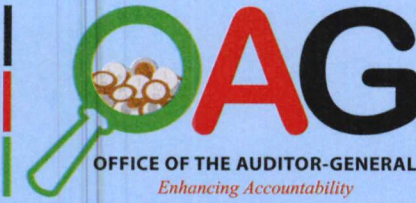


REPUBLIC OF KENYA



REPORT

312

PARLIAMENT  
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THE AUDITOR-GENERAL

ON

DAGORETTI SUB-COUNTY HOSPITAL  
MUTUINI

FOR THE YEAR ENDED  
30 JUNE, 2025

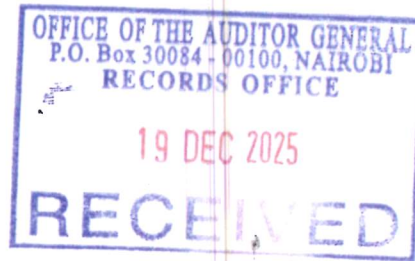
COUNTY GOVERNMENT OF  
NAIROBI CITY

DATE	19/2/2026
TABLED BY	Minority Unit
COMMITTEE	—
CLERK AT THE TABLE	Angela



RS

Revised 30<sup>th</sup> June 2025



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**DAGORETTI SUB COUNTY HOSPITAL-MUTUINI  
LEVEL 4  
(Nairobi County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

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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
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

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

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

Mutuini Dagoretti Sub County Hospital established and run under gazette notice number **GK-008932** and is domiciled in Nairobi County under the Health Department. The hospital is governed by a Board of Management.

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

The principal activity/mission/ mandate of the *hospital* is to offer quality health care to clients.

**VISION;** To be an institution with high quality health care which is accessible, equitable and affordable.

**MISSION;** To provide integrated preventive, promotive and rehabilitative health care.

#### **CORE VALUES;**

- Transparency, Accountability and Integrity
- Respect of the Diversity of people
- Respect and value for all human life
- Professionalism with Ethical and Evidence Based Decision making
- Right to health care
- Corporate social responsibility
- Team work and cooperation








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

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

- County department of health
- Board of Management
- Chief Executive Officer
- Hospital Management Team

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	 Chief Executive Officer	<b>Frederick Obwanda</b>
2	 Medical Superintendent	<b>Pamela Amatta</b>
3	 Head of Finance	<b>Harold Wafula</b>
4	 Head of Supply Chain	<b>Joyce Orege</b>
5	 Hospital Administrative Officer	<b>Reuben Mbathi</b>
6	 Nursing Service Manager	<b>Magdalene Mutune</b>
7	 Pharmacist	<b>Brian Bosire</b>

**(e) Fiduciary Oversight Arrangements**

- Clinical Research and Standards Committee

The Clinical Research Committee serves as a fiduciary oversight arrangement, ensuring ethical governance, risk mitigation, and compliance in clinical trials and research initiatives.

- Audit committee

The Audit Committee provides fiduciary oversight through independent review of financial reporting, internal controls, and compliance, safeguarding organizational integrity and accountability

- Risk Committee

The Risk Committee oversees fiduciary responsibilities by identifying, assessing, and mitigating risks, ensuring proactive management and protection of organizational assets and interests.

- County Assembly

The County Assembly exercises fiduciary oversight through legislative scrutiny, budget review, and accountability mechanisms, ensuring transparent governance and responsible management of public resources.

- Parliamentary committees

Parliamentary Committees provide fiduciary oversight by conducting inquiries, reviewing policies, and holding government accountable, ensuring transparency and responsible stewardship of public funds and resources.

- Other oversight committees

**Key Entity Information and Management (continued)**

**(a) Entity Headquarters**

DAGORETTI SUB COUNTY HOSPITAL - MUTUINI,  
P. O. Box 35247-00100  
NAIROBI, KENYA  
WAGARA ROAD.

**(b) Entity Contacts**

**Telephone:** 0716960159  
**Email:** dagoretthospital@yahoo.com

**(c) Entity Bankers**

Kenya Commercial Bank Ltd

**(d) Independent Auditors**

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







**(e) Principal Legal Adviser**

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

**(f) County Attorney**

P.O. Box. 30075-00100  
NAIROBI

### 3. The Board of Management








Ref	Directors	Details
1.	 Dr. Isaiah Tanui	<b>Role: Board Chair</b> Qualifications: Bachelor of Medicine & Surgery Master of Public Health Work Experience: Medical Officer of Health, 25 years Age: 59
2	 Pastor Oliver Chiraba	<b>Role: Vice Chair</b> Qualifications: Bachelor in Biblical Theology Diploma in Biblical Theology Work Experience: Programme Director, 22 years Age: 50
3.	 M/s Nancy Mbai	<b>Role: Member</b> Qualifications: Diploma in Theology Public Section Induction Work Experience: Business, 5 years Age: 28
4	 Salome Mbugua	<b>Role: Member</b> Qualifications: Community Development Work Experience: Community Health Promoter, 7 years Age: 53
5.	 Fredrick Obwanda	<b>Role: Secretary</b> Qualifications: Masters in Health Care Management Work Experience: Business Management, 11 years Age: 33
6.	 Brian Muchene	<b>Role: Member</b> Qualifications: Bachelor of Science, Business Economics Work Experience: Business, 7 years Age: 27

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

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**4. Key Management Team**

No.	Designation	Name
1.	 Chief Executive Officer	<b>Frederick Obwanda</b>
2	 Medical Superintendent	<b>Pamela Amatta</b>
3	 Head of Finance	<b>Harold Wafula</b>
4	 Head of Supply Chain	<b>Joyce Orege</b>
5	 Hospital Administrative Officer	<b>Reuben Mbathi</b>
6	 Nursing Service Manager	<b>Magdalene Mutune</b>
7	 Pharmacist	<b>Brian Bosire</b>

**30 JUNE, 2025**

**5. Chairman's Statement**

Reflections on a Year of Progress (2024-2025)

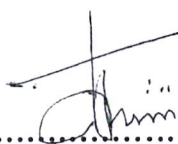
I'm delighted to share that our facility has demonstrated remarkable resilience and adaptability in the face of sector-wide challenges. Our relentless pursuit of innovation, strategic growth, and operational excellence has yielded impressive results. Despite headwinds, our financials showcase the robustness of our core model, with a notable revenue surge driven by expanded service points. Our net turnover has also seen significant improvement, underscoring our focus on efficiency and value creation.

We've continued to invest in new service points, positioning ourselves for future growth and better serving our community. This strategic expansion not only enhances our capacity but also reinforces our commitment to delivering high-quality services. Our team's dedication and expertise have been instrumental in driving these achievements, and I'm grateful for their hard work and commitment.

*\*Looking Ahead\**

While economic uncertainties persist, we're optimistic about our prospects, driven by our strategic initiatives and team dedication. We'll continue to innovate, adapt, and deliver sustainable value to our community. Our focus on efficiency, quality, and customer satisfaction will remain unwavering, ensuring that we stay ahead of the curve and meet the evolving needs of our catchment area.

I'd like to extend my heartfelt appreciation to our team members for their tireless efforts and to our stakeholders for their unwavering support. Your trust and confidence in our facility are the foundation of our success. Together, we'll navigate the future with confidence, striving for even greater success in the years to come. Thank you for your trust and commitment – we're excited about the journey ahead!



.....  
**Name**

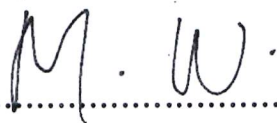
**Chairman to the Board**

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

I am pleased to present the audited financial accounts for Mutuini Dagoretti Sub County Hospital for the fiscal year ending 30/6/2025. These statements reflect our unwavering commitment to transparency, accountability, and excellence in healthcare delivery. Dagoretti Sub-County Hospital in Mutu-ini stands as a beacon of hope and care for the local community, with its dedicated team of healthcare professionals providing essential medical services and touching countless lives.

The financial review confirms our strong financial position, highlighting our ongoing efforts to manage resources effectively while investing in the quality of care we provide. Key highlights from the review include a remarkable increase in total revenue, driven by expanded service points, targeted campaigns, improved client service, and strategic staffing in key departments. Our focus on operational efficiencies has yielded a significant reduction in costs, enabling us to reinvest in critical areas, particularly Information Technology. Consequently, our net assets have grown, positioning us well for future investments in technology and facility enhancements.

These results are a testament to the hard work and dedication of our entire team. We remain steadfast in our mission to deliver high-quality healthcare while maintaining fiscal responsibility. I encourage you to review the attached financial accounts in detail and invite you to reach out for further discussions should you have any questions or require additional information. Together, we can continue to build on our successes and drive progress in healthcare delivery.



.....  
**Name**

**Secretary to the Board**

## **7. Statement of Performance Against Predetermined Objectives**

Mutuini Dagoretti Sub County Hospital is located in Dagoretti Sub-County, Nairobi County with a catchment population of 56,011.

The hospital was started as a project of the Dagoretti Constituency Fund (CDF) by the then area Member of Parliament Hon. Beth Mugo in the year 2007 as a Health Centre. It was later taken over by the Ministry of Medical Services and gazetted as a level 4 Facility in the year 2009. With the Promulgation of the New Constitution and Onset of Devolution, DSCH became one of the 4 Main Hospitals under the Nairobi City County Government effective March 2013.

In order to achieve organizational success, the facility required a multifaceted strategy due to the complex nature of healthcare delivery in Kenya Today. However, we took a multifaceted approach , with the following 10 Pillars and intended objectives as follows;

### **a) Patient centred Care**

- **Quality Improvement:** Continuous implementation of quality improvement (CQI) programs, in addition to regularly reviewing patient outcomes and feedback with a view to identify areas for improvement.
- **Patient Engagement:** By encouraging the patient's involvement in their care plans. Provide clear information and support to ensure patients understand their treatment options.

### **b) Operational Efficiency**

- **Process Optimization:** We shall streamline workflows to reduce bottlenecks. Use Lean and exact methodologies to improve processes and eliminate waste.
- **Technology Integration:** By investing in robust Electronic Health Records (EHR) systems and other technologies to enhance coordination and reduce errors within the facility workflow.

### **c) Staff Management and Development**

- **Training and Education:** Provision of continuous trainings and development opportunities for all staff to keep up with the latest medical practices and technologies.
- **Employee Well-being:** Foster a supportive work environment to reduce burnout. Implement wellness programs and provide mental health support.

**d) Financial Health**

- Cost Management: We shall continuously monitor and control operational costs without compromising patient care in addition to financial analytics to identify cost-saving opportunities.
- Revenue Cycle Management: Ensure effective billing and

Collections processes. Optimize coding and documentation to improve reimbursement rates in cases of state run funding.

**e) Regulatory Compliance**

- Standards Adherence: To stay up-to-date with healthcare regulations and standards.
- Regularly audit compliance with local, state, and federal requirements.
- Accreditation: Pursue and continuously maintain contact with accreditation from relevant bodies (e.g., KMPDB) to demonstrate commitment to quality and safety.

**f) Strategic Planning**

- Vision and Goals: Implementing the clear vision and strategic goals for the hospital with a special focus on the aligned departmental objectives and overall mission of the facility.
- Market Analysis: Conducting regular market analytics helps in benchmarking with the current disease burden and thus adjusting our treatment modules to it.

**g) Patient Flow and Access**

- Capacity Management: Optimize patient flow and bed management to minimize wait times and maximize on the resources available.
- Access Improvement: Enhance patient access through extended hours, telehealth services, and efficient appointment scheduling.

**h) Community Engagement**

- Outreach Programs: Continuous community programs to engage with the community and promote health education, in cases where partners are involved or any other local organizations to address community health needs.
- Feedback Mechanisms: Create channels for the larger catchment feedback to understand and address their needs and concerns, this curbs against loss of the intended focus areas.

**i) Leadership and Governance**

- **Strong Leadership:** Ensure that hospital leadership is composed of visionary, ethical, and effective team members guiding the organization with a focus on those who foster a culture of accountability and transparency in their deeds.
- **Governance Structure:** Establish a robust governance structure with clear roles and responsibilities for board members, Health Management Teams and executives.

**j) Innovation and Research**

- **Adopt Innovations:** Stay abreast of technological advancements and incorporate innovative solutions that can enhance patient care and operational efficiency.
- **Research Participation:** Engage in clinical research to advance medical knowledge and improve treatment options. Collaborate with academic institutions and research organizations.

By integrating these elements into a cohesive strategy, the facility improved patient outcomes, streamlining operations, and now poised to achieve long-term success in this competitive healthcare environment

## **8. Corporate Governance Statement**

At Dagoretti Sub County Hospital we are committed to the highest standards of corporate governance, ensuring that our practices reflect our dedication to ethical conduct, accountability, and transparency in all aspects of our operations. Our governance framework is designed to support our mission of delivering exceptional healthcare while safeguarding the interests of our patients, staff, and stakeholders.

### **(i) Governance Structure**

Our governance structure includes a Board of Management responsible for overseeing the strategic direction of the hospital, ensuring compliance with applicable laws and regulations, and safeguarding the hospital's assets. The Board comprises diverse members with expertise in healthcare, finance, and administration, providing a broad perspective on our operations.

### **(ii) Accountability and Transparency**

We uphold the principles of accountability and transparency in our decision-making processes. Regular reports on financial performance, strategic initiatives, and operational outcomes are provided to the Board and shared with our stakeholders, fostering an environment of openness.

### **(iii) Ethical Conduct**

At Mutuini Dagoretti Sub County Hospital, we prioritize ethical behaviour and integrity in our interactions with patients, staff, and the community. We have established a Code of Conduct that outlines our expectations regarding professional behaviour, conflict of interest, and confidentiality. Ongoing training is provided to ensure that all employees understand and adhere to these standards.

### **(iv) Risk Management**

We maintain a comprehensive risk management framework to identify, assess, and mitigate risks that may impact our operations and reputation. This includes regular assessments of clinical and operational risks, ensuring that patient safety remains our top priority.

### **(v) Stakeholder Engagement**

Engagement with our stakeholders is vital to our governance practices. We actively seek feedback from patients, staff, and the community to enhance our services and address any concerns. Our commitment to patient-centered care drives us to continuously improve the quality of our healthcare delivery.

### **(vi) Continuous Improvement**

We are dedicated to continuous improvement in our governance practices. Regular reviews of our policies and procedures to ensure that we adapt to changing regulatory environments and best practices in healthcare governance. In conclusion, our commitment to robust corporate governance is integral to fulfilling our mission and achieving our vision. We believe that strong governance enhances our ability to serve our patients and community effectively.

## **9. Management Discussion and Analysis**

The facility faced capacity challenges impacting service delivery. Key services were limited, but management invested in expansion and equipping key areas despite funding constraints.

The maternity has a total of 43 beds which are always occupied and in cases where there is overflow the team refers clients to nearby facilities. Within the maternity is a functional theatre which covers about 7 cases a day more so for mothers who are undergoing Caesarean Section. The challenge with most mothers however is the inability to pay for the full fees needed to cover theatre charges leading to reduced revenues, high consumption of consumables and thus high levels of loss undertaken by the facility. The good news is that the facility has not got any mortality related to maternity, except for 2 within the Out-Patient Department.

Operational metrics for 2024/2025 show patient attendance was 146,998. The facility doesn't handle general emergencies but processed about 24 emergency cases during recent protests. Average length of stay for inpatients is 3 days, notably for maternity ward patients who make up about 50% of inpatients. Financially, total revenue was KSh 76,664,210 including KSh 3,289,000 in-kind contributions. Total expenses were KSh 183,337,974 including non-monetary depreciation of KSh 104,930,862. Costs related to medical services were KSh 19,873,762 with impairment losses of KSh 34,386,168. The facility faces challenges with outstanding claims of KSh 16,386,830 from the Social Health Insurance Fund, impacting cashflow.

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

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

For sustainability purposes, the board together with management are onto expansion of services that are currently not being offered but are in dire need by the catchment population. In addition to increase of services, the facility will focus its efforts on finishing the stalled blocks so as to create more room for paying patients, coupled with addition of staffing to cater for increased patient flow.

### ***ii) Environmental performance***

The facility will work within the county environmental sustainability plans.

### ***iii) Employee welfare***

The facility will follow the guidelines as prescribed within the county occupational health and safety regulations.

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

The organisation should outline its efforts to:

#### ***a) Responsible competition practice.***

Being a government facility, most of our service prices are quite low, our main objective has been to deliver on the service mandate.

#### ***b) Responsible Supply chain and supplier relations***

*Explain how the organisation maintains good business practices, and treats its own suppliers responsibly by honouring contracts and respecting payment practices.*

#### ***c) Responsible marketing and advertisement***

The facility will deploy marketing practices to enable greater reachability of services, in addition to deploying of the community outreach unit.

#### ***d) Product stewardship***

The facility will deploy fair practices as enshrined in county guidelines.

### ***v) Corporate Social Responsibility / Community Engagements***

The facility did not spend much resources towards CSR in this financial year, except for one even of tree planting

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

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

#### **Principal activities**

The principal activities of the entity are Outpatient Services and mainly Maternity with a theatre.

#### **Results**

The results of the entity for the year ended June 30 2025 are set out on pages 1 to 9

#### **Board of Management**

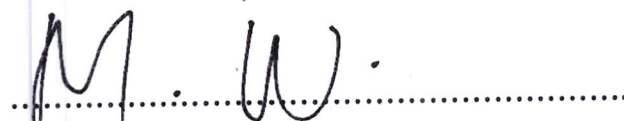
The members of the Board who served during the year are shown on page -. During the year, 0 director(s) retired/ resigned, and 0 director (s) was appointed.

#### **Auditors**

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

OR

BY ORDER BY THE BOARD



Name

Secretary of 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 Mutuini Dagoretti Sub County Hospital, which give a true and fair view of the state of affairs of the Mutuini Dagoretti Sub County Hospital at the end of the financial year/period and the operating results of Mutuini Dagoretti Sub County Hospital for that year/period. The Board of Management is also required to ensure that Mutuini Dagoretti Sub County Hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of the Mutuini Dagoretti Sub County Hospital. The council members are also responsible for safeguarding the assets of the entity.

The Board of Management is responsible for the preparation and presentation of Mutuini Dagoretti Sub County Hospital financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Mutuini Dagoretti Sub County 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 entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that Mutuini Dagoretti Sub County Hospital financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2025, and of Mutuini Dagoretti Sub County Hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Mutuini Dagoretti Sub County Hospital, which have been relied upon in the preparation of Mutuini Dagoretti Sub County Hospital 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 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 18/12/2025 and signed on its behalf by:

.....  
Name:

**Chairperson  
Board of Management**

.....  
Name:

**Accounting Officer**

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON THE DAGORETTI SUB-COUNTY HOSPITAL MUTUINI FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF NAIROBI CITY**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Dagoretti Sub-County Hospital Mutuini – County Government of Nairobi City set out on pages 1 to 54, which comprise

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*Report of the Auditor-General on Dagoretti Sub-County Hospital Mutuini for the year ended 30 June, 2025 –  
County Government of Nairobi City*

of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Dagoretti Sub-County Hospital Mutuini – County Government of Nairobi City as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Government Act, 2012, Health Act, 2017 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Long Outstanding Receivables**

The statement of financial position reflects receivables from exchange transactions balance of Kshs.16,386,830, as disclosed in Note 29 to the financial statements. Included in the balance are receivables amounting to Kshs.4,224,750 which had been outstanding for more than one (1) year. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.4,224,750 could not be confirmed.

#### **2. Unsupported Property Plant and Equipment**

The statement of financial position reflects property plant and equipment net book value of Kshs.407,826,765 . However, the asset register provided was incomplete and did not fully capture the details and values of all property, plant and equipment owned by the Hospital. Further, the assets had not been tagged, limiting the ability to verify existence, identification and safeguarding of the assets.

In the circumstances, the accuracy and completeness of the property plant and equipment net book value of Kshs.407,826,765 could not be verified.

#### **3. Failure to Account for Facilities Improvement Funds (FIF) at the Hospital**

Review of revenue records obtained from Level 4 health facility revealed that the Hospital collected rendering of services- medical service income amount totalling Kshs.73,375,210 towards the health facilities improvement. The County Treasury transferred total amount of Kshs.85,555,564 to the health facility which was at variance

with an amount of Kshs.73,375,210 reflected in the statement of cashflows resulting in unreconciled variance of Kshs.12,180,354 by the Hospital.

In the circumstances, the accuracy and completeness of the rendering of services amount totalling Kshs.73,375,210 could not be confirmed.

#### **4. Unconfirmed Stock Balances**

The statement of financial position reflects an inventory of nil balance. The amount is not supported by annual stock sheets. However, physical verification of store records revealed unvalued pharmaceutical supplies which were in store as at 30 June, 2025.

In the circumstances, the valuation, accuracy, and completeness of the inventory nil balance could not be confirmed.

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

#### **Key Audit Matters**

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

#### **Other Matter**

#### **Unresolved Prior Year Audit Matters**

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

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

	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Inaccuracies in the Financial Statements
2	2023/2024	Non-Provision of Trial Balance
3	2023/2024	Omission of in-kind Contribution from the County Government
4	2023/2024	Unconfirmed Stock Balances

	<b>Financial Year</b>	<b>Audit Issue</b>
5	2023/2024	Irregularities on In Kind Contributions from the County Government
6	2023/2024	Deficiencies in Implementation of Universal Health Coverage (UHC)

### **Other Information**

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

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

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Long- Outstanding Trade and Other Payables**

The statement of financial position reflects trade and other payables amounting to Kshs.37,554,576, However, included in the balance are trade payables balance of Kshs.10,676,199 which had been had been outstanding for more than one (1) year. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015

which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates'.

In the circumstances, the Hospital Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

## 2. Non-Staggering of Board Tenure

During the year under review, it was noted that the Chairperson and four Members of the Health Facility Management Committee were all appointed on the same date, with effect from 24 April, 2023. This is contrary to Section 1.14 of the Mwongozo Code of Governance which requires the Appointing Authority to stagger the tenures of Board and Committee Members to ensure phased transition and continuity in governance.

In the circumstances, adherence to Mwongozo code of governance could not be confirmed.

## 3. Deficiencies in Implementation of Universal Health Coverage (UHC)

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

Criteria	Minimum Required	Auditor's Observation	Deficiency
<b>Staffing Requirement</b>			
Medical Officers	16	2	14
Anesthesiologists	2	0	2
General Surgeons	2	0	2
Gynecologists	2	1	1
Pediatricians	2	1	1
Radiologists	2	0	2
Registered Community Health Nurses	75	9	66
<b>Services Offered</b>			
Radiology Services	Should be in place	Not in place	
Renal Services	Should be in place	Not in place	
Mortuary and Autopsy Services	Should be in place	Not in place	
<b>Bed Capacity</b>	150	8	142
<b>Equipment &amp; Machines</b>			0

<b>Criteria</b>	<b>Minimum Required</b>	<b>Auditor's Observation</b>	<b>Deficiency</b>
Incubators (newborn)	5	2	3
Cots	5	1	4
Advanced Life Support	Should be in place	Not in place	
Resuscitative in Labor Ward	2	1	1
Functional ICU Beds	6	0	6
HDU Beds	6	0	6
Renal Unit with Dialysis Machines	5	0	5
Functional Operating Theaters Maternity and General	2	1	1
<b>Asset Mgt</b>			
Land Size	5 acres	4 acres	1 acre
<b>Store Management</b>			
Adequate Storage Space		Not adequate	

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

#### **4. Non – Compliance with the Public Procurement Capacity Building Levy Order, 2023**

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

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

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

# REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

## **Conclusion**

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

## **Basis for Conclusion**

### **1. Expired Medical Supplies**

The statement of financial position reflects an inventory balance of Kshs.20,842,861. However, review of the pharmaceutical store records revealed expired drugs valued at Kshs.66,080 and had not been disposed posing a health hazard.

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

### **2. Lack of Land Ownership documents.**

The statement of financial position reflects a balance of Kshs.407,826,765 in respect of property, plant and equipment, which land valued at Kshs.301,100,000. However, no title deed or other supporting ownership documents were provided for audit verification.

In the circumstances, the ownership of the land 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 to as a going concern, disclosing, as applicable, matters

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

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

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

The Board of Management is responsible for overseeing the 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, SBS  
AUDITOR-GENERAL

Nairobi

19 December, 2025


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

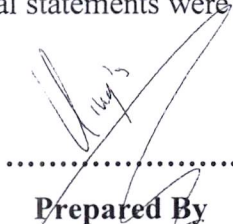
Description	Note	Current 2024/2025	Comparative 2023/2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6		-
In-kind contributions from the County Government	7	3,289,000	3,206,000
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
<b>Revenue from non-exchange transactions</b>		<b>3,289,000</b>	<b>3,206,000</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	11	73,375,210	24,319,713
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
<b>Revenue from exchange transactions</b>		<b>73,375,210</b>	<b>24,319,713</b>
<b>Total revenue</b>		<b>76,664,210</b>	<b>27,525,713</b>
<b>Expenses</b>			
Medical/Clinical costs	15	19,873,762	4,567,006
Employee costs	16	26,005,680	6,986,561
Board of Management Expenses	17	-	473,970
Depreciation and amortization expense	18	28,830,861.5	-
Repairs and maintenance	19	8,537,993	2,099,652
Grants and subsidies	20	591,620	-
General expenses	21	23,398,057	788,984
Finance costs	22	-	-
<b>Total expenses</b>		<b>107,237,974</b>	<b>14,916,173</b>
<b>Other gains/(losses)</b>			
Gain/Loss on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-

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

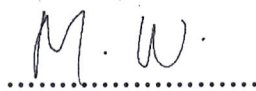
Medical services contracts Gains/Losses	25	-	-
Impairment loss	26	34,386,168	-
Gain on foreign exchange transactions		-	-
<b>Total other gains/(losses)</b>		<b>34,386,168</b>	<b>-</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>-64,959,932</b>	<b>12,609,540</b>

The Hospital's financial statements were approved by the Board on 18/12/2025 and signed on its behalf by:

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

  
 .....  
**Prepared By**  
**Head of Finance**

  
 .....  
**Checked By**  
**ICPAK No:**  
**14943**

  
 .....  
**Medical Superintendent**

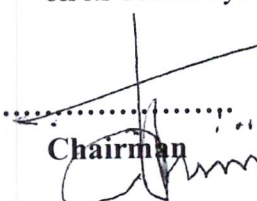
**15. Statement of Financial Position As At 30<sup>th</sup> June 2025**

Description	Note	Current 2024/2025	Comparative 2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27	612,834	6,307,815
Prepayments	28		
Receivables from exchange transactions	29	16,386,830	5,723,950
Receivables from non-exchange transactions	30	-	-
Inventories	31	20,842,861	-
<b>Total Current Assets</b>		<b>37,842,525</b>	<b>12,031,765</b>
<b>Non-current assets</b>			
Property, plant, and equipment	32	407,826,765	440,306,700
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
<b>Total Non-current Assets</b>		<b>407,826,765</b>	<b>440,306,700</b>
<b>Total assets (A)</b>		<b>445,669,290</b>	<b>452,338,465</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	36	37,554,576	10,676,199
Refundable deposits from customers/Patients	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
Social Benefits		-	-
<b>Total Current Liabilities</b>		<b>37,554,576</b>	<b>10,676,199</b>
<b>Non-current liabilities</b>			
Provisions	38		-


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

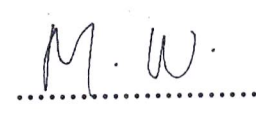
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40		-
Non - Current portion of borrowings	41		-
Service concession Arrangements	42		-
Social Benefits			-
<b>Total non-current liabilities</b>		-	-
<b>Total Liabilities (B)</b>		<b>37,554,576</b>	<b>10,676,199</b>
<b>Net assets (A-B)</b>		<b>408,114,713</b>	<b>441,662,356</b>
<b>Represented by:</b>			
Revaluation reserve		18,891,784.	-
Accumulated surplus/Deficit		-43,524,537	21,435,395
Capital Fund		432,747,466	420,226,961
<b>Net Assets</b>		<b>408,114,713</b>	<b>441,662,356</b>

The Hospital's financial statements were approved by the Board on 18/12/2025 and signed on its behalf by:

  
 Chairman  
 Board of Management

  
 Prepared By  
 Head of Finance

  
 Checked By  
 ICPAK No:  
 14943

  
 Medical Superintendent

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1 2023	-	8,825,835	-	8,825,835
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	12,609,540	-	12,609,540
Capital/Development grants	-	-	420,226,961	420,226,961
As at June 30 2024	-	21,435,395	420,226,961	441,662,356
	-			
At July 1, 2024		21,435,395	420,226,961	441,662,356
Revaluation gain	18,891,784	-	-	18,891,784
Surplus/(deficit) for the year	-	-64,959,932	-	- 64,959,932
Capital/Development grants	-	-	12,520,505	12,520,505
At June 30 2025	18,891,784	- 43,524,537	432,747,466	408,114,713

**NOTES:**

1. The revaluation reserve of ksh. 18,891,784 arises from the revaluation of PPE carried out during the year under review.

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

Description	Note	Current 2024/2025	Comparative 2023/2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government		-	-
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		73,375,210	27,525,713
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts		-	-
<b>Total Receipts</b>		<b>73,375,210</b>	<b>27,525,713</b>
<b>Payments</b>			
Medical/Clinical costs		19,873,762	4,567,006
Employee costs		26,005,680	6,986,561
Board of Management Expenses		-	473,970
Repairs and maintenance		9,201,072	2,099,652
Grants and subsidies		591,620	
General expenses		23,398,057	788,984
Finance costs		-	
Refunds paid out			
<b>Total Payments</b>		<b>79,070,191</b>	<b>14,916,173</b>
<b>Net cash flows from operating activities</b>	43	<b>-5,694,981</b>	<b>12,609,540</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment		-	-
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-

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

Capital grants received		-	12,603,450
<b>Net cash flows used in financing activities</b>		-	<b>12,603,450</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-5,694,981</b>	<b>6,090</b>
Cash and cash equivalents as at 1 July 2024	27	<b>6,307,815</b>	<b>6,301,725</b>
<b>Cash and cash equivalents as at 30 June 2025</b>	27	<b>612,834</b>	<b>6,307,815</b>

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 utilization
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Revenue</b>						
Transfers from the County Government	-	-	-	-	-	-
Grants from donors and development partners	-	-	-	-	-	-
Transfers from other Government entities	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- Medical Service Income	73,375,210	-	73,375,210	73,375,210	-	100%
Revenue from rent of facilities	-	-	-	-	-	-
Finance / interest income	-	-	-	-	-	-
Miscellaneous receipts ( <i>specify</i> )	-	-	-	-	-	-
<b>Total income</b>	<b>73,375,210</b>	<b>-</b>	<b>73,375,210</b>	<b>73,375,210</b>	<b>-</b>	<b>100%</b>
<b>Expenses</b>						
Medical/Clinical costs	25,702,660	-	25,702,660	19,873,762	5,828,898	77%
Employee costs	19,305,000	-	19,305,000	26,005,680	6,700,680	135%
Remuneration of directors	-	-	-	-	-	%
Repairs and maintenance	9,053,400	-	9,053,400	8,537,993	515,407	94%
Grants and subsidies	591,620	-	591,620	591,620	-	100%
General expenses	18,722,530	-	18,722,530	23,398,057	4,675,527	125%
Finance costs	-	-	-	-	-	-

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

Refunds	-	-	-	-	-	-
Total expenses	73,375,210		73,375,210	78,407,112	-	-
<b>Surplus for the period</b>	<b>0</b>		<b>0</b>	<b>-5,031,902</b>	-	-
<b>Capital expenditure</b>	-	-	-	-	-	-

**Budget notes**

- 1. Budgeted Employee Costs was set at Kshs.19,305,000. However, unexpected costs driven by industrial action saw the Facility hire more than expected to cover areas that were left unattended, thus the over expenditure which was duly sanctioned.*
- 2. Under utilisation of medical cost at ksh.5,828,898 results from the number of patients attended who did not consume all pharmaceutical supplies procured.*

**Budget Reconciliation**

Description	KShs
<b>Actual surplus/(deficit) as per Statement of Comparison of Budget and Actual Amounts</b>	(5,031,902)
<b>Non-cash items</b>	
Less: Depreciation expense not included in budget	(28,830,862)
<b>Working capital movements</b>	
Less: Increase in receivables from exchange transactions	(10,662,880)
Add: Increase in trade and other payables	26,878,377
<b>Other basis/entity/presentation differences</b>	(47,312,665)
<b>Surplus/(deficit) as per Statement of Financial Performance</b>	(64,959,932)

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

### **1. General Information**

Dagoretti Sub County Hospital Mutuini is established by and derives its authority and accountability from the Public Health Act. The entity is wholly owned by the Nairobi County Government and is domiciled in Nairobi County in Kenya. The entity's principal activity is Public Health Service.

### **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. 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 (*include any other applicable legislation*), 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 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> 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 cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>The entity has assessed IPSAS 43 on Leases and determined it does not currently apply as the entity does not have any lease arrangements for Property, Plant, and Equipment (PPE) that would be subject to the standard, with adoption planned for when applicable.</i></p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1<sup>st</sup> 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 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>

Standard	Effective date and impact:
	<p><i>The entity has assessed IPSAS 45 and determined it does not currently apply with adoption planned for when applicable.</i></p>
<p>IPSAS 46 Measurement</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>In accordance with IPSAS 46, the entity has endeavoured to measure Property, Plant, and Equipment (PPE) at fair value or cost. However, due to challenges in obtaining necessary documentation and valuations from relevant government entities for certain fixed assets, accurate valuation could not be achieved in all instances. Where necessary, impairment losses have been accounted for to reflect the reduced carrying value of these assets. Additionally, depreciation has been applied in accordance with the entity's accounting policies, resulting in a deficit in the carrying value of certain PPEs</i></p>
<p>IPSAS 47- Revenue</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>IPSAS 47 on Revenue is not applicable to these financial statements as it is effective for the next financial year. In the meantime, the entity continues to account for revenue in accordance with previous applicable standards, recognizing revenue from exchange and non-exchange transactions, including in-kind contributions, based on existing accounting policies.</i></p>

Standard	Effective date and impact:
IPSAS 48- Transfer Expenses	<p><i>Applicable 1<sup>st</sup> 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 for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>The Standard is not applicable to these financial statements as it will be adopted in a future period when it becomes effective for the entity.</i></p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> 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> <p><i>The Standard is not applicable to these financial statements as it will be adopted in a future period when it becomes effective for the entity.</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1<sup>st</sup> 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> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol> <p><i>The Standard is not applicable to these financial statements as it will be adopted in a future period when it becomes effective for the entity.</i></p>

*iii) Early adoption of standards*

The Entity did not therefore 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.

*The entity has received an in-kind contribution valued at ksh. 3,289,000, which has been recognized in the financial statements in accordance with the entity's accounting policies for non-exchange transactions. This contribution has been measured at fair value and will be recognized in the statement of financial performance over the useful life of the related asset, with any conditional elements giving rise to a liability being accounted for accordingly.*

##### **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.

*Revenue from rendering of services amounting to ksh. 73,375,210 has been recognized in the statement of financial performance based on the stage of completion method. The stage of completion was determined by reference to labour hours incurred to date as a percentage of total estimated labour hours, where the outcome of the transaction could be estimated reliably. Where the outcome could not be measured reliably, revenue was recognized only to the extent that expenses incurred were 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.

*The entity however does not recognize revenue from the sale of goods as its primary activities are focused on providing healthcare services, and it does not engage in transactions involving the sale of goods.*

### **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.

*The hospital does not have financial assets that generate interest income subject to the effective yield method, and therefore, this revenue recognition principle is not applicable to its financial statements.*

### **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.

*The hospital does not generate rental income from investment properties or operating leases, and therefore, this revenue recognition principle is not applicable to its financial statements.*

*Notes to the Financial Statements (Continued)*

**b. Budget information**

The original budget for FY 2024/2025 was approved by Board. No revisions or additional appropriations were made to the approved budget

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 no additional appropriations . 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.

*Note that while the hospital itself is exempt from charging taxes, third-party vendors are required to provide proof of tax compliance. The hospital is in discussions with the tax authority to explore the possibility of acting as a tax agent.*

*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 0 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.

*However, The hospital does not hold any investment properties, and therefore, the accounting policies related to investment properties are not applicable to its financial statements.*

**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)*

**Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 26*

## **Financial liabilities**

### **Classification**

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

#### **f. 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.

#### **g. 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)*

*However, No provisions or contingent liabilities were identified that would require recognition or disclosure in the financial statements, as there were no present obligations or probable outflows of resources resulting from past events.*

**h. 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)*

**i. 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.

*The hospital however does not provide retirement benefits to its employees, as it does not have permanent staff on payroll, and temporary staff are not entitled to such benefits. Therefore, the hospital does not have any obligations related to defined contribution or defined benefit plans.*

**j. 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.

*All cash imprests were fully surrendered and accounted for by the end of the financial year, and therefore, there are no outstanding imprests or advances to be included in cash and cash equivalents.*

**k. Comparative figures**

No comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

*The comparative figures for the previous financial year remain unchanged and are presented in their original format, without any amendments or reclassifications.*

**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.

Notes to Financial Statements Continued

6. Transfers from the County Government

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

6b. Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance <sup>b</sup> KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
			KShs	KShs	KShs
Nairobi County Government	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

*During the period under review, no funds were received from the County Government. Consequently, no reconciliation was required as there were no County Government transfers to account for.*

Notes to Financial Statements Continued  
 7. In Kind Contributions from The County Government

Description	Current 2024/2025	Comparative 2023/2024
	KShs	KShs
Salaries and wages	-	656,000.00
Medical supplies-Drawings Rights (KEMSA)	-	2,550,000.00
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	3,289,000.00	-
Utility bills	-	-
<b>Total grants in kind</b>	<b>3,289,000.00</b>	<b>3,206,000.00</b>

These should include payments made directly by the County Governments for staff salaries and medical drugs. These should be recorded both as income and expense for completeness of financial statements. However, the County Government did not respond to a request to provide the relevant details during report preparation. Highlighted are donations from other suppliers.

8. Grants From Donors and Development Partners

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

8 (a) Grants from donors and development partners (Classification)

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

<b>Total</b>	-	-	-	-	-
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**Notes to Financial Statements Continued**

**9. Transfers from Other Government Entities**

Description	Current 2024/2025	Comparative 2023/2024
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from xxx National Hospital	-	-
Transfer from xxx Institute	-	-
<b>Total Transfers</b>	-	-

**10. Public Contributions and Donations**

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

**10 (a)Reconciliations of amortised grants**

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

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	Current 2024/2025	Comparative 2023/2024
	Kshs	Kshs
Pharmaceuticals	20,828,754	-
Non-Pharmaceuticals	-	-
Laboratory	11,133,600	-
Radiology	4,356,312	-
Orthopedic and Trauma Technology	1,167,600	-
Theatre	33,952,416	-
Accident and Emergency Service	-	-
Anesthesia Service	-	-
Ear Nose and Throat service	-	-
Nutrition service	-	-
Cancer centre service	-	-
Dental services	1,609,976	-
Reproductive health	-	-
Paediatrics services	-	-
Farewell home services	-	-
Ambulance services	-	-
Other medical services income (specify)	326,552	-
<b>Total revenue from the rendering of services</b>	<b>73,375,210</b>	<b>24,319,713.00</b>

Other medical services fee relates to other charges not listed above, but directly linked to provision of medical services such Nutrition and Eye Clinic totalling Kshs. 73,375,209.5

Notes to the Financial Statements (Continued)

12. Revenue from Rent of Facilities

Description	Current 2024/2025	Comparative 2023/2024
	Kshs	Kshs
Residential property	-	-
Commercial property	-	-
<b>Total Revenue from rent of facilities</b>	-	-

13. Finance /Interest Income

Description	Current 2024/2025	Comparative 2023/2024
	Kshs	Kshs
Interest income from Cash investments and fixed deposits	-	-
Interest income from short- term/ current deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
<b>Total finance income</b>	-	-

14. Miscellaneous Income

Description	Current 2024/2025	Comparative 2023/2024
	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	-	-
<i>Others (Specify)</i>	-	-
<b>Total Miscellaneous income</b>	-	-

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	Current 2024/2025	Comparative 2023/2024
	Kshs	Kshs
Dental costs/ materials	1,541,500	98,089
Laboratory chemicals and reagents	4,270,176	496,163
Public health activities	4,579,602	-
Food and Ration	4,774,798	527,238
Uniform, clothing, and linen	-	-
Dressing and Non-Pharmaceuticals	-	-
Pharmaceutical supplies	3,707,064	2,550,396
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	-	345,120
Purchase of Medical gases	362,360	550,000
X-Ray/Radiology supplies	-	-
Other medical related clinical costs ( <i>specify</i> )	638,262	-
<b>Total medical/ clinical costs</b>	<b>19,873,762</b>	<b>4,567,006</b>

Other medical/clinical related costs amounting to ksh.638,262 refer to all other costs involved in management of the patients directly not analysed above such as Medical Camps, Medical Staff Transport owing budget line coding are expensed as. such.

16. Employee Costs

Description	Current 2024/2025	Comparative 2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	26,005,680	6,986,561
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 ( <i>specify</i> )	-	-
<b>Employee costs</b>	<b>26,005,680</b>	<b>6,986,561</b>

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	Current 2024/2025	Comparative 2023/2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	-	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	473,970
Airtime allowances	-	-
<b>Total</b>	-	<b>473,970</b>

*BOM expenses charged to Conference budget line.*

18. Depreciation and Amortization Expense

Description	Current 2024/2025	Comparative 2023/2024
	Kshs	Kshs
Property, plant and equipment	28,830,862	-
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>28,830,862</b>	<b>-</b>

Notes to the Financial Statements (Continued)

19. Repairs and Maintenance

Description	Current 2024/2025	Comparative 2023/2024
	Kshs	Kshs
Property- Buildings	4,579,602	1,349,370
Medical equipment	-	
Office equipment	-	351,296
Furniture and fittings	-	
Computers and accessories	2,967,559	319,480
Motor vehicle expenses	747,432	79,497
Maintenance of civil works	906,479	
<b>Total repairs and maintenance</b>	<b>9,201,072</b>	<b>2,099,652</b>

20. Grants and Subsidies

Description	Current 2024/2025	Comparative 2023/2024
	Kshs	Kshs
Community development and social work	591,620	-
Education initiatives and programs	-	-
Free/ subsidised medical camp	-	-
Disability programs	-	-
Free cancer screening	-	-
Social benefit expenses	-	-
Other grants and subsidies( <i>specify</i> )	-	-
<b>Total grants and subsidies</b>	<b>591,620</b>	<b>-</b>

*Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.*

Notes to the Financial Statements (Continued)

21. General Expenses

Description	Current 2024/2025	Comparative 2023/2024
	Kshs	Kshs
Advertising and publicity expenses	852,676	102,640
Catering expenses	-	-
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	112,650	20,892
Conferences and delegations	4,822,766	-
Consultancy fees	-	-
Contracted services	-	-
Electricity expenses	-	-
Fuel and Lubricants+	1,296,675	424,485
Insurance	-	-
Research and development expenses	5,773,910	-
Travel and accommodation allowance	874,616.00	-
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-
Printing and stationery	558,265	-
Hire charges	-	-
Rent expenses	-	-
Water and sewerage costs	-	20,380
Skills development levies	-	-
Telephone and mobile phone services	334,058	220,587
Internet expenses	-	-
Staff training and development	1,737,268	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-

General office supplies	7,035,175	
<b>Total General Expenses</b>	<b>23,398,057</b>	<b>788,984</b>

## 22. Finance Costs

Description	Current 2024/2025	Comparative 2023/2024
	KShs	KShs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Interest on Bank overdrafts/Guarantees	-	-
Interest on loans from commercial banks	-	-
<b>Total finance costs</b>	<b>-</b>	<b>-</b>

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

Description	Current 2024/2025	Comparative 2023/2024
	Kshs	Kshs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised ( <i>specify</i> )	-	-
<b>Total gain on sale of assets</b>	<b>-</b>	<b>-</b>

## 24. Unrealized Gain on Fair Value Investments

Description	Current 2024/2025	Comparative 2023/2024
	Kshs	Kshs
Investments at fair value	-	-
<b>Total gain</b>	<b>-</b>	<b>-</b>

## 25. Medical Services Contracts Gains /Losses

Description	Current 2024/2025	Comparative 2023/2024
	Kshs	Kshs
Comprehensive care contracts with NHIF/SHA	-	-
Non- Comprehensive contracts care with NHIF/SHA	-	-
Linda Mama Program	-	-
Waivers and Exemptions	-	-
<b>Total Gain/Loss</b>	-	-

## 26. Impairment Loss

Description	Current 2024/2025	Comparative 2023/2024
	KShs	KShs
Property, plant and equipment	34,386,168	-
Intangible assets	-	-
Investments	-	-
Interest on loans from commercial banks	-	-
<b>Total impairment loss</b>	<b>34,386,168</b>	-

*The hospital's admin block has been assessed for impairment due to its age, planned relocation to a new facility, and resultant decline in its recoverable amount. The carrying amount of the asset has been reduced to reflect its diminished value, resulting in an impairment loss of Kshs. 34,386,168.*

*The impairment loss reflects decline in the admin block's value due to its age, planned relocation, and market conditions usefulness and economic benefits to the hospital. This loss has been recognized in the financial statements to accurately reflect the hospital's financial position.*

Notes to the Financial Statements (Continued)

27. Cash and Cash Equivalents

Description	Current 2024/2025	Comparative 2023/2024
	KShs	KShs
Current accounts	612,834	6,307,815
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others( <i>specify</i> )- Mobile money	-	-
<b>Total cash and cash equivalents</b>	<b>612,834</b>	<b>6,307,815</b>

**Notes to the Financial Statements (Continued)**

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

Description		Current 2024/2025	Comparative 2023/2024
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank	1122980027	557,406	6,307,815
	1338748343	55,428	-
<b>Sub- total</b>	-	-	6,307,815
<b>b) On - call deposits</b>	-	-	
Kenya Commercial bank	-	-	-
<b>Sub- total</b>	-	-	-
<b>c) Fixed deposits account</b>	-	-	
Bank Name	-	-	-
<b>Sub- total</b>	-	-	-
<b>d) Others(specify)</b>	-	-	-
cash in hand	-	-	-
Mobile money- Mpesa, Airtel money	-	-	-
<b>Sub- total</b>	-	-	-
<b>Grand total</b>	-	612,834	6,307,815

Notes to the Financial Statements (Continued)

28. Prepayments

Description	Current 2024/2025	Comparative 2023/2024
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others specify	-	-
Total	-	-

29. Receivables From Exchange Transactions

Description	Current 2024/2025	Comparative 2023/2024
	KShs	KShs
Medical services receivables	16,386,830	5,723,950
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
<b>Total receivables</b>	<b>16,386,830</b>	<b>5,723,950</b>

Analysis of Receivables from Exchange Transactions

MONTH	BCE B/F ON 1ST A	CLAIMS B	TOTAL ACCUMULATED (C)=A+B	AMOUNT PAID (D)	BALANCE C/F (E)= C-D
Balance b/d	4,224,750.00				-
Jul-24	4,224,750.00	1,075,000.00	5,299,750.00	-	5,299,750.00
AUGUST	5,299,750.00	1,841,100.00	7,140,850.00	-	7,140,850.00
SEPT.	7,140,850.00	2,200,266.00	9,341,116.00	-	9,341,116.00
OCTOBER	9,341,116.00	583,040.00	9,924,156.00	<b>1,204,045.00</b>	8,720,111.00
NOV.	8,720,111.00	1,898,960.00	10,619,071.00	<b>2,436,210.00</b>	8,182,861.00
DEC.	8,182,861.00	4,494,100.00	12,676,961.00	<b>3,865,970.00</b>	8,810,991.00
JAN.2025	8,810,991.00	2,763,280.00	11,574,271.00	<b>2,578,580.00</b>	8,995,691.00
FEB.	8,995,691.00	2,874,875.00	11,870,566.00	<b>3,361,160.00</b>	8,509,406.00

MAR.		8,509,406.00	2,095,735.00	10,605,141.00	2,772,721.00	7,832,420.00
APR		7,832,420.00	3,374,895.00	11,207,315.00	4,344,185.00	6,863,130.00
MAY		6,863,130.00	4,747,834.00	11,610,964.00	1,078,399.00	10,532,565.00
JUN		10,532,565.00	6,492,607.00	17,025,172.00	638,342.00	16,386,830.00

## Notes to the Financial Statements (Continued)

### 30. Receivables from Non-Exchange Transactions

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

(Undisbursed donor funds refer to funds expected where conditions for disbursements have been met by the recipient as at the reporting date)

### Analysis of Receivables From Non-Exchange Transactions

Description	Current 2024/2025		Comparative 2023/2024	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	-	-	-
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (a+b)</b>	-	-	-	-

### 31. Inventories

Description	Current 2024/2025	Comparative 2023/2024
	KShs	KShs
Pharmaceutical supplies	8,283,772	-
Non-Pharms	8,648,450	-

Lab Supplies	869,436	-
Maintenance supplies	114,728	-
Food supplies	378,380	-
Linen and supplies	515,010	-
Cleaning materials supplies	73,850	-
General supplies	1,959,235	-
Less: provision for impairment of stocks	(0)	-
<b>Total</b>	<b>20,842,861</b>	-

*The facility has implemented inventory record-keeping, and the stock balance of Kshs. 20,842,861 is based on the initial stock take. No provision for inventory impairment has been made in this report. As the inventory records evolve, future assessments will be made for potential impairment losses.*

#### **Detailed disclosure on inventories**

	<b>Current 2024/2025</b>	<b>Comparative 2023/2024</b>
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify-Stock Take	20,842,861	-
Closing balance	<b>20,842,861</b>	-

*Due to the implementation of inventory record-keeping starting from the current financial year, detailed disclosure of inventory movements (opening balance, additions, expenses, write-downs, etc.) is not possible. The stock balance of Kshs. 20,842,861 represents the result of the initial physical stock take, serving as the foundation for future inventory tracking and accounting.*

*As inventory records mature, future financial reports will provide comprehensive disclosure of inventory movements in accordance with applicable accounting standards."*

*This note explains the limitation and sets expectations for future reporting.*

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	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
<b>Cost</b>								
At 30th Jun 2023	-	-	-	-	-	-	-	-
At 1 July 2023	-	-	-	-	-	-	-	-
Depreciation								
Additions	-	-	-	-	-	-	-	-
Disposals		-	-	-	-	-	-	-
Transfer/adjustments		-		-			-	-
<b>At 30th Jun 2024</b>	-	-	-	-	-	-	-	-
At July 2024	<b>301,100,000</b>	<b>75,000,000</b>	-	<b>6,439,100</b>	<b>4,284,694</b>	<b>84,220,000</b>	-	<b>471,043,794</b>
Depreciation	-	5,465,958	-	1,757,355	1,064,424	20,543,125	-	<b>28,830,861</b>
Additions	-		-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	
Impairment	-	<b>34,386,168</b>	-	-	-	-	-	<b>34,386,168.00</b>

Dagoretti Sub County Hospital Mutuini (*Nairobi County Government*)  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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Transfer/adjustment	-		-	-	-	-	-	
<b>At 30th June 2025</b>	<b>301,100,000</b>	<b>35,147,874</b>		<b>4,681,745</b>	<b>3,220,271</b>	<b>63,676,875</b>		<b>407,826,765</b>
<b>Net book values</b>								
At 30th Jun 2024 (previous)	-	-	-	-	-	-	-	-
At 30th Jun 2025 (current)	<b>301,100,000</b>	<b>35,147,874</b>	-	<b>4,681,745</b>	<b>3,220,271</b>	<b>63,676,875</b>	-	<b>407,826,765</b>

Notes to the Financial Statements (Continued)

**33. Intangible Assets-Software**

Description	Current 2024/2025	Comparative 2023/2024
	KShs	KShs
<b>Cost</b>		
<b>At beginning of the year</b>	-	-
Additions	-	-
Additions-Internal development	-	-
Disposal	-	-
<b>At end of the year</b>	-	-
	-	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	-	-
Amortization for the period	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

**34. Investment Property**

Description	Current 2024/2025	Comparative 2023/2024
	KShs	KShs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposals during the year	-	-
Fair value gain	-	-
Depreciation ( <i>where investment property is at cost</i> )	-	-
Impairment	-	-
<b>At end of the year</b>	-	-

Notes to the Financial Statements (Continued)

35. Biological Assets

Description	Current 2024/2025	Comparative 2023/2024
	KShs	KShs
Trees in a plantation forest	-	-
Animals: Dairy Cattle, Pigs, Sheep	-	-
Others specify	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

36. Trade and other Payables

Description	Current 2024/2025		Comparative 2023/2024	
	KShs		KShs	
Trade payables	37,554,576		10,676,199	
Employee dues	-		-	
Third-party payments (e.g. unremitted payroll deductions)	-		-	
Audit fee	-		-	
Doctors' fee	-		-	
<b>Total trade and other payables</b>	<b>37,554,576</b>		<b>10,676,199</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the total</b>
Under one year	37,554,576	100%	10,676,199	100%
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	<b>37,554,576</b>	<b>100%</b>	<b>10,676,199</b>	<b>100%</b>

37. Refundable Deposits from Customers/Patients

Description	Current 2024/2025	Comparative 2023/2024
	KShs	KShs
Medical fees paid in advance	-	-
Credit facility deposit	-	-
Rent deposits	-	-
Others (specify)	-	-
<b>Total deposits</b>	<b>-</b>	<b>-</b>

Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	-	-	-	-

### 38. Provisions

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

### 39. Finance Lease Obligation

Description	Current 2024/2025	Comparative 2023/2024
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
<b>Total</b>	-	-

### 40. Deferred Income

Description	Current 2024/2025	Comparative 2023/2024
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
<b>Total</b>	-	-

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 ( <i>Specify</i> )	-	-	-	-
<b>Balance C/F</b>	-	-	-	-

41. Borrowings

Description	Current 2024/2025	Comparative 2023/2024
	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	-	-
<b>Balance at end of the period</b>	-	-

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

Description	Current 2024/2025	Comparative 2023/2024
	KShs	KShs
Current Obligation	-	-
Non-Current Obligation	-	-
<b>Total</b>	-	-

(Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

Notes to the Financial Statements (Continued)

42. Service Concession Arrangements

Description	Current 2024/2025	Comparative 2023/2024
	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 2024/2025	Comparative 2023/2024
	KShs	KShs
Surplus for the year before tax	-64,959,932	12,609,540
<b>Adjusted for:</b>		
Depreciation	28,830,861	0
Non-cash grants received	-3,289,000	(3,206,000)
Impairment	34,386,168	0
Gains and losses on disposal of assets	0	(0)
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
<b>Working Capital adjustments</b>		
Increase in inventory	-16,878,574	(5,673,075)
Increase in receivables	-10,662,880	(3,730,465)
Increase in deferred income	0	0
Increase in payables	26,878,377	9,403,540
Increase in payments received in advance	0	0
<b>Net cash flow from operating activities</b>	<b>-5,694,981</b>	<b>12,609,540</b>

**Notes to the Financial Statements (Continued)**

**44. Financial Risk Management**

The entity has no exposure to credit risk as its financial activities, including budgets, expenditures, and payments, are managed through an Authorising and Expenditure (AIE) tool, which eliminates the need for extending credit to customers or engaging in financial transactions that would give rise to credit risk.

**(i) Credit risk**

The entity has no exposure to credit risk as its financial activities, including budgets, expenditures, and payments, are managed through an Authorising and Expenditure (AIE) tool, which eliminates the need for extending credit to customers or engaging in financial transactions that would give rise to credit risk.

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Receivables from exchange transactions	5,723,950	5,723,950	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	6,307,815	6,307,815	-	-
<b>Total</b>	<b>12,031,765</b>	<b>12,031,765</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2025</b>				
Receivables from exchange transactions	16,386,830	16,386,830	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	612,834	612,834	-	-
<b>Total</b>	<b>16,999,664</b>	<b>16,999,664</b>	<b>-</b>	<b>-</b>

**Notes to the Financial Statements (Continued)**

**(ii) Liquidity risk management**

*The entity manages liquidity risk through an efficient claims management process, where reimbursements from insurance companies are dependent on timely and accurate claims submission. This process enables the entity to manage its cash flows effectively and minimize liquidity risks.*

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade payables	10,676,199	-	-	10,676,199
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>10,676,199</b>	<b>-</b>	<b>-</b>	<b>10,676,199</b>
<b>At 30 June 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Trade payables	18,604,582	2,426,850	16,523,144	37,554,576
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>18,604,582</b>	<b>2,426,850</b>	<b>16,523,144</b>	<b>37,554,576</b>

**Notes to the Financial Statements (Continued)**

**(iii) Market risk**

The County Government has put in place an internal audit function to assist it in assessing the risk faced on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

However, there are no Market risk exposures, owing to the existence of the AIE framework.

**a) Foreign currency risk**

The entity has no transactional currency exposures.

**b) Interest rate risk**

The entity does not hold deposits or borrowings, and its financial activities are structured in a way that eliminates exposure to interest rate risk. As a result, changes in interest rates do not impact the entity's financial performance.

**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 2024/2025 KShs	Comparative 2023/2024 KShs
Revaluation reserve	18,891,784	-
Retained earnings	-43,524,537	21,435,395
Capital reserve	432,747,466	420,226,961
<b>Total funds</b>	<b>408,114,713</b>	<b>441,662,356</b>
Total borrowings	-	-
Less: cash and bank balances	-612,834	-6,307,815
Net debt/ ( <i>excess cash and cash equivalents</i> )	-612,834	-6,307,815
<b>Gearing</b>	<b>-0.15%</b>	<b>-1.45%</b>

*Net debt is **negative** (no borrowings, net cash), **Gearing: 0% (net cash position)** for both years, therefore the entity is ungeared and holds excess cash and cash equivalents over borrowings.*

**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.

NAIROBI 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

**Notes to the Financial Statements (Continued)**

Description	Current 2024/2025	Comparative 2023/2024
	KShs	KShs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		
Services to xxx	-	-
Sales of services to xxx	-	-
<b>Total</b>	-	-
<b>b) Grants from the Government</b>		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	3,289,000	3,206,000
<b>Total</b>	<b>3,289,000</b>	<b>3,206,000</b>
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
<b>Total</b>	-	-
<b>d) Key management compensation</b>		
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
<b>Total</b>	-	-

**46. Segment Information**

*Not Applicable*

**Notes to the Financial Statements (Continued)**

**47. Contingent Liabilities**

<b>Contingent liabilities</b>	<b>Current 2024/2025</b>	<b>Comparative 2023/2024</b>
	<b>KShs</b>	<b>KShs</b>
Court case xxx against the hospital	-	-
Bank guarantees in favour of subsidiary	-	-
<b>Total</b>	-	-

**48. Capital Commitments**

<b>Capital Commitments</b>	<b>Current 2024/2025</b>	<b>Comparative 2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Authorised For	-	-
Authorised and Contracted For	-	-
<b>Total</b>	-	-

*Capital Projects and Expenditures restricted and managed at by the Nairobi County Government*

**49. Events after the Reporting Period**

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

**50. Ultimate and Holding Entity**

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

**51. Currency**

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

**20. Appendices**

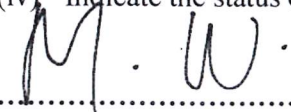
**Appendix 1: Progress on Follow Up of Auditor Recommendations**

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: (Put a date when you expect the issue to be resolved)

**Guidance Notes:**

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

  
 .....  
**Accounting Officer**

**Appendix II: Projects Implemented by The Entity**

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

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

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

**Appendix III: Inter-Entity Confirmation Letter**

Name of Transferring entity.....

Name of Beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> June (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.....

**Appendix IV Reporting of Climate Relevant Expenditures**

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

**Appendix V: Disaster Expenditure Reporting Template**

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

