services including consultancy

Results

The results of the entity for the year ended June 30 2025 are set out on pages 1 to 7


Board of Management

The members of the Board who served during the year are shown on page xviii. During the year, one board member passed on, none of the director(s) retired/ resigned, and nil directors (s) were appointed.

Auditors

The Auditor General is responsible for the statutory audit of the Msambweni County Referral and Teaching Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Name

FRANCIS NDIRGE

Secretary to the Board

12. Statement of Board of Management's Responsibilities

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

The Board of Management is responsible for the preparation and presentation of the Msambweni Hospital's financial statements, which give a true and fair view of the state of affairs for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Msambweni Hospital,; (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 Msambweni Hospital, 's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that the Msambweni Hospital, 's financial statements give a true and fair view of the state of the Hospital's transactions during the financial year ended June 30, 2025, and of the financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Msambweni Hospital, which have been relied upon in the preparation of the Msambweni Hospital, 's financial statements as well as the adequacy of the systems of internal financial control.

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

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

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 27th August, 2025 and signed on its behalf by:

.....
Name: *Amos J. Mwendwa*
Chairperson
Board of Management

.....
Name: *Francis Noirege*
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 MSAMBWENI COUNTY REFERRAL AND TEACHING HOSPITAL LEVEL 5 FOR THE YEAR ENDED 30 JUNE, 2025 – KWALE COUNTY GOVERNMENT

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Msambweni County Referral and Teaching Hospital Level 5 set out on pages 1 to 58, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

Report of the Auditor-General on Msambweni County Referral and Teaching Hospital Level 5 for the year ended 30 June, 2025 – Kwale County Government

statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts, for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the 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 Msambweni County Referral and Teaching Hospital Level 5 as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Governments Act, 2012, the Health Act, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variances Between Financial Statements and Supporting Schedules

The statement of financial performance and Note 15 to the financial statements reflect medical/clinical costs of Kshs.172,293,071. Review of the supporting schedules revealed variances between the financial statements and supporting schedules as summarized in the table below:

	Supporting schedule Amount (Kshs)	Financial Statement Amount (Kshs)	Variance (Kshs)
Medical items			
Laboratory chemicals and reagents	42,877,320	40,859,360	2,017,960
Food and Ration	20,624,313	21,354,840	730,527
Dressing and Non-Pharmaceuticals	44,910,046	54,588,995	9,678,949)
Pharmaceutical supplies	4,344,902	24,699,842	20,354,940
Sanitary and cleansing Materials	2,675,294	6,005,506	3,330,212

In the circumstances, the accuracy and completeness of medical/clinical costs of Kshs.172,293,071 could not be confirmed.

2. Inaccurate Trade and Other Payables Balance

The statement of financial position reflects trade and other payables balance of Kshs.11,245,855 as disclosed in Note 36 to the financial statements. However, recalculation yielded Kshs.56,862,977, resulting in an unexplained variance of Kshs.45,617,122.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs.11,245,855 could not be confirmed.

3. Unsupported Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.545,773,986 as disclosed in Note 32 to the financial statements. Included in this balance is land balance of Kshs.135,675,000. Review of the title deed provided for audit revealed that the land is owned by Kwale County Council and not Msambweni County Referral and Teaching Hospital Level 5. In addition, there was no evidence that the Hospital made efforts to initiate transfer of the title deed.

In the circumstances, the ownership of property, plant and equipment balance of Kshs.135,675,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Msambweni County Referral and Teaching Hospital Level 5 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 section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior year's audit report, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the Hospital in 2024/2025 revealed that the following four (4) issues remained unresolved:

No.	Audit Issue
1	Unsupported Expenditure
2	Non-compliance with law on data protection
3	Overcommitment of salary
4	Lack of Strategic plan

In addition, the prior year matters and the status on implementation of prior year audit recommendations were not disclosed in the financial statements as required by the Annual Financial Reporting Template.

Other Information

The Management is responsible for the Other Information set out on pages iii to xlv which comprise of Key Entity Information and Management, the Board of Management, Key

Management Team, Chairman's Statement, Report of the Hospital Director, 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 Management's 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 effects 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-Compliance with Facilities Improvement Financing Act, 2023

Review of revenue records revealed that the Hospital collected an amount of Kshs.98,805,581 in respect to Facilities Improvement Fund, out of which the Hospital transferred to County Revenue Fund Kshs.718,072. However, the amount reimbursed to the Hospital was Kshs.715,672, resulting to a deficit of Kshs.2,400. This was contrary to Section 5(1) the Facilities Improvement Financing Act, 2023 which requires that all monies raised or received by or on behalf of all public health facilities to be retained in the Hospital Facilities Improvement Financing account.

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

2. Failure to Meet Minimum Requirements for Level 5 Hospitals

Review of Hospital records revealed that the Hospital was gazetted as a level five facility on 29 November, 2024 but did not meet the requirements of Kenya Quality Model for Health Policy Guidelines as detailed below:

- i. The Kenya Quality Model for Health Policy Guidelines stipulates that the health facility shall have a system for data management and shall upload data on the Digital Health Information System as per legal requirement. Review of the Hospital information systems and operations during the year under review revealed that the Hospital had a manual system for recording, processing, and reporting its transactions, such as inventory management, patient administration and management. However, there was no evidence indicating that the facility had collected data on referrals/transfers and used the collected data for continuous improvement of patient care and strengthening of the referral system.
- ii. Further, The Kenya Quality Model for Health Policy Guidelines stipulates that the facility should have three hundred and twenty-three (323) medical professionals as indicated below, while the Hospital had one hundred and forty-six (146) required professionals indicating a staff deficit of one hundred and seventy-seven (177) or 55% as summarized below:

Staff Requirements	Level 5 Standard	No. in Hospital	Variance	% Variance
Medical Officers	50	34	16	30%
Anesthesiologists	7	0	7	100%
General surgeon	4	4	0	0%
Gynecologists	4	3	1	25%
Pediatrics	4	2	2	50%
Radiologists	4	3	1	25%
Kenya Registered Community Health Nurses	250	100	150	60%
Total	323	146	177	55%

- iii. In addition, while the first schedule required that the in-charge of the facility was to be a registered medical practitioner with a Master's degree in a health-related field, the facility in charge held a degree in forestry, and there was no registered medical practitioner in the management team.
- iv. Also, it was noted that the Facility did not meet the Hospital equipment, bed capacity and machine requirements of a level 5 hospital as stipulated in the the Kenya Quality Model for Health checklist for Level 5 hospitals as indicated below:

Staff Requirements	Level 5 standard	No. in Hospital	Variance	% Variance
Bed Capacity	500	265	235	47
functional ICUs	12	6	6	50
functional HDUs	12	3	9	75
operational theatres	7	2	5	71
New Born Unit with Incubators	10	7	3	30

In the circumstances, the adequacy and quality of services delivered by the Hospital could not confirmed.

3. Non-Compliance with the National Cohesion and Integration Act on Staff Ethnic Diversity

Review of the Hospital's payroll as at 30 July, 2025 revealed that one hundred and sixty-one (161) or 57% of the two hundred and eighty-four (284) members of staff were from the same ethnic group, whereas the other ethnic groups had very low representation. This was contrary to Section 7(1) of the National Cohesion and Integration Act, 2008 which states that, 'all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and Subsection 2 which states that no public establishment shall have more than one-third of its staff from the same ethnic community'.

In the circumstances, Management was in breach the law.

4. Payment of Net Salary below One Third of Basic Salary

Review of the payroll records for the year revealed that, in at least seven (7) months, a minimum of ten (10) employees received net salaries that were less than one third of their basic pay. This was contrary to Section 19(3) of the Employment Act, 2007 which stipulates that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages.

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

5. Non-Compliance With the Data Protection Act, 2019

The Hospital handles patients' health records on a manual system, which captures private patients' information such as name, phone number, and location, and their health status. However, the Hospital had not been registered with the Data Commissioner as a data controller or data processor. This was contrary to Section 18(1) of the Data Protection Act, 2019 which requires that, subject to sub-section (2), no person shall act as a data controller or data processor unless registered with the Data Commissioner.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weak Internal Controls on Inventory Management

The statement of financial position reflects inventory balance of Kshs.12,101,140 as disclosed in Note 31 to the financial statements. Review of the Hospital's inventory management system revealed that the Hospital did not have a policy on inventory management to guide the standard operating procedures when handling inventory.

In addition, there was no evidence of segregation of duties, as only one employee was in charge of the store, handling receiving, storing, issuance, and recording of inventory, thus stock management system lacks checks and balances. Further, both the pharmaceuticals and non-pharmaceuticals were manually managed with manual bin cards. There was no evidence of monitoring the management of inventory as periodic inventory reports were not provided for audit.

In the circumstances, the effectiveness of internal controls on inventory management could not be confirmed.

2. Expired Medical Supplies

The statement of financial position reflects inventory balance of Kshs.12,101,140 as disclosed in Note 31 to the financial statements. However, review of pharmaceutical and non-pharmaceutical stores records provided for audit and physical verification in the month of November, 2025 revealed that drugs and other non-pharmaceutical supplies of undetermined values had expired.

In the circumstances, the effectiveness of internal control on management of pharmaceutical and non-pharmaceutical supplies could not be confirmed.

3. Ineffective Governance by the Board of Management

The statement of financial performance reflects board of management expenses totalling Kshs.1,647,150 as disclosed in Note 17 to the financial statements. Review of the Board records revealed that the Board did not have an approved annual work plan and calendar. In addition, it did not have a charter to define its roles, responsibilities, and functions in the governance of the Hospital nor undertake an annual performance evaluation to assess its performance and achievement of its mandate.

Further, all the board members attended the health and environment committee meetings although they were not members of these sub-committee.

In the absence of adequate documents to support governance structure, the effectiveness of the Hospital's governance could not be confirmed.

4. Failure to Develop and Implement Risk Management Policy

Review of documents provided for audit revealed that the Hospital did not have a risk management policy in place to help in identifying, assessing, and mitigating risks to safeguard the achievement of strategic objectives. Lack of risk management policy exposes the Hospital to ineffective risk management processes and high-risk exposure, contrary to Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the accounting officer shall ensure that the county government entity develops risk management strategies, which include fraud prevention mechanism.

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

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

Responsibilities of Management and the Board of Management

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

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

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

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

The Board of Management is responsible for overseeing the 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

08 December, 2025

*Msambweni County Referral and Teaching Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*


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

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	-	51,497,103
In- kind contributions from the County Government	7	529,028,217	473,125,716
Grants from donors and development partners	8	1,265,520	-
Transfers from other Government entities	9	-	61,576,738
Public contributions and donations	10	-	-
		530,293,737	586,199,557
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	166,001,165	-
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
Revenue from exchange transactions		166,001,165	-
Total revenue		696,294,903	586,199,557
Expenses			
Medical/Clinical costs	15	172,293,071	87,870,332
Employee costs	16	412,277,284	409,825,662
Board of Management Expenses	17	1,647,150	141,500
Depreciation and amortization expense	18	20,620,775	21,785,851
Repairs and maintenance	19	12,115,754	9,786,432
Grants and subsidies	20	9,202,520	43,178,832
General expenses	21	23,754,396	5,725,832
Finance costs	22	-	-
Total expenses		651,910,951	578,314,442
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	23	-	-


Msambweni County Referral and Teaching Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	-
Impairment loss	26	-	-
Gain on foreign exchange transactions		-	-
Total other gains/(losses)		-	-
			578,314,442
Net Surplus / (Deficit) for the year		44,383,952	7,885,115

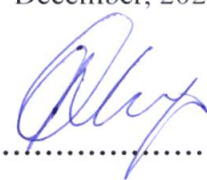
The Hospital's financial statements were approved by the Board on 2nd December, 2025 and signed on its behalf by:



Chairman
Board of Management



Head of Finance
ICPAK No: 13196



Director

Msambweni County Referral and Teaching Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025


15. Statement of Financial Position As At 30th June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	1,199,137	372,231
Prepayments	28		
Receivables from exchange transactions	29	85,874,771	18,323,100
Receivables from non-exchange transactions	30	-	19,870,026
Inventories	31	12,101,140	43,833,897
Total Current Assets		99,175,048	82,399,254
Non-current assets			
Property, plant, and equipment	32	546,773,986	563,532,650
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35		
Total Non-current Assets		546,773,986	563,532,650
Total assets (A)		645,949,033	645,931,904
Liabilities			
Current liabilities			
Trade and other payables	36	11,245,855	52,728,286
Refundable deposits from Patients/Prepayments	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
Total Current Liabilities		11,245,855	52,728,286
Non-current liabilities			
Provisions	38	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-
Non - Current portion of borrowings	41	-	-

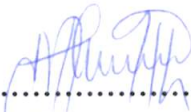
Msambweni County Referral and Teaching Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Service concession Arrangements	42	-	-
Total non-current liabilities		-	-
Total Liabilities (B)		11,245,855	52,728,286
Net assets (A-B)		634,703,178	593,203,618
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		61,027,562	19,528,002
Capital Fund		573,675,616	573,675,616
Net Assets		634,703,178	593,203,618

The Hospital's financial statements were approved by the Board on 2nd December, 2025 and signed on its behalf by:



Chairman
Board of Management



Head of Finance
ICPAK No: 13196



Director

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023 (previous year)	-	11,642,887	-	11,642,887
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	7,885,115	-	7,885,115
Capital/Development grants	-	-	573,675,616	573,675,616
As at June 30, 2024 (previous year)	-	19,528,002	573,675,616	593,203,618
At July 1, 2024 (current year)	-	19,528,002	573,675,616	593,203,618
Revaluation gain	-	-	-	-
Prior year adjustment (understatement of trade payables)		(2,884,392)		(2,884,392)
Surplus/(deficit) for the year	-	44,383,953	-	44,383,953
Capital/Development grants	-	-	-	-
At June 30, 2025 (current year)	-	61,027,562	573,675,616	634,703,178

*Msambweni County Referral and Teaching Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

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

Description	Note	FY	FY
		2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		-	21,166,963
Grants from donors and development partners		1,265,520	-
Transfers from other Government entities		-	43,253,638
Public contributions and donations		-	-
Rendering of services- Medical Service Income		98,805,581	-
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts		-	-
Total Receipts		100,071,101	64,420,601
Payments			
Medical/Clinical costs		52,796,956	18,449,279
Employee costs		-	-
Board of Management Expenses		1,647,150	141,500
Repairs and maintenance		7,981,063	899,057
Grants and subsidies		9,202,520	-
General expenses		23,754,396	1,379,701
Finance costs		-	-
Refunds paid out		-	43,178,832
Total Payments		95,382,085	64,048,369
Net cash flows from operating activities	43	4,689,016	372,232
Cash flows from investing activities			
Purchase of property, plant, equipment		(3,862,110)	-
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
Net cash flows used in investing activities		(3,862,110)	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-

Msambweni County Referral and Teaching Hospital (Kwale County Government)
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Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		826,906	372,231
Cash and cash equivalents as at 1 July	27	372,231	-
Cash and cash equivalents as at 30 June	27	1,199,137	372,231

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
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-	-	-	372,231	-	100%
Receipts						
Transfers from the County Government	-	-	-	-	-	-
Grants from donors and development partners	-	-	-	1,265,520	-	-
Transfers from other Government entities	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- Medical Service Income	84,000,000	16,000,000	100,000,000	98,805,581	1,194,419	99%
Revenue from rent of facilities	-	-	-	-	-	-
Finance / interest income	-	-	-	-	-	-
Inkind Contribution from county Government	-	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-	-
Total receipts	84,000,000	16,000,000	100,000,000	100,443,332	1,194,419	100%
Payments						
Medical/Clinical costs	33,900,000	24,300,000	58,200,000	52,796,956	5,403,044	91%
Employee costs	1,000,000	(1,000,000)	-	-	-	0%
Remuneration of directors	1,000,000	500,000	1,500,000	1,647,150	(147,150)	110%
Repairs and maintenance	9,800,000	1,600,000	11,400,000	7,981,063	3,418,937	70%
Grants and subsidies	-	-	-	9,202,520	-	-
General expenses	29,600,000	(6,600,000)	23,000,000	23,754,396	(754,396)	103%
Purchase of assets	-	-	-	-	-	-

Msambweni County Referral and Teaching Hospital (Kwale County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Finance costs	-	-	-	-	-	-
Refunds	-	-	-	-	-	-
Total Operational Expenditure paid	75,300,000	18,800,000	94,100,000	95,382,085	7,920,435	101%
Capital Expenditure paid	8,700,000	-2,800,000	5,900,000	3,862,110	2,037,890	65%
Surplus	-	-	-	1,199,137	(8,763,906)	

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	1,199,137
1	The difference between original budget and final budget is the supplementary budget	
2		
3		
4		
	Closing Cash and Cash Equivalent as per the statement of Cash flows	1,199,137

19. Notes to the Financial Statements

1. General Information

Msambweni County Referral and Teaching Hospital entity is established by and derives its authority and accountability from the Public Finance Act. The entity is wholly owned by the Kwale County Government and is domiciled in Kwale County in Kenya. The entity's principal activity is offering quality healthcare services for the Kwale County community and beyond..

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity. The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

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

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

Standard	Effective date and impact:
	for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></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>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <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"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2024/2025 was approved by Board on 1st July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations 1 (one) on the FY 2024/25 budget following the Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

c. Taxes

Sales tax/ Value Added Tax

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

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

Notes to the Financial Statements (Continued)

d. Investment property

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

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

e. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Biological Assets

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

i. Research and development costs

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

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

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

j. Financial instruments

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

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

Financial assets

Classification of financial assets

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

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.

Notes to the Financial Statements (Continued)

m. Social Benefits

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

n. Contingent liabilities

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

o. Contingent assets

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

p. Nature and purpose of reserves

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

q. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

r. Employee benefits

Retirement benefit plans

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

s. Foreign currency transactions

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

t. Borrowing costs

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

u. Related parties

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

v. Service concession arrangements

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

w. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

x. Comparative figures

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

y. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Unconditional grants		
Operational grant	-	-
Level 4/5 grants	-	-
Unconditional development grants	-	-
Other grants	-	-
	-	-
Conditional grants	-	-
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Total government grants and subsidies	-	-

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 2023-24
			KShs	KShs	KShs
Kwale County Government	-	-	-	-	51,497,103
Total	-	-	-	-	51,497,103

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Salaries and wages	412,277,284	369,237,362
Salaries and wages- 2023-34 (Trade payables)	32,858,260	
Medical supplies-Drawings Rights (KEMSA)	4,094,802	
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	37,838,551	96,158,314
Laboratory chemicals and reagents	40,459,320	-
N.G.O.K and UHC staff salaries	-	7,730,040
Utility bills	-	-
Medical equipment maintenance	1,500,000	-
Total grants in kind	529,028,217	473,125,716

8. Grants From Donors and Development Partners

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Cancer Centre grant- DANIDA	-	-
World Bank grants	-	-
Paediatric ward grant- JICA	-	-
Research grants	-	-
Other grants - African Institute	1,265,520	-
Total grants from development partners	1,265,520	-

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 2023/24
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
Total	-	-	-	-	-

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from National Hospital	-	61,576,738
Total Transfers	-	61,576,738

10. Public Contributions and Donations

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from other international organisations and individuals	-	-
Other donations	-	-
Donations in kind-amortised	-	-
Total donations and sponsorships	-	-

10 (a) Reconciliations of amortised grants

Description	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Amortised and transferred to revenue	-	-
Conditions to be met – remain liabilities	-	-

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Pharmaceuticals	1,870,300	-
Non-Pharmaceuticals	-	-
Laboratory	4,865,420	-
Radiology	7,098,184	-
Orthopedic and Trauma Technology	44,989	-
Theatre	743,242	-
Accident and Emergency Service		-
Anesthesia Service	-	-
Ear Nose and Throat service	-	-
OPD	109,050	
Nutrition service	-	-
Cancer centre service	-	-
Dental services	219,760	-
Reproductive health	-	-
Paediatrics services	-	-
Farewell home services	2,188,446	-
Ambulance services	-	-
Other medical services income - ICU	1,704,089	-
Physiotherapy services	105,508	-
Registration	1,292,103	-
In patient	8,450,586	-
Clinics services	73,650	-
Dialysis services	18,000	-
AMREF	520,000	
Other medical services income (SHA)	118,978,350	-
Other medical services income (NHIF, Capitation and Lindamama)	17,719,489	
Total revenue from the rendering of services	166,001,165	-

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Residential property	-	-
Commercial property	-	-
Total Revenue from rent of facilities	-	-

13. Finance /Interest Income

Description	Current FY 2024/25	Comparative FY 2023/24
	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	-	-
Total finance income	-	-

14. Miscellaneous Income

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Sale of goods (water, publications, containers etc)	-	-
Write backs (Deposits, payments in advance etc)	-	-
Bad debts recovered	-	-
Others (Specify)	-	-
Total Miscellaneous income	-	-

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	40,859,360	1,438,010
Public health activities	-	-
Food and Ration	21,354,840	18,681,831
Uniform, clothing, and linen	3,341,910	187,500
Dressing and Non-Pharmaceuticals	54,588,995	2,919,909
Pharmaceutical supplies	24,699,842	55,305,786
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	6,005,506	776,450
Purchase of Medical gases	19,448,128	8,560,847
X-Ray/Radiology supplies	1,495,700	-
Other medical related clinical costs- specialised materials	498,790	-
Total medical/ clinical costs	172,293,071	87,870,333

16. Employee Costs

Description	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Salaries, wages, and allowances	412,277,284	402,095,622
Contributions to pension schemes		
Service gratuity		
Performance and other bonuses		
Staff medical expenses and Insurance cover		
Group personal accident insurance and WIBA		
Social contribution		
Other employee costs N.G.O.K and UHC staff salaries		7,730,040
Employee costs	412,277,284	409,825,662

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	1,647,150	141,500
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	1,647,150	141,500

18. Depreciation and Amortization Expense

Description	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Property, plant and equipment	20,620,775	21,785,851
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	20,620,775	21,785,851

19. Repairs And Maintenance

Description	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Property- Buildings	3,647,892	999,051
Medical equipment	4,075,500	8,358,714
Office equipment	3,618,699	213,860
Furniture and fittings	406,565	-
Computers and accessories	77,000	30,000
Motor vehicle expenses	290,098	184,807
Maintenance of civil works	-	-
Total repairs and maintenance	12,115,755	9,786,431

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	Current FY 2024/25	Comparative FY 2023/24
	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- African Institute	1,265,520	-
Transfer to Revenue Account	-	43,178,832
Transfer to Administration- Department of Health Services	7,937,000	-
Total grants and subsidies	9,202,520	43,178,832

21. General Expenses

Description	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	1,159,805	401,895
Waste management expenses	-	-
Insecticides and rodenticides	972,710	-
Audit fees	-	-
Bank charges	409,634	217,917
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	-	-
Utilities	50,000	-

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Description	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Electricity expenses		-
Fuel and Lubricants	10,094,475	470,429
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	1,301,380	632,145
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	833
Printing and stationery	3,840,000	3,482,714
Hire charges	-	-
Rent expenses	-	-
Water and sewerage costs	1,952,209	373,300
Skills development levies	-	-
Telephone and mobile phone services	444,494	146,600
Internet expenses	-	-
General Office Supplies (papers, pencils, forms, small office equipment etc)	2,717,689	-
Supplies and Accessories for Computers and Printers	748,000	-
Staff training and development		-
Subscriptions to professional bodies	64,000	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
Total General Expenses	23,754,396	5,725,833

22. Finance Costs

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Interest on Bank overdrafts/Guarantees	-	-
Interest on loans from commercial banks	-	-
Total finance costs	-	-

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

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
Total gain on sale of assets	-	-

24. Unrealized Gain On Fair Value Investments

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Investments at fair value	-	-
Total gain	-	-

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Comprehensive care contracts with NHIF/SHA	-	-
Non- Comprehensive contracts care with NHIF/SHA	-	-
Linda Mama Program	-	-
Waivers and Exemptions	-	-
Total Gain/Loss	-	-

26. Impairment Loss

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Investments	-	-
Total impairment loss	-	-

27. Cash And Cash Equivalent

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Current accounts	1,199,137	372,231
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others- Mobile money	-	-
Total cash and cash equivalents	1,199,137	372,231

Notes to the Financial Statements (Continued)
27 (a). Detailed Analysis of Cash and Cash Equivalents

Description		Current FY 2024/25	Comparative FY 2023/24
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1147035164	262,277	372,231
Kenya Commercial bank	1332274749	936,860	
Sub- total		1,199,137	372,231
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) Fixed deposits account			
Bank Name		-	-
Sub- total		-	-
d) Others			
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
Sub- total		-	-
Grand total		1,199,137	372,231

28. Prepayments

Description	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others specify	-	-
Total	-	-

29. Receivables From Exchange Transactions

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Medical services receivables-NHIF	23,361,550	18,323,100
Medical services receivables-SHA	62,513,221	-
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	85,874,771	18,323,100

Analysis of Receivables From Exchange Transactions

Description	Current FY 2024/25		Comparative FY 2023/24	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	67,551,671	79%	-	%
Between 1- 2 years	18,323,100	21%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	85,874,771	%	-	%

30. Receivables From Non-Exchange Transactions

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Transfers from the County Government	-	19,870,026
Undisbursed donor funds	-	-
Other debtors	-	-
Less: impairment allowance	-	-
Total	-	19,870,026

Analysis of Receivables From Non-Exchange Transactions

Description	Current FY 2024/25		Comparative FY 2023/24	
	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	-	%	-	%
Total (a+b)	-	%	-	%

31. Inventories

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Pharmaceutical supplies	5,261,494	25,616,434
Laboratory Supplies	2,017,960	-
Maintenance supplies	-	-
Food supplies	330,893	1,061,420
Non-pharmaceuticals Supplies	3,436,024	13,114,973
Linen and clothing supplies	-	-
Cleaning materials supplies	661,247	3,991,459
General supplies	393,522	49,611

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Less: provision for impairment of stocks	-	-
Total	12,101,140	43,833,897

Detailed disclosure on inventories

	Current FY 2024/25	Comparative FY 2023/24
Opening balance	43,833,897	-
Additional Inventory in the year	-	-
Inventory expensed in the year	31,732,757	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	12,101,140	-

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Notes to the Financial Statements (Continued)

32. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
		2%	12.5%	12.5%	30%	13%			
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Cost									
At 1 July 2023 (previous year)	-	-	-	11,101,540	392,000	1,297,702	-	-	12,791,242
Additions	135,675,000	329,125,590	6,267,375	1,490,791	988,000	100,670,192	-	-	574,216,948
Disposals	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th Jun 2024	135,675,000	329,125,590	6,267,375	12,592,331	1,380,000	101,967,894	-	-	587,008,190
At 1 July 2024 (current year)	135,675,000	329,125,590	6,267,375	12,592,331	1,380,000	101,967,894	-	-	587,008,190
Additions	-	-	-	1,908,492	-	1,953,618	-	-	3,862,110
Disposals	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-

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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	2% Ksh	12.5% Ksh	12.5% Ksh	30% Ksh	13% Ksh		Ksh	Ksh
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th Jun 2025	135,675,000	329,125,590	6,267,375	14,500,823	1,380,000	103,921,512	-	-	590,870,300
Depreciation and impairment									
At 1 July 2023 (previous year)	-	-	-	1,387,693	117,600	184,396	-	-	1,689,689
Depreciation for the year	-	6,582,512	783,422	1,400,580	296,400	12,722,937	-	-	21,785,851
Disposals									
Impairment									
At 30 June 2024	-	6,582,512	783,422	2,788,273	414,000	12,907,333	-	-	23,475,540
At 1 July 2024 (current year)	-	6,582,512	783,422	2,788,273	414,000	12,907,333	-	-	23,475,540
Depreciation	-	6,582,512	783,422	1,464,069	414,000	11,376,772	-	-	20,620,775
Disposals									
Impairment									
Transfer/adjustment									
At 30th June 2025	-	13,165,024	1,566,844	4,252,341	828,000	24,284,106	-	-	44,096,314

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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	2% Ksh	12.5% Ksh	12.5% Ksh	30% Ksh	13% Ksh		Ksh	Ksh
Net book values									
At 30 th Jun 2024 (previous)	135,675,000	322,543,078	5,483,953	9,804,058	966,000	89,060,561	-	-	563,532,650
At 30 th Jun 2025 (current)	135,675,000	315,960,566	4,700,531	10,248,482	552,000	79,637,406	-	-	546,773,986

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Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
Additions-Internal development	-	-
Disposal	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization for the period	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

34. Investment Property

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
At beginning of the year	-	-
Additions	-	-
Disposals during the year	-	-
Fair value gain	-	-
Depreciation	-	-
Impairment	-	-
At end of the year	-	-

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Notes to the Financial Statements (Continued)

35. Biological Assets

Description	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Trees in a plantation forest	-	-
Animals: Dairy Cattle, Pigs, Sheep	-	-
Others specify	-	-
Total	-	-

36. Trade and other Payables

Description	Current FY 2024/25		Comparative FY 2023/24	
	KShs		KShs	
Trade payables	11,245,855		4,365,982	
Trade payables(In kind)			15,504,044	
Employee dues	-		32,858,260	
Third-party payments	-		-	
Audit fee	-		-	
Doctors' fee	-		-	
Total trade and other payables	11,245,855		52,728,286	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the total
Under one year	11,245,855	100%	51,711,300	95%
1-2 years	-	%	1,016,986	5%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	11,245,855	%	52,728,286	%

37. Refundable Deposits from Customers/Patients

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Medical fees paid in advance	-	-
Credit facility deposit	-	-

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Rent deposits	-	-	-	-
Others	-	-	-	-
Total deposits	-	-	-	-
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

38. Provisions

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

39. Finance Lease Obligation

Description	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
Total	-	-

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40. Deferred Income

Description	Current FY 2024/25	Comparative FY 2023/24
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
Total	-	-

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Notes to the Financial Statements (Continued)

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

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

41. Borrowings

Description	Insert Current FY 2024/25	Insert Comparative FY 2023/24
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
Balance at end of the period	-	-

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

Description	Insert Current FY 2024/25	Insert Comparative FY 2023/24
	KShs	KShs
Current Obligation	-	-
Non-Current Obligation	-	-
Total	-	-

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Notes to the Financial Statements (Continued)

42. Service Concession Arrangements

Description	Current FY2024/25	Comparative FY2023/24
	KShs	KShs
Fair value of service concession assets recognized under PPE	-	-
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	Current FY	Comparative FY
	KShs	KShs
Surplus for the year before tax	44,383,953	7,885,115
Adjusted for:		
Depreciation	20,620,775	21,785,851
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working Capital adjustments		
Increase in inventory	(12,101,140)	(43,833,896)
Increase in receivables	(85,874,771)	(38,193,125)
Increase in deferred income	-	-
Increase in payables	11,245,855	52,728,288
Increase in payments received in advance	-	-
Net cash flow from operating activities	(21,725,329)	372,233

Notes to the Financial Statements (Continued)

44. Financial Risk Management

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

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

(i) Credit risk

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

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

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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 The board of management sets the hospital's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

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

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

a) Foreign currency risk

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2024			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities	-	-	-
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/	-	-	-

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
At 30 June 2025			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities	-	-	-
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset	-	-	-

Foreign currency sensitivity analysis

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

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

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Sensitivity analysis

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

iv)Capital Risk Management

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

Description	Current Period 2024/25	Comparative Period 2023/24
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve	-	-
Total funds	-	-
	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt	-	-
Gearing	%	%

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Notes to the Financial Statements (Continued)

45. Related Party Balances

Nature of related party relationships

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

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

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

Description	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to	-	-
Sales of services to	-	-
Total	-	-
b) Grants from the Government		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
Total	-	-
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	-	-
Payments for goods and services for	-	-
Total	-	-
d) Key management compensation		

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Description	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
Total	-	-

46. Segment Information

47. Contingent Liabilities

Contingent liabilities	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Court case against the hospital	-	-
Bank guarantees in favour of subsidiary	-	-
Total	-	-

48. Capital Commitments

Capital Commitments	Current FY 2024/25	Comparative FY 2023/24
	Kshs	Kshs
Authorised For	-	-
Authorised And Contracted For	-	-
Total	-	-

49. Events after the Reporting Period

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

50. Ultimate and Holding Entity

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

51. 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:

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

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 th June (Current FY)					
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.....

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Appendix IV Reporting of Climate Relevant Expenditures

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

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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