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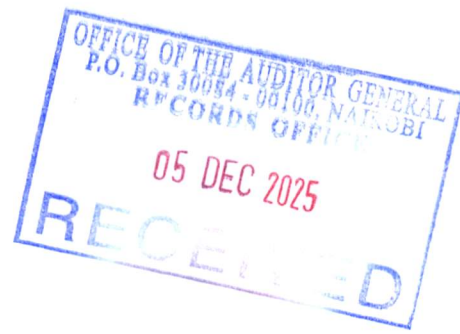
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THIKA LEVEL 5 HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF KIAMBU

124



**THIKA LEVEL 5 HOSPITAL
(County Government of Kiambu)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

**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
SHA	Social Health Insurance
ENT	Ear Nose and Throat
NBU	New Born Unit
MKU	Mount Kenya University
MNCH	Maternal Newborn and Child Health
ICU	Intensive Care Unit
HMT	Hospital Management Team
CPSB	County Public Service Board
NCI	National cancer Institute
TCC	Thika Cancer Centre
NGO	Non-Governmental Organisation
NEST	Newborn Essential Solutions and Technologies
NHIF	National Hospital Insurance Fund
CBM	Christian Blind Mission

2. Key Hospital Information and Management

(a) Background information

Thika County Referral Hospital is a level 5 hospital established under gazette notice number 11837, dated 15th November 2007, and is domiciled in Kiambu County. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal mandate of Thika Level 5 Hospital is to provide general and specialised Outpatient and Inpatient services to residents of Thika and the surrounding regions.

Vision

To be a world class teaching and referral hospital

Mission

To provide quality, affordable and accessible healthcare to our clients

Core values

Integrity

Efficiency

Transparency

Professionalism

The hospital provides a wide array of curative and rehabilitative services, promotion and preventive services, primary health care services, and including specialized services. These include outpatient general and specialized consultation services, laboratory services, dental, radiology, physiotherapy and occupational therapy services, orthopaedic/trauma services, palliative care, ENT, ophthalmology services, MNCH, IMCI, casualty and emergency, renal services, ICU, Medical and surgical inpatient services, Paediatrics and NBU services, maternity and postnatal services, Obstetrics and Gynaecology inpatient services, Covid-19 inpatient care, and funeral home services.

(c) Key Management

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

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

(d) Fiduciary Management

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

No.	Designation	Name
1	Medical Superintendent	Dr. Angela Wekesa
2	Head of finance	Josephine Nyambura Muiruri
3	Head of supply chain	Josephine Wambui Kamau
4	Hospital Administration Manager	Ruth Mwaura
5	Nursing Services Manager	Anastacia Ndegwa
6	Surgery Unit In-charge	Dr. Mwea Macharia
7	Internal Medicine	Dr. Mbogo David
8	Laboratory Services Manager	Elizabeth Wamuyu
9	ENT	Dr. Josephine Wanjahi
10	Paediatrics	Dr. Lusweti Bernadine
11	Dermatology	Dr. Macharia Isaac
12	Dental unit	Dr. Stephen Waweru
13	Nutrition Department	Lydia Mwangi
14	Pathology	Dr. Mathaiya John
15	Biomedical Engineering	Eunice Wamugi
16	Reproductive Health	Dr. Cyrus Mumbura
17	Physiotherapy Services	Redempta Nzomo
18	Health Records	Peter Muigai
19	Radiology services	Catherine Adema
20	Public Health & Sanitation	Alice Mbugua
21	Anaesthesia/Critical Care	Dr. Eunice Ngatia
22	Clinical Medicine and Surgery	Rose Waruguru

(e) Fiduciary Oversight Arrangements

The following entities are mandated to provide fiduciary oversight over the hospital's financial activities.

1. Department of Health Accounts and Finance Unit
The unit provided general oversight of the hospital's financial commitments during the financial year.
2. Hospital Management Board finance and General Purposes Committee
This committee provided general guidance on the hospital's revenue targets, budgets and expenditure return during the financial year.
3. Hospital Management Team
The team provided guidance on hospital financial needs and strategies for improved and sustainable financial performance of the hospital.
4. Executive Expenditure Committee
The EEC had the primary responsibility of assessing hospital performance, reviewing hospital revenue capacity and improvement, developing all budget proposals, and expenditure oversight, and reporting in the hospital
5. Waiver /Exemption Committee
Review the Patients assessments which require the Patients to be Waived or Exempted to meet The Hospital Criteria for Waivers and Exemptions
Report on Monthly Waivers and Exemptions Granted
6. Revenue/Finance Committee
Monthly review of The Hospital Revenue Performance for both Cash and NHIF Revenues and Actions/strategies towards meeting The Annual Targeted Revenues per Revenue stream/Department and any Challenges facing the Departments that are not able to meet their targets

Key Entity Information and Management (continued)

(f) Entity Headquarters

Thika Level 5 Headquarters

P.O. Box 227 – 01000,
Thika Level 5 Hospital,
General Kago Road
Thika, Kenya

(g) Entity Contacts

Telephone: (+254 722106797)
E-mail: thikal5hospital@gmail.com

(h) Entity Bankers

1. Kenya Commercial Bank
Thika Branch
KCB Building, Kenyatta Avenue
P.O. Box 271-01000
Thika, Kenya
Tel: 0672231669 /0723603623

2. Family Bank Kenya
Thika Branch
Bony Kiumu Building, Uhuru street near post office junction
P.O. Box 354-01000
Thika, Kenya
Email: thika@familybank.co.ke

3. Co-operative Bank of Kenya
Thika –Branch
Co-op Building, Kenyatta Avenue
P.O. BOX 1815-01000
Thika, Kenya
Email: thikabr@co-opbank.co.ke



(i) Independent Auditors
Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

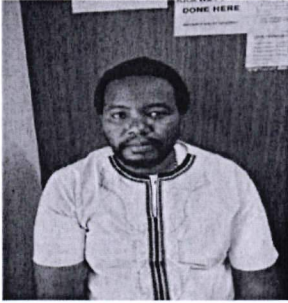


(k) County Attorney


P.O. Box.2344 – 00900, Kiambu

3. The Board of Management



	Directors	Details
1.	<p>Dr. Rajinder Kumar Mohindra</p> <ul style="list-style-type: none"> a) Bachelors in Medicine, and Surgery b) Masters in Medicine (Diagnostic Radiology) 	<ul style="list-style-type: none"> a) Consultant Radiologist at Thika District Hospital in 1992 to 2003 b) Diagnostic Imaging Clinic at Thika from 2005 – present. c) Founder and Chairman of Dawa Group (1994 – present) <p>Independent/Executive director Committee of the Member chairing: Hospital Management Board Chairman</p>
2.	<p>Rev. David Karethiu Wairimu</p> <ul style="list-style-type: none"> a) Masters in Development Studies (ongoing) b) Bachelor of Divinity c) Diploma in Theology 	<ul style="list-style-type: none"> a) Founder and Overseer, Siloam Faith Church International - 2019 to Date b) Vicar/Arch Deacon-Kenyatta Road Parish, Anglican Church of Kenya 2017 – 2018 c) Administrative Secretary, Anglican Church of Kenya, 2012 – 2016 d) Vicar – Ruiru, Gakui and Juja Parish, Anglican Church of Kenya, 2006 – 2011 e) Evangelist, Anglican Church of Kenya, 1999 – 2003 <p>Independent/Executive director Committee of the Member chairing: Human resources Advisory Committee</p>




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<p>3.</p>	<p>Dr. Njuguna Mwangi</p> 	<p>Medical Doctor (mbchb) Senior resident internal medicine MTRH.</p> <p>Nyamira district hospital and Karen Hospital as a medical officer</p> <p>St. Mulumba hospital Thika</p>
<p>4.</p>	<p>Archbishop Henry Mulandi</p> 	<p>Founder of Christian Church International (CCI) which has over 300 churches and Institutions</p> <p>He has helped to plant churches in Kenya, Uganda, D.R. Congo, Sudan, Ethiopia and Mozambique.</p> <p>In 1991 he founded ACMI (African Christian Mission International) and its mission bases. The Kakuma Base in Northern Kenya was built and dedicated to the ministry of refugees from Sudan and other countries</p> <p>Independent/Executive director Committee of the Member chairing Finance Board Committee</p>
<p>5.</p>	<p>Elizabeth Wambui Hussein</p> 	<p>Former deputy Mayor of Thika town</p>


<p>6.</p>	<p>Dr. Angela Wekesa- Medical Superintendent</p> 	<ul style="list-style-type: none">➤ Bachelors of medicine and Surgery➤ Masters in Medicine- Obstetrics and Gynaecology (UON) <p>Secretary to the Board</p>
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4. Key Management Team



Ref	Management	RESPONSIBILITY
1	<p>Dr. Angela Wekesa -Medical Superintendent</p> 	<ul style="list-style-type: none"> ➤ Maintains standard of medical care and provide leadership ➤ Implementing and monitoring procedures, policies and performance standards for medical, nursing, technical and administrative staff. ➤ Directing, supervising and evaluating the work activities of all medical personnel. ➤ Plan, organize, direct, control and coordinate medical programs and clinical services in the assigned departments
2	<p>Ruth Mwaura Health Administrative Officer</p>  <p>Msc Operations and Technology management</p>	<ul style="list-style-type: none"> ➤ In charge of Staff and Patient Welfare ➤ Ensuring the hospital, especially buildings, comply with safety, health and other laws and regulations and are well maintained. ➤ Responsible for administration of service provider contracts in maintenance of ICT facilities, buildings, motor vehicles, security ➤ Ensure safety and security within the hospital and departmental premises in accordance with Public Health and Occupation Safety and guidelines. ➤ Responsible for deployment, training and appraisal of non-medical staff, including drivers, security guards and cleaners.
3	<p>Mrs Anastacia Nyaguthii Ndegwa</p>	<ul style="list-style-type: none"> ➤ Work together with the head of clinical services to ensure safe and effective clinical practice, Quality Nursing care to all patients, Exceptional customer service, Revenue growth and cost control, manage & develop the performance of the team and achieve

	 <ul style="list-style-type: none"> ➤ Bachelors of Science in Nursing 	<p>hospital objectives.</p> <ul style="list-style-type: none"> ➤ Supervising and ensuring delivery of a professional and high standard of nursing care within the hospital while leading a team of nurses and patient attendants in delivering individual and team targets. ➤ Monitor and ensure clients satisfaction and proactively manage their complaints as they arise.
4	<p>Dr. Hellen Mwangeli- Pharmacy Services Manager</p>  <ul style="list-style-type: none"> ➤ Bachelors of Pharmacy 	<ul style="list-style-type: none"> ➤ Pharmaceuticals commodities management ➤ Human Resource Management within the Department ➤ Operationalization/coordination of pharmaceuticals services ➤ Administration link/Liason with Hospital and County Management ➤ Training and Mentorship of students and Interns
5	<p>Mrs. Josephine Nyambura- Accounts & Finance Manager</p>  <ul style="list-style-type: none"> ➤ Bachelors of Commerce (Finance Option) ➤ Certified Public Accountants (CPA K) ➤ MSC(Finance) ongoing 	<ul style="list-style-type: none"> ➤ Responsible for managing and maintaining accurate financial records of the Hospital ➤ To ensure compliance, check all Patient transactions, reconcile and Prepare Revenue Reports ➤ provide valuable insights and analysis through financial reporting of The Hospitals areas of strength and those that need improvement. Thus, it gives a snapshot of the organisation's health. ➤ Preparing and managing budgets, forecasting future financial performance, and identifying areas for cost savings. ➤ Communicating with clients, colleagues,

		and management to provide financial information, answer questions, and provide guidance on financial matters
6	<p>Mrs. Josephine Wambui Kamau- Procurement & Supply Chain Manager</p>  <p>➤ Bachelors in Commerce (supply chain)</p>	<ul style="list-style-type: none"> ➤ Overseeing and supervising employees and all activities of the procurement department. ➤ Preparing plans for the purchase of equipment, services, and supplies. ➤ Following and enforcing the Hospitals/County /national procurement policies and procedures. ➤ Reviewing, comparing, analyzing, and approving products and services to be purchased. ➤ Managing inventories and maintaining accurate purchase and pricing records.
7	<p>Rose Waruguru Muchemi- Clinical Officer in-charge</p>  <p>Master of Clinical Medicine (Forensic Medicine)</p>	<ul style="list-style-type: none"> ➤ Ensure that all patients are appropriately examined, diagnosed and treated by adhering to the MOH guidelines. ➤ Also ensuring that all patients are adequately reviewed in OPD and referring or admitting where appropriate to a specialist or the wards. ➤ Review patient files to ensure documentation (clear history taking, physical examination findings, investigations and management) to ensure quality of services rendered and adherence to SOPs. ➤ Lead in management of relationships with clients and patients’ families to ensure adequate communication and inclusive management of patients. ➤ preparing medical reports on patients

		<p>as required while ensuring that the company interests are covered.</p> <ul style="list-style-type: none"> ➤ Ensure that all COs maintain good work ethics/good customer relations are upheld when dealing with patients, relatives and employees
8	<p>Elizabeth Wamuyu Ikuu- Laboratory Manager</p>  <ul style="list-style-type: none"> ➤ Bachelor of science in medical laboratory science. 	<ul style="list-style-type: none"> ➤ Provides medical laboratory diagnostic and therapeutic information, products, and services. ➤ Adheres to specimen preparation procedures. ➤ Implements new programs, tests, methods, and instrumentation. ➤ Establishes quality standards to maintain medical laboratory equipment performance. ➤ Maintains medical laboratory productivity by monitoring the workload of functional areas. ➤ Achieves quality results by participating in the hospital quality assurance program.

<p>9</p>	<p>Patrick Mongare Radiology Unit In-charge</p>  <ul style="list-style-type: none"> ➤ Bachelors in Radiography ➤ Diploma in Radiography ➤ Higher Diploma in Ultrasound 	<ul style="list-style-type: none"> ➤ Advising management on radiographic advancements and changes ➤ Monitoring continuous radiation checks ➤ Operating CT scan and or X-ray equipment to capture diagnostic images of patients' internal organs and tissues. ➤ Correlating medical image findings with other exams and tests. ➤ Recommending further appropriate exams or treatments when necessary and conferring with referring physicians. ➤ Directing radiologic technologists (personnel who operate the equipment) in the proper performance of quality exams.
<p>10</p>	<p>Dr. Stephene Waweru - Dental Unit In-charge</p>  <ul style="list-style-type: none"> ➤ Bachelor of Dental Science ➤ Masters in Oral and Maxillofacial surgery 	<ul style="list-style-type: none"> ➤ Coordinating dental services with other health care professionals, such as dentists, hygienists, and dental assistants ➤ Educating patients about oral health care and disease prevention methods, such as flossing or brushing teeth regularly

11	<p>Dr. Mwea Macharia- Surgery Unit In-charge</p>  <ul style="list-style-type: none"> ➤ Bachelor of Medicine &Surgery ➤ Masters In Surgery 	<ul style="list-style-type: none"> ➤ Execute surgical techniques and procedures ➤ Provide consistent, high-quality patient care ➤ Oversee the day-to-day operations of the surgical department ➤ Work with a team of doctors and medical staff to devise and implement new approaches to patient care ➤ Develop and oversee the implementation of quality assurance/improvement processes ➤ Manage patient flow, staffing, and scheduling ➤ Adhere to legal regulations, professional standards, and other requirements
12	<p>Dr. David Mbogo- Internal Medicine</p>  <ul style="list-style-type: none"> ➤ Bachelors of Medicine ➤ Masters in Internal Medicine 	<ul style="list-style-type: none"> ➤ Provide comprehensive medical care to adult patients ➤ Perform physical examinations, diagnose and treat illnesses ➤ Prescribe and administer medications and therapies ➤ Order and interpret laboratory tests and imaging studies ➤ Advise patients on preventative healthcare and lifestyle choices ➤ Refer patients to specialists as necessary ➤ Keep accurate and detailed patient records

5. Chairman's Statement

Introduction

Thika county referral hospital is a level 5 facility managed by Kiambu county government in the department of health. It is the referral hospital for Thika whose population is its primary catchment. It is managed by the board of management whereas the daily operations are run by the medical superintendent and the hospital management team

Service delivery

Inpatient, outpatient, consultation services in diabetes, hypertension, obstetrics and other medical conditions have been available despite the ongoing doctors strike.

The facility requires elevation to a level 6 hospital particularly due to the high population density and the high prevalence of non-communicable diseases

There was a cleft lip and palate surgical camp that saw the screening and surgical repair of 28 children highlighting the importance of partnerships in achieving quality medical care.

Successes

1. The rehabilitation of the incinerator
2. The procurement of hardware and software for introduction of the Qafya electronic medical records system (EMR) and ICT in the hospital processes
3. Installation of new digital X-ray and 5 dialysis machines courtesy of Kiambu county government
4. The roll out of SHA has increased the uptake of the insurance thus more revenue reimbursements
5. Refurbishment of dental unit

Challenges

1. Lack of proper trauma care
These have been caused by;
 - Lack of equipment for surgical care
 - Lack of adequate space in the casualty department
2. There is need to establish a trauma care unit to cater for casualties of road traffic accidents that are prevalent in the region
3. Security for the hospital has posed a major challenge due to an incomplete perimeter wall and lack of CCTV
4. For provision of quality services nursing staff are urgently required across all the departments.
5. Financial constraint has been a factor in slowing down our progress. For instance, a modern kitchen and laundry departments are required to stay true to the vision of our hospital

Way forward for the new financial year

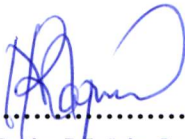
The hospital plans to have the following issues addressed in the next financial year

1. Actualise the operationalisation of the basic cancer care services with registration by the NCI- this will enable us to offer chemotherapy to our patients
2. Audit and plan for the maintenance of equipment to prevent interruption of services
3. audit and plan for maintenance of building and infrastructure
4. To engage the county public works department in drawing a plan for overall restructuring of the hospital infrastructure. This will factor in building of the hospital entrance gate, refurbishment of casualty, main theatre and outpatient departments. This will go a long way in ensuring quality services are provided in Thika Level 5 hospital

Conclusion

Finally, the board appreciates all staff for their dedication in serving the clients, the sick, who are the very reason for establishment of the hospital. We sincerely appreciate the support of the county government of Kiambu. We also appreciate all the stakeholders who provide different goods and services to the hospital

We look forward to working with partners to deliver the long-term priorities and improved service to humanity for all who will attend Thika Level 5 hospital



.....
Dr Raju Mohindra
Chairman to the Board

6. Report of The Medical Superintendent

Good health is essential for the economic and social development of a population and access to quality healthcare is critical for maintaining and improving health. At the same time, citizens require protection against being pushed into poverty due of the cost of health care. In recognition of these imperatives, the momentum for Universal Health Coverage (UHC) has greatly increased, with the 2030 Agenda for Sustainable Development setting it as a central ideology for improving the health and well-being for all people, while ensuring that individuals are not driven into poverty due to the cost of health.

This also comes in the background of reduced foreign aid funding and highlights the need for innovation and partnerships to be able to fund healthcare. We were privileged to get sponsorship for renovation and equipping of the dental unit courtesy of Mount Kenya University (MKU)

In addition, the hospital strives to provide affordable and quality health services by continuously enrolling patients into SHA scheme, this saw an increase in revenue reimbursements We have a dedicated team to provide quality comprehensive maternity care despite our low number of midwives in the maternity ward. The NEST360 program has facilitated capacity building in care of newborns ensuring that the best new born care is provided in the NBU, making us the best public hospital providing NBU services in thika and its environs. They gave us a grant of USD 94,975 for renovation of the NBU and maternity and theatre and the works commenced.

We held a successful operation smile medical camp, an NGO sponsored camp aimed at correcting defects of children born with cleft lip and palate defects. The patients were screened and we successfully performed surgeries on 28 patients all with nil complications. During this activity our staff were trained on how to perform these surgeries for continued care of patients. In addition, the organisation paid for their medical bills increasing revenue for the hospital. They also sponsored minor repairs of the theatre.

The Thika cancer centre (TCC) was also progressing well on the pathway to obtain a licence by the National Cancer Institute (NCI). The main activity for the year was holding stakeholders' meetings with partners and getting pledges for donation of equipment and infrastructure. We are also collecting data for the cancer registry and providing screening, diagnostics, patient navigation and palliative care services.

The radiology department also got a major boost by installation of a digital Xray funded by Kiambu county government thus enabling the hospital to provide the full array of main imaging modalities

Far from the clinical successes, the hospital is proud to have finally completed the repair and rehabilitation of our incinerator, which was a public health hazard with heaps of medical waste not disposed.

Challenges have been a part of any organisation and our hospital was not immune to it. The lack of equipment for surgical management is one major hindrance to care of trauma cases, particularly with the hospital situated near a busy highway that is prone to road traffic accidents. This is also tied to the poor provision of physiotherapy due to lack of equipment for our outpatient services

Laundry services were interrupted due to breakdown of the laundry machine and its platform. Necessitating the transportation of the linen to another facility for cleaning. This caused delay in service delivery

The hospital requires sewage unblocking rods and an overhaul of the plumbing system. This is also tied to the repair of the overhead storage tank that has major leaking leading to huge water bills and damaging the surrounding infrastructure

Way forward for the next financial year

- Purchase of a commercial laundry machine
- To consolidate the use of ICT in the daily operations by purchase of more computers, UPSs, CCTV and intercom hardware
- To lobby for appointment of staff to support the radiology, nursing and lab departments
- As a long-term solution, we intend to begin engaging the county public works department in drawing plans for hospital entrance, outpatient department, casualty overall refurbishment of hospital infrastructure. This will go a long way in staying true to the vision of Thika level 5 hospital

Finally, I want to thank the staff and partners for their work in the previous financial year, especially for the teamwork in provision of well deserving healthcare services to citizens. I look forward to working with you and beyond to deliver our long-term priorities and improved performance for our hospital

.....
Dr Angela Namarome Wekesa
Medical Superintendent

7. Statement of Performance Against Predetermined Objectives
Statement of Financial Performance for The Year Ended 30 June 2025

Section 164 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting Officer to include in the financial statement, a statement of the Hospital’s performance against predetermined objectives. The Hospital has 6 strategic pillars and objectives within the current Strategic Plan for the FY 2024-2025

These strategic pillars are as follows;

Health Systems Strategic Pillar	Objectives
Service Delivery	Eliminate communicable conditions
Human Resources for Health	Halt and reverse increasing burden of non-communicable conditions
Health Infrastructure	Reduce the burden of violence & injuries
Health Information	Provide essential medical services
Health Products, Vaccines & Technologies	Minimize exposure to health risk factors
Leadership & Governance	Strengthen collaboration with health-related sectors

The hospital develops its annual work plans based on the above six pillars and objectives. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Hospital achieved its performance targets set for the FY 2024-2025 period for its six strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Service Delivery Health Information	Eliminate communicable conditions	As detailed in the Annual Work Plan 2024-2025	<ul style="list-style-type: none"> ● Enhance health education ● Procurement and distribution of required health products and resources ● Data collection analysis and information dissemination 	As detailed in the Annual Performance Review Report 2024-2025

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			<ul style="list-style-type: none"> ● Quarterly coordination meetings Ensure consistency of IPC resources ● Advocate for more funds ● Health education for health care workers and public sensitization and empowerment ● Advocate for space for an isolation ward of other communicable conditions ● Improve infrastructure ● Regular maintenance of machines/equipment 	
Human Resources for Health	Halt and reverse increasing burden of non-communicable conditions	As detailed in the Annual Work Plan 2024-2025	<ul style="list-style-type: none"> ● Patient education ● Expand the cancer treatment center ● Regular medical camps ● Capacity building to HCWs and general public ● Provision and maintenance of diagnostic equipment ● Lobby for more specialist ● Support for open days and CMEs ● Lobby and follow up the proposed space for gym ● Basic screening tools, equipment's and standardized 	As detailed in the Annual Performance Review Report 2024-2025

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			<ul style="list-style-type: none"> schedules • Support for electrotherapy modalities, rehabilitative support, ambulatory aids etc. • Improve infrastructure 	
	Reduce the burden of violence & injuries	As detailed in the Annual Work Plan 2024-2025	<ul style="list-style-type: none"> • Expand accident and emergency department • Training on emergency preparedness and planning • Capacity building in disaster management • lobby for more staffs • health promotion and education on violence/injuries 	As detailed in the Annual Performance Review Report 2024-2025
Health Products, Vaccines & Technologies	Provide essential medical services	As detailed in the Annual Work Plan 2024-2025	<ul style="list-style-type: none"> • lobby for more staffs • improve infrastructure • procurement of required health products • resource mobilization • improve documentation and data collection monitoring rational use of health products 	As detailed in the Annual Performance Review Report 2024-2025
	Minimize exposure to health risk factors	As detailed in the Annual Work Plan 2024-2025	<ul style="list-style-type: none"> • Planting of trees within the incineration areas • Regular repair of existing incinerator 	As detailed in the Annual Performance Review Report 2024-2025

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			<ul style="list-style-type: none"> ● Construction of a new incinerator Replace the broken drains ● Repair the broken manhole ● Procure unblocking rods 	
Leadership & Governance	Strengthen collaboration with health-related sectors	As detailed in the Annual Work Plan 2024-2025	<ul style="list-style-type: none"> ● Re-establish and enhance collaboration between TL5H and key partners such as Mt. Kenya University, Shah Community ● Undertake annual stakeholders meetings 	As detailed in the Annual Performance Review Report 2024-2025

8. Corporate Governance Statement

The board members were appointed by the CEC health in accordance to Kiambu county Health services Act No 2 of 2019, vide gazette notice No. 3616

The board shall

- a) Provide oversight over general administration of the hospital
- b) Promote the development of the hospital
- c) Recommend to the Executive Member plans and programs for implementing the county health strategies in the hospital
- d) Recommend to the Executive Member budget estimates
- e) Establishing a hospital- community participation and feedback platform
- f) Assessing the delivery of services at the hospital and advice the Executive Member
- g) Monitoring the hospital performance against the set targets and advice the Executive Member
- h) Carrying out any other function that may be assigned by the Executive Member

The board was officially appointed and gazetted. Prior to that the board only had 3 active members but 2 additional members were appointed enabling assignment of the subcommittees of finance, human resource and service delivery committee.

A total of 4 board meetings were held with attendance of majority of board members led by the chairman, Dr Raju and the Medical superintendent as the secretary of the board. Introduction and induction was done in the first meeting and all members declared no conflict of interest. Main agenda was on how to work with partners and donors to acquire much needed medical equipment and infrastructure to take the hospital to the next level.

9. Management Discussion and Analysis

During the financial year our target for revenue collection was ksh737,810,258 we managed to collect ksh 525,134,257, a variance of -28.83%. This was largely affected by the doctors' strike, most of whom included the specialists that provide services that would otherwise have been referred to level 6 hospitals. These services include orthopaedic, brain, Ent and ophthalmology surgical services that generally are a source of income for the hospital. In the presence of these specialists, we also require to upgrade the hospital into a specialist trauma centre by providing the equipment and infrastructure to facilitate efficient management of these cases. This investment will prevent unnecessary referrals to KNH or other private hospitals

In addition to this our ICU was operating sub-optimally due to lack of service to our ventilating machines. This was due to the dilemma in service contracts that expired during the MES program, thus we lacked a qualified engineer to service these machines for a prolonged period of time. We have since then engaged an engineer for this purpose

The introduction of SHA on 1st October 2024 came with a lot of uncertainties due to the pending debt from NHIF. Although some disbursements were made, we still have an unpaid claim of ksh 103,215,150

SHA has different benefits for the facility including real time claim management and more prompt reimbursements. However, it remains evolving everyday with different policies emerging, making it difficult to educate our patients on what is required of them.

The money owed to us by SHA as at 30th June 2025 was ksh 89,899,629.

Being a level 5 hospital, we are not contracted to offer primary health services thus we find ourselves offering services to needy cases and ending up waiving them

The total amount of funds waived in the financial year was ksh 27,557,915. This also largely reduced our revenue, but can be overcome mainly by educating the public on enrolment to SHA and its benefits

The waiver procedure is done after a psychosocial and social economic assessment has been conducted to establish the capacity of the patient in handling their bill. The waiver issued can either be full or partial.

At Thika Level 5 Hospital, the Department of Medical Social Work does psychosocial history intake and analysis whereby patients with social economic needs are identified. Further assessment is done to establish the extent of the need. Case follow-ups are conducted through interviews, home visits and social investigations through the area chiefs where necessary.

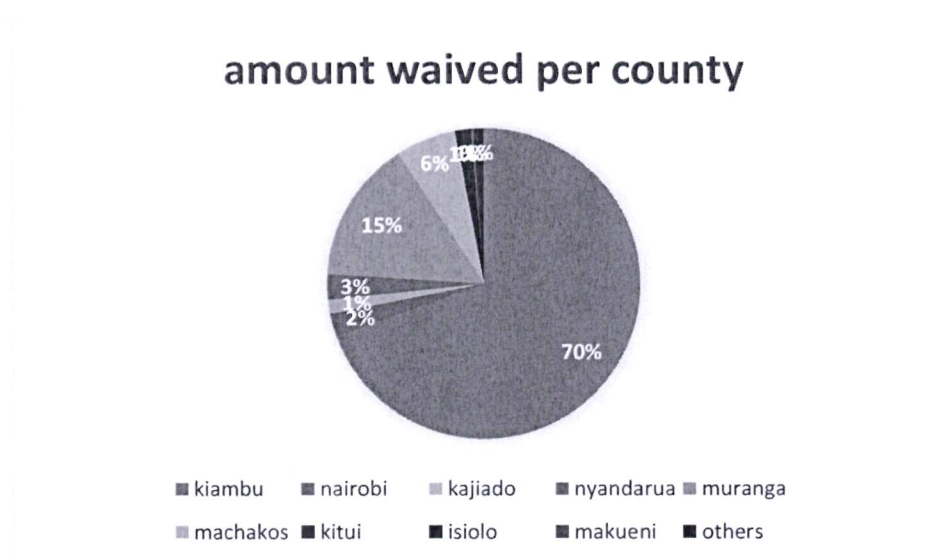
The hospital has a waiver committee comprised of a multi-disciplinary team appointed by the medical superintendent and the hospital administrator is the chairperson. This committee meets regularly in accordance to the cases identified by the Medical Social Worker. They deliberate on the cases and waivers are either recommended or not recommended.

Those recommended are referred for approval to the CECM Finance vide the letter dated 5th November 2024, Ref: KCG/COH/VOL.6/470 by the Chief Officer Health Services Kiambu

county, forwarded to the CECM Finance, ICT and Economic planning through the CECM Health Services.

After approval, a requisition is done through the Kiambu EMR and a physical waiver form is filled. This is signed by the medical social worker, the chairperson to the waiver committee and approved by the authorizing officer who is the medical superintendent.

Majority of the patients waived were from Kiambu county as per the below



Overall, we ended up with pending bills in the financial year worth Ksh 24,569,442 this was because we did not manage to meet our revenue targets for reasons elucidated in the discussion above.

We intend to close the gap in the revenue targets by full automation of all service points and to ensure that specialised surgical equipment are available to support performance of procedures. We would also want to ensure that renal unit is open for 24hours a day once we get the human resource to do so

Clinical/operational performance

The bed capacity of the hospital was assessed by the KMPDC and officially adopted to be 514 beds broken down into different service wards and the average length of stay (ALOS) was 6 days. The overall patient attendance was 280,572
 The workload for the year was as follows

HOSPITAL WORKLOAD STATISTICS

Department	Number
OPD over 5 years	115685
Under 5 years	32114
Over 60 years	110038
Casualty	954
Special clinics	
ENT	6515
Eye	11081
TB	753
CCC	60206
Psychiatry	4369
Orthopedics	2083
Occupational therapy	3322
Physiotherapy	4518
Medical	2693
Pediatric	1685
Surgical	2415
Diabetic	4866
Gynecology	4220
Dermatology	4788
Dental	
Extractions	1369
Dental fillings	48
General clinics	8267
Surgical procedures	212
Renal dialysis	1490
Inpatient wards	
Medical	1538
Surgical	445
Gynaecology	1453

Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

Paediatrics	2632
Maternity	7350
Casualty	2000
NBU	2394
ICU	49
Orthopaedics	202
Inpatient deaths	676
Maternity	
Total deliveries	6228
Maternal deaths	6
Still births	51
Surgical operations	1035
Laboratory tests	32705
Radiology services	
xray	3168
ultrasound	3775

The human resource for the year was as enumerated below. there was dynamic due to staff transfers/redeployments, retirements and resignation. The doctors strike greatly affected these numbers, however the Kiambu County Government absorbed the disruption in service delivery by hiring 11 new medical officers

STAFF CADRE	TOTAL NO.AVAILABLE	TOTAL NO. REQUIRED (Norms &Standards)	DEFICIT
Medical specialist	44	35	-9
Medical officers	17	40	23
Clinical Officers	38	50	12
Nursing Staffs	206	315	109
Laboratory Officers	19	35	16
Nutritionist	9	19	10
Physiotherapists	8	15	7

*Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025*

Radiology Officers	5	21	16
Pharmacy Officers	12	25	13
Orthopaedic tech	2	6	4
Mortuary attendants	1	6	5
Bio Medical	5	8	3
Health Records	6	10	4
Dental	11	15	4
Public Health	2	3	1
Plaster tech	6	12	6
Clerical Officers	15	20	5
Human Resource Officers	1	1	0
Health Admin. Officers	2	2	0
Accountants	3	3	0
Occupational Therapy	4	5	1
ICT	2	3	1
Procurement	2	5	3
Medical Social Workers	5	6	1
Drivers	2	3	1

We also had members of staff engaged on casual basis, who are requested by the HMT through the hospital board and approval for their employment is sought from the county public service board

Staff employed on contract

STAFF CADRE	TOTAL NO.AVAILABLE	TOTALNO.REQUI RED (Norms &Standards)	DEFICIT
Clinical officers	11	11	0
Nursing Officer	15	15	0
Pharmaceutical Technologist	7	7	0
Medical Lab Technologists	3	3	0
Radiographer	1	2	1
Internal Security Officer	1	1	0
Human Resource Officer	1	1	0
Public Relations Officer	1	1	0
Nutritionists	6	6	0
Counselling Psychologists	3	3	0
Theatre Technicians	2	2	0
Bio.Med Technician	1	2	1
Plumbing Technician	2	2	0
Health Records Officer	1	1	0
Sign Language Interpreter	1	1	0
Patient Attendants	4	4	0
Data Clerks / Cashiers	30	30	0
Morticians	5	5	0
CSSD Technician	1	1	0
Chef	1	1	0
General Casuals	22	25	3
Sanitation Staff	57	90	33

Sponsorships and partnerships

- a) Christian Blind Mission (CBM). An international Christian development organization, committed to improving the quality of life of persons with disabilities in the poorest countries of the world. Based on its Christian values, it addresses poverty as a cause, and a consequence, of disability, and works in partnership to create a society for all.

They support the eye department in screening and treatment of eye related conditions

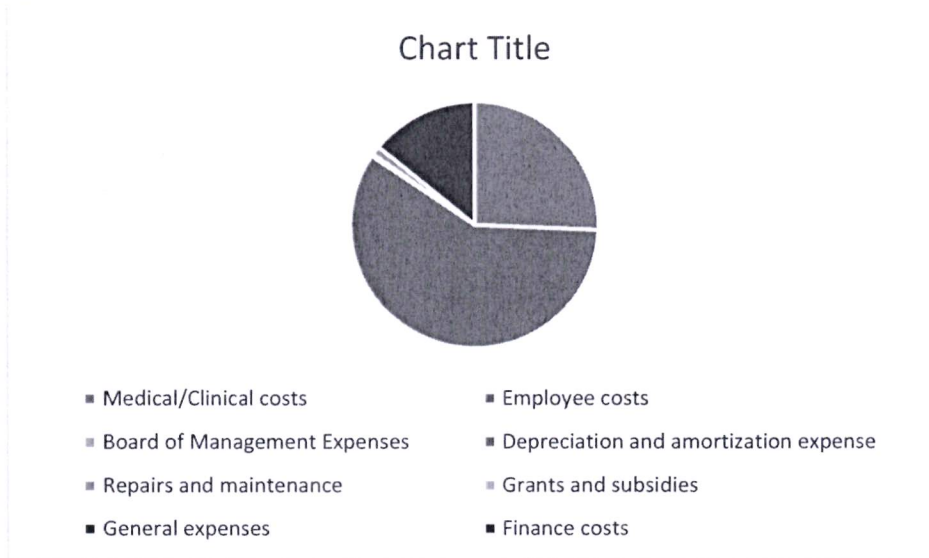
- b) NEST360: they deliver and sustain a package of affordable technologies for small and sick newborn care. prepare clinicians, biomedical technicians, and students to support small and sick newborn care and foster innovation. We enable countries to implement evidence-based care for small and sick newborns and make the investment case to sustain quality care.
 - a) They support NBU services in the hospital
- c) Jacaranda Health is a maternal health non-profit based in Kenya. They partner
 - a) with government hospitals to deliver low-cost, sustainable solutions that improve
 - b) quality of care for all mothers and new-borns
 - c) They undertake patient exit surveys to assess quality of care
- d) The Dhibiti project is a five-year initiative aimed at supporting the implementation of sustainable, comprehensive, and high-quality HIV prevention and treatment programs in six counties of central Kenya: Kiambu, Murang'a, Nyeri, Kirinyaga, Embu, and Tharaka-Nithi.
 - a) They supported HIV/AIDS care and treatment; however, this project is winding down its activities due to reduction in funding
- e) International Community of Women living with HIV Kenya (ICWK) -the network works to empower women living with and affected by HIV and AIDS to achieve economic stability and mitigate the impact of HIV on their livelihoods. Similarly, it works to build and strengthen the movement of women living with and affected by HIV to undertake advocacy at the grassroots through to the national level, and most important at the household and individual level.
- f) Resok (Respiratory Society of Kenya) supports TB Community activities while CHS (Centre for Health Solutions) supports TB linkage assistant for TB screening in the out-patient department
- g) Mount Kenya University (MKU) is a Chartered University committed to a broad-based, holistic and inclusive system of education based in Kenya.
 - a) The University has investment in science, technology, teaching and research infrastructure and a conducive environment for producing graduates who are generators of new knowledge, innovators, qualified employees and job creators.
 - b) They supported the renovation of the dental unit

Financial performance that includes: -

- Sources of revenue – county government of Kiambu, facility improvement fund (FIF)

The Hospital utilised Funds as Follows;

EXPENDITURE ANALYSIS



.....
Dr Angela Namarome Wekesa
Medical Superintendent

10. Environmental And Sustainability Reporting

Thika level 5 hospital exists to transform lives. It's what guides us to deliver our strategy, putting the client/patient first, delivering health services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

The hospital has instituted an active staff welfare organisation complete with a constitution and committee members. Monthly contributions are deposited in the bank with 3 signatories, the funds go towards support social activities, including bereaved members of staff. Weekly staff prayer meetings are held with the hospital chaplain, and this enhances cohesion among the staff members. Mental health of our staff is catered for by offering free counselling services is available to staff.

i) Sustainability strategy and profile

Our operations are legal and we adhere to the guidelines issued regularly by the Ministry of Health and the Kenya Medical Practitioners and dentists Council (KMPDC). With our greatest success the ability to serve a large population in the region and surrounding counties.

ii) Environmental performance

In the next financial year the hospital intends to establish a policy guideline on safeguarding the environment tailored to the NEMA protocols. The hospital board of management took part in tree planting in the hospital premises. These were fruit trees that will be used to provide nutrition to our patients in future.

In the medium-term plan, replacement of the asbestos roofing shall be undertaken to minimise the risks of chronic lung diseases to staff and patients. We are in the process of sourcing for unblocking rods for our sewerage system that has been a perennial problem.

iii) Employee welfare

Hiring of staff is done by the county public service board on behalf of our facility. However, any other support staff are contracted after deliberation by the hospital management team (HMT) and approved in the budget by the board. This is done in a competitive method, priority given to the members of the surrounding community to empower them with a source of livelihood, with women and youth being slotted in if they meet the criteria.

We applaud the SHA scheme for catering for the enhanced medical expenses of the members of staff. This ensured that officers work stress free devoid of hospital bills for themselves and their families. In the long run, we will hold discussions on the enhancement of timely statutory deductions to avert inconveniences and anxiety to our staff.

The MUA insurance medical scheme was also introduced by the Kiambu county Government. This increased access to healthcare for the employees.

iv) Market place practices-

a) Responsible competition practice.

We have set up a customer care desk that helps in patient navigation and queries are addressed. We also have a phone line that is active day or night manned by the office of the nursing services manager to handle complaints guide referrals and settle conflicts whenever they arise. We welcome political involvement as we view this as an opportunity to address the challenges amicably.

All payment for services are paid through mobile money service into the hospital account this has discouraged corruption and use of money at source.

b) Responsible Supply chain and supplier relations

In order to build trust from the suppliers and to have consistency in the supply of goods and services, we honour payments to our suppliers as soon as the funds are available. We have ensured that procurement processes are well planned in order prevent delay in payment of our vendors

c) Responsible marketing and advertisement or Responsible engagement with citizens

The hospital shall ensure that not only patient needs are met, but also have a positive impact on them and the community, of which we are both a part of.

The building of trust, will emanate from personalized experience and ensuring patient data is kept confidential. All patients engaged in media have consent sought from the county communication team. The next level is to have a standard digital consent form

d) Product stewardship or Awareness Creation

All members of staff are trained in proper waste segregation of medical waste.

Safe disposal of medical waste is steered by the Infection Prevention committee and the public health officer.

We strive to pay salaries and statutory deductions as soon as money is disbursed

All disputes and disciplinary issues are addressed by the advisory committee and a report is provided with recommendations

v) Corporate Social Responsibility / Community Engagements

We have been running medical camps to offer eye screening and treatment to the community. This was done in collaboration with CBM

We also waive medical expenses to the very needy patients after assessment by the medical social worker.

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 Thika level 5 hospital affairs.

Principal activities

The principal activity/mission/ mandate of the hospital is to provide quality healthcare to the citizens of Thika west and its environs

Results

The results of the entity for the year ended June 30~2025 are set out on page 1-9

Board of Management

The members of the Board who served during the year are shown on viii-x. We had a total of 5 board members who have worked consistently. They were officially gazetted on 13th February 2025

Auditors

The Auditor General is responsible for the statutory audit of Thika level 5 Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015



.....
Dr Angela Namarome Wekesa
Secretary to the Board

12. Statement of Board of Management's Responsibilities

Section 164 of the Public Finance Management Act, 2012 and kiambu county health act 2019 requires the Board of Management to prepare financial statements in respect of that which give a true and fair view of the state of affairs of Thika level 5 Hospital at the end of the financial year and the operating results of the hospital for that year. The Board of Management is also required to ensure that the hospital keeps proper accounting records which disclose with reasonable accuracy its financial position. The board members are also responsible for safeguarding the assets of the hospital

The Board of Management is responsible for the preparation and presentation of the financial statements, which give a true and fair view of the state of affairs of the hospital for and as at the end of the financial year 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 hospital
- (v) selecting and applying appropriate accounting policies, and
- (vi) making accounting estimates that are reasonable in the circumstances.

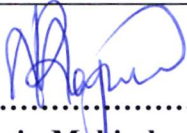
The Board of Management accepts responsibility for the hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012, and the kiambu health Act 2019. The Board members are of the opinion that the financial statements give a true and fair view of the state of hospital's transactions during the financial year ended June 30, 2025, and of the financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the hospital which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 04/12/2025 and signed on its behalf by:

Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025



.....
Dr. Raju Mohindra
Chairperson
Board of Management



.....
Dr. Angela Namarome Wekesa
Accounting Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON THIKA LEVEL 5 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF KIAMBU

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Thika Level 5 Hospital – County Government of Kiambu set out on pages 1 to 56, which comprise of the statement of

Report of the Auditor-General on Thika Level 5 Hospital for the year ended 30 June, 2025 - County Government of Kiambu

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 Thika Level 5 Hospital – County Government of Kiambu as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Governments Act, 2012, the Health Act, 2017, Kiambu County Health Services Act, 2019 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported In-Kind Contributions

The statement of financial performance and Note 7 to the financial statements reflects In-kind contributions from County Government of Kiambu amount of 553,443,330. The amount includes salary and wages amount of Kshs.542,000,244 which relates to payment of salaries and allowances for staff seconded to the Hospital. However, the revenue was not supported by payrolls for the seconded staff. In addition, the unsupported amounts are also reported as expenditure in the statement of financial performance.

In the circumstances, the accuracy and completeness of in-kind contributions amount of Kshs.542,000,244 could not be confirmed.

2. Long Outstanding Reconciling items

The statement of financial position reflects cash and cash equivalents balance of Kshs.8,896,426 as detailed in Note 27 to the financial statements. However, review of bank reconciliation statement for the Facility Improvement Fund (FIF) bank account revealed payments recorded in the cashbook but not reflected in the bank statements amounting to Kshs.10,233,596. Included in the amount is Kshs.5,437,190 that has remained outstanding for more than six (6) months, with some dating back to the year 2019. The long outstanding items mainly comprised of statutory deductions from employees, mostly Pay As You Earn (P.A.Y.E) which were not remitted to the Kenya Revenue Authority.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.8,896,426 could not be confirmed.

3. Long Outstanding Receivables

The statement of financial position and Note 29 to the financial statements reflects receivables from exchange transactions amount of Kshs.854,188,148. Included in the balance is Kshs.149,683,726 being debts between three (3) to four (4) years, whereas

Kshs.353,527,526 are debts over four (4) years. However, Management has not provided evidence of recovery efforts either through demand letters. Further, Management has not adopted a debt policy to guide the Hospital in the event of non-payment of debts and need to have specific or general provision for doubtful debts in the financial statements.

In the circumstances, the the full recoverability of the receivables balance of Kshs.149,683,726 and effectiveness of the debt management in the Hospital could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent Thika Level 5 Hospital Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects budgeted and actual receipts of Kshs.771,198,304 and Kshs.525,259,257 resulting in an under-funding of Kshs.245,939,047 or 32% of the budget. Similarly, the Hospital spent an amount of Kshs.474,477,805 against actual revenue received of Kshs.525,259,257 resulting in an under-utilization of Kshs.50,781,452 or 10% of the actual receipts.

The under-funding and under-utilization may have affected the planned activities for the year and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the prior year's audit reports issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance.

Review of the status of the issues during audit of Thika Level 5 Hospital in 2024/2025 revealed that the following matters remained unresolved as shown in **Appendix I**.

Other Information

Board of Management is responsible for the Other Information set out on page iii to xxxviii which comprise of Key Entity Information and Management, The Board of management, Key Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting statement, Report of the Board of Management and the Statement of 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. Failure to Meet the Requisite Number of Representation of Persons Living with Disability

Review of the Hospital's staff bio data revealed that there are only four (4) employees registered under Persons Living with Disabilities (PWDS) category which translates to only 3% of the entire population. This is contrary to the provision of part B.23(1,2) of the Public Service Human Resource Policies and Procedures Manual, 2016 that requires that at least five (5%) of all appointments shall be for Persons Living with Disabilities.

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

2. Long Outstanding Trade Payables

The statement of financial position reflects trade and other payables balance of Kshs.584,100,651 as detailed in Note 36 to the financial statements. Included in the balance is trade payables balance of Kshs.175,214,667 that has been outstanding for

more than three (3) years contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 states that accounting officer shall not commence any procurement proceeding until satisfied that sufficient funds to meet the obligations of the resulting contract are reflected in its approved budget estimate. Further, the Management did not provide evidence of demand notes/letter to confirm the liabilities.

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

3. Failure to Remit Public Procurement Regulatory Authority Levy

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

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

4. Deficiencies in Implementation of Universal Health Coverage (UHC)

Review of the Hospital records and physical inspection in the Hospital of services offered, equipment used, and availability of medical specialists revealed that the Hospital does not meet the Kenya Quality Model for Health Policy guidelines due to staff deficit of 33% of the staff requirements or 36% of the authorized establishment.

4.1 Staff Shortfall

Staff Cadre	Staff Level 5 Requirement	Hospital Actual	Variance
Medical Officers	40	17	23
Anesthesiologists	2	2	0
General Surgeons	2	3	+1
Gynecologists	2	8	+6
Pediatricians	2	4	+2
Radiologists	2	4	+2
Kenya Registered Community Health Nurses	315	206	109
Total	365	244	132

This represents 67% of required staffing, resulting to 33% deficit.

4.2 Equipment and Facility Deficiencies

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

Service/Equipment	Staff Level 5 Standard	Actual	Variance
Beds	100	512	+412
Resuscitaire (Labour & Theatre)	4	4	-
Newborn Unit Incubators	5	11	+6
Newborn Unit Cots	40	56	+16
Functional ICU Beds	6	6	-
High Dependency Unit (HDU) Beds	6	2	+4
Renal Unit Dialysis Machines	4	5	+1
Functional Operating Theatres (Maternity & General)	3	5	+2

In the circumstances, the deficiencies contravene the First Schedule of Health Act, 2017 and imply that accessing the highest attainable standard of Health which includes the right to health care services including reproductive health care as required by Article 43(1) of the Constitution of Kenya, 2010 may not be achieved.

5. Procurement and Supply of Medical Gases Without a Valid Contract

Note 15 to the financial statements reflects medical and clinical costs amount of Kshs.261,312,094. Included in the amount is Kshs.17,711,196 incurred for the supply of medical gases – oxygen. However, review of tender minutes, payment vouchers and ledgers revealed that, during the year under review oxygen was supplied by one company. However, review of procurement documents revealed that there was no valid contract between the Hospital and the supplier to support this expenditure. Though, Management explained that the County Government of Kiambu had previously entered into a contract with a gas company under tender signed on 10 June, 2020, for the “Supply, delivery, commissioning, and servicing of bulk oxygen supply with associated piping works” at four (4) hospitals — Thika, Tigoni, Kiambu, and Gatundu Level 5 Hospitals. The contract was valid for fifteen (15) weeks at a cost of Kshs.49,010,770 which had lapsed. Clause 6.2 of the contract stipulates that “the property, the materials and equipment shall pass to the County Government upon supply, delivery, inspection, testing and approval. Despite this clause, Management stated that the supplier had installed his own oxygen tanks, and the Hospital could only source oxygen from the same gas company. This arrangement contradicts Clause 6.2 and effectively restricts competition, creating a single-supplier dependency without evidence of market price verification.

In the circumstances, value for money obtained from the procurement of gas could not be confirmed.

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

Review of revenue records obtained from Thika Level 5 Hospital revealed that the Facility collected revenue totalling Kshs.473,666,814 towards the health facilities improvement. Out of this amount, a total of Kshs.473,666,814 was transferred to County Revenue Fund. However, the County Treasury reimbursed an amount of Kshs.269,521,705 to the health facilities resulting in a deficit of Kshs.204,145,109. This was contrary to Section 5(1) of the Facilities Improvement Financing Act, 2023 which requires that all monies raised or received by or on behalf of all public health facilities be retained in the Hospital Facilities Improvement Financing account. In addition, failure to reimburse the total amount transferred by the facilities negatively impacted on service delivery by the health facilities.

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

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. Lack of Stores Records on Expired Drugs

Review of store's records on pharmaceuticals at the Hospital revealed that there existed units of various drugs of undetermined value that had expired and accumulated since the financial year 2017/2018. Further, the drugs status report and method of disposal were not provided for audit.

In the circumstances, the internal controls in place, relating to disposal procedures of expired drugs could not be confirmed.

2. Lack of Internal Audit Function

During the year under review, the Hospital did not have internal audit function. As a result, no audits were carried out on any of Hospital activities and departments resulting in lack of independent oversight and potential exposure to financial, operational and compliance risks.

In the circumstances, independent oversight and deterrent from financial, operational and compliance risks could not be confirmed.

3. Lack of an Approved ICT Policy and Risk Management Policy

Review of the Hospital Information System (HIS) revealed that the Hospital did not have an approved ICT Policy and Procedures in place to guide ICT operations, data management, system access, security controls, and disaster recovery. Further, the Hospital lacks a formal Risk Management Policy to identify, assess, mitigate, and monitor organizational risks. The absence of these policies and manuals presented weak controls over ICT and risk management activities.

In the circumstances, the capacity to mitigate and monitor organizational risks in case of a disaster could not be confirmed.

4. Dormant Bank Accounts

Review of cash books revealed that the Hospital has two (2) dormant bank accounts, one with a balance of Kshs.34,145 and the other one with a balance of Kshs.17. The bank accounts were opened for conditional grants for projects whose implementation period ended. However, the bank accounts remained open and continued to attract bank charges.

In the circumstances, prudent management of resources of the Hospital by avoiding loss of public funds could not be confirmed.

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

Responsibilities of Management and the Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 December, 2025

Appendix I – Unresolve Prior Year Audit Matters

S/No.	Financial Year	Audit Issue
1	2023/2024	Inaccuracies in the Financial Statements
2	2023/2024	Inaccuracies in Cash and Cash Equivalentents
3	2023/2024	Unreconciled Variances Between Facility Improvement Fund (FIF) Amounts and Thika Level V Hospital Balances
4	2023/2024	Unreconciled Variances Between Kiambu County Executive Payables and Thika Level 5 Payables
5	2023/2024	Variance between Financial Statements and Supporting Ledgers
6	2023/2024	Unsupported Property, Plant and Equipment
7	2023/2024	Failure to Depreciate Property, Plant and Equipment
8	2023/2024	Unreconciled In-Kind Contribution from the County Government
9	2023/2024	Long Outstanding Receivables
10	2023/2024	Budgetary Control and Performance
11	2023/2024	Non-Compliance with Public Sector Accounting Standards Board Reporting Template
12	2023/2024	Irregular Procurement and Payments of Supply and Delivery of X-Ray Consumables
13	2023/2024	Irregular Extension of the Contracts for Security, Cleaning, Laundry and Services
14	2023/2024	Irregular Procurement and Payment of Supply and Delivery of Renal Consumables
15	2023/2024	Purchase of Plant, Property and Equipment
16	2023/2024	Non-Rotation of Suppliers
17	2023/2024	Payments for Partially Delivered Items
18	2023/2024	Irregular Engagement of Contractual Employees
19	2023/2024	Lack of a Staff Establishment
20	2023/2024	Unutilized Medical Equipment From FIF

S/No.	Financial Year	Audit Issue
21	2023/2024	Irregularities in Board Composition and Governance
22	2023/2024	Non-Compliance with Remittance of Statutory Dues and Other Deductions
23	2023/2024	Long Outstanding Trade and Other Payables
24	2023/2024	Lack of Internal Audit Department
25	2023/2024	Lack of Policies and Manuals
26	2023/2024	Bad Debt Policy
27	2023/2024	Approved ICT Policy
28	2023/2024	Hospital Waiver Policy
29	2023/2024	Expired Medical Supplies


Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

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

Description	Notes	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	-	-
In- kind contributions from the County Government	7	553,443,330.00	965,730,650.00
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
Revenue from non- exchange transactions		553,443,330.00	965,730,650.00
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	525,134,257.00	510,691,159.00
Revenue from rent of facilities	12	180,000.00	120,000.00
Finance /Interest Income	13	-	-
Miscellaneous income (<i>specify</i>)	14	-	-
Revenue from exchange transactions		525,314,257.00	510,811,159.00
Total revenue		1,078,757,587.00	1,476,541,809.00
Expenses			
Medical/Clinical costs	15	261,312,094.00	244,192,534.00
Employee costs	16	599,439,303.00	1,010,553,307.00
Board of Management Expenses	17	154,000.00	154,000.00
Depreciation and amortization expense	18	2,402,620.00	-
Repairs and maintenance	19	11,964,042.00	7,529,747.00
Grants and subsidies	20	-	-
General expenses	21	143,608,610.00	172,775,649.00
Finance costs	22	-	-
Total expenses		1,018,880,669.00	1,435,205,237.00
Other gains/(losses)			
Gain on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	(27,654,395.00)	(23,835,686.00)
Impairment loss	26	-	-
Gain on foreign exchange transactions		-	-
Total other gains/(losses)		(27,654,395.00)	(23,835,686.00)
Net Surplus for the year		32,222,523.00	17,500,886.00

Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

The Hospital's financial statements were approved by the Board on 04/12/2025 and signed on its behalf by:


.....

Chairman

Board of Management


.....

Head of Finance

ICPAK No: 29744


.....

Medical Superintendent

Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

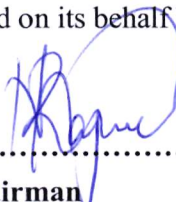
15. Statement of Financial Position As At 30th June 2025

Description	Notes	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	8,896,426.00	6,067,345.00
Prepayments	28	-	-
Receivables from exchange transactions	29	854,188,148.00	708,269,278.00
Receivables from non-exchange transactions	30	-	-
Inventories	31	59,298,323.00	31,845,227.00
Total Current Assets		922,382,897.00	746,181,850.00
Non-current assets			
Property, plant, and equipment	32	16,818,342.00	14,039,622.00
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
Total Non-current Assets		16,818,342.00	14,039,622.00
Total assets(A)		939,201,239.00	760,221,472.00
Liabilities			
Current liabilities			-
Trade and other payables	36	584,100,651.00	591,270,887.00
Refundable deposits from Patients/Prepayments	37	-	1,379,179.00
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
		-	-
Total Current Liabilities		584,100,651.00	592,650,066.00
			-
Non-current liabilities			-
Provisions	38	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-
Non - Current portion of borrowings	41	-	-
Service concession Arrangements	42	-	-
		-	-
Total Non-current liabilities		-	-


Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

Total Liabilities(B)		584,100,651.00	592,650,066.00
Net assets(A-B)		355,100,588.00	167,571,406.00
Represented by:			
Revaluation reserve			
Accumulated surplus/Deficit		32,222,523.00	17,500,886.00
Capital Fund		322,878,065.00	150,070,520.00
Net Assets		355,100,588.00	167,571,406.00


The Hospital's financial statements were approved by the Board on 04/12/2025 and signed on its behalf by:



Chairman
Board of Management



Head of Finance
ICPAK No: 29748



Medical Superintendent

Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023 (previous year)		-	-	
Revaluation gain				-
Surplus/(deficit) for the year		17,500,886.00	150,070,520.00	167,571,406.00
Capital/Development grants		-	-	-
As at June 30, 2024 (previous year)		17,500,886.00	150,070,520.00	167,571,406.00
				-
At July 1, 2024(current year)		17,500,886.00	150,070,520.00	167,571,406.00
Revaluation gain				-
Surplus/(deficit) for the year		14,721,637.00	172,807,545.00	187,529,182.00
Capital/Development grants			-	-
At June 30, 2025(current year)		32,222,523.00	322,878,065.00	355,100,588.00

Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		11,443,086.00	-
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		269,521,705.00	270,183,526.00
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts		-	-
Total Receipts		280,964,791.00	270,183,526.00
		-	
Payments		-	
Medical/Clinical costs		178,403,336.00	176,876,224.00
Employee costs		52,676,904.00	29,684,386.00
Board of Management Expenses		65,000.00	38,500.00
Repairs and maintenance		4,117,171.00	5,169,637.00
Grants and subsidies		-	-
General expenses		40,876,799.00	52,971,815.00
Finance costs		-	-
Refunds paid out		-	-
Total Payments		276,139,210.00	264,740,562.00
Net cash flows from/(used in) operating activities	43	4,825,581.00	
Cash flows from investing activities		-	
Purchase of property, plant, equipment		(1,996,500.00)	1,710,000.00
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
Net cash flows from /(used in) investing activities		(1,996,500.00)	1,710,000.00
Cash flows from financing activities		-	-
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	
Net cash flows from /(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		2,829,081.00	3,732,964.00
Cash and cash equivalents at 1 July 2024	27	6,067,345.00	2,334,381.00

Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

Cash and cash equivalents at June 2025	27	8,896,426.00	6,067,345.00
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18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-	-	-	-	-	-
Receipts	-				-	-
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	771,018,303.95	-	771,018,303.95	525,134,257.00	245,884,046.95	68%
Revenue from rent of facilities	180,000.00	-	180,000.00	125,000.00	55,000.00	69%
Finance / interest income	-	-	-	-	-	
Miscellaneous receipts (specify)	-	-	-	-	-	
Total receipts	771,198,303.95	-	771,198,303.95	525,259,257.00	245,939,046.95	
Payments					-	
Medical/Clinical costs	325,653,624.00	-	325,653,624.00	261,312,094.00	64,341,530.00	80%
Employee costs	58,080,000.00	-	58,080,000.00	57,439,059.00	640,941.00	99%
Remuneration of directors	180,000.00	-	180,000.00	154,000.00	26,000.00	86%
Repairs and maintenance	22,338,220.00	-	22,338,220.00	11,964,042.00	10,374,178.00	54%
Grants and subsidies	-	-	-	-	-	
General expenses	229,573,661.00	-	229,573,661.00	143,608,610.00	85,965,051.00	63%

Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

Finance costs	-	-	-	-	-	
Refunds	-	-	-	-	-	
Total Operational Expenditure paid	635,825,505.00	-	635,825,505.00	474,477,805.00	161,347,700.00	75%
Capital Expenditure paid	135,322,799.16		135,322,799.16	19,220,962.00	116,101,837.16	14%
Surplus	-	-			-	
	-				-	

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	A
1	Reason for differences	
2	Reason for differences	
3	Reason for differences	
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	

19. Notes to the Financial Statements

1. General Information

Thika Level 5 Hospital entity is established by and derives its authority and accountability from Finance Act. The entity is wholly owned by the Kiambu County Government and is domiciled in Kiambu County in Kenya. The entity's principal activity is Providing quality Healthcare

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

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

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

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

Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

Standard	Effective date and impact:
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47- Revenue	<p>Applicable 1st January 2026</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>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48- Transfer Expenses	<p>Applicable 1st January 2026</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>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49- Retirement Benefit Plans	<p>Applicable 1st January 2026</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>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral	<p>Applicable 1st January 2027</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"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.

Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

Standard	Effective date and impact:
Resources	<ul style="list-style-type: none"> <li data-bbox="427 331 1337 434">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 data-bbox="427 443 1337 627">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. <p data-bbox="427 636 1337 669"><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2024-2025 was approved by Board on *July 2025*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *entity* recorded additional appropriations of on the FY 24-25 budget following the Board's approval. The *Hospital* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

c. Taxes

Sales tax/ Value Added Tax

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

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

Notes to the Financial Statements (Continued)

d. Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of ~~xxx~~ 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 derecognition. Transfers are made to or from investment property only when there is a change in use.

e. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Biological Assets

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

i. Research and development costs

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

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

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

j. Financial instruments

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

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k. Inventories

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

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

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

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

l. Provisions

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

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

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

Notes to the Financial Statements (Continued)

m. Social Benefits

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

n. Contingent liabilities

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

o. Contingent assets

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

p. Nature and purpose of reserves

The entity creates and maintains reserves in terms of specific requirements. *(Entity to state the reserves maintained and appropriate policies adopted.)*

q. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

r. Employee benefits

Retirement benefit plans

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

s. Foreign currency transactions

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

t. Borrowing costs

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

u. Related parties

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

v. Service concession arrangements

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

w. Cash and cash equivalents

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

x. Comparative figures

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

y. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions were not Provided. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Unconditional grants		
Unconditional Grants		
Operational Grant	-	-
Level 5 Grants	-	-
Unconditional development grants	-	-
Other Grants	-	-
	-	-
Conditional Grants		
User Fee Forgone	-	-
Transforming Health Services for Universal Care Project (THUCP)	-	-
DANIDA	-	-
Wards Development Grant	-	-
Paediatric Block Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Total Government Grants and Subsidies	-	-

6 b Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance. Kshs	Amount deferred under deferred income. Kshs	Amount recognised in capital fund.		Total grant income during the period
			Kshs		Kshs
Kiambu County Government	-	-	-		-
Total	-	-	-		-

Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Salaries and wages	542,000,244.00	965,730,650.00
Medical supplies-Drawings Rights (KEMSA)		
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)		-
Utility bills	11,443,086.00	-
Total grants in kind	553,443,330.00	965,730,650.00

8. Grants From Donors and Development Partners

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Cancer Centre grant- DANIDA	-	-
World Bank grants	-	-
Paediatric ward grant- JICA	-	-
Research grants	-	-
Other grants	-	-
Total grants from development partners	-	-

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 period
	Kshs	Kshs	Kshs		Kshs
Donor e.g., DANIDA	-	-	-		-
JICA	-	-	-		-
World Bank	-	-	-		-
Total	-	-	-		-

Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from xxx National Hospital	-	-
Transfer from xxx Institute	-	-
Total Transfers	-	-

10. Public Contributions and Donations

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from other international organisations and individuals	-	-
Other donations	-	-
Donations in kind-amortised	-	-
Total donations and sponsorships	-	-

10 (a) Reconciliations of amortised grants

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

Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Pharmaceuticals	47,631,794.00	57,033,124.00
Non-Pharmaceuticals	1,521,883.00	1,005,567.00
Laboratory	36,178,564.00	47,078,418.00
Radiology	17,355,538.00	40,894,811.00
Orthopedic and Trauma Technology	1,617,250.00	1,757,945.00
Theatre	9,739,080.00	8,232,085.00
Accident and Emergency Service	4,278,742.00	8,454,395.00
Anesthesia Service	-	-
Ear Nose and Throat service	1,794,690.00	1,880,100.00
Nutrition service	759,180.00	524,420.00
Cancer centre service	9,000.00	-
Dental services	4,027,100.00	4,748,300.00
Reproductive health	16,798,930.00	10,371,808.00
Paediatrics services	6,060,771.00	13,413,135.00
Farewell home services	18,527,465.00	20,595,365.00
Ambulance services	-	-
Inpatient Wards	24,638,753.00	26,189,756.00
Other medical services income(outpatient and Inpatient)	39,397,743.00	34,455,424.00
NHIF Income	294,797,774.00	234,056,506.00
Total revenue from the rendering of services	525,134,257.00	510,691,159.00

12. Revenue From Rent of Facilities

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Residential property	-	-
Commercial property	180,000.00	120,000.00
Total Revenue from rent of facilities	180,000.00	120,000.00

Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

13. Finance /Interest Income

Description	FY 2024-2025	FY 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	-	-
Total finance income	-	-

14. Miscellaneous Income

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
	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</i>	-	-
Total Miscellaneous income	-	-

Thika Level 5 Hospital (Kiambu County Government)
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Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Dental costs/ materials	594,400.00	1,654,600.00
Laboratory chemicals and reagents	15,843,208.00	30,743,017.00
Renal Products	9,026,050.00	9,480,086.00
Public health activities	290,000.00	297,460.00
Food and Ration	23,029,080.00	17,814,708.00
Uniform, clothing, and linen	6,708,540.00	-
Dressing and Non-Pharmaceuticals	116,738,840.00	95,895,111.00
Pharmaceutical supplies	57,362,165.00	50,362,851.00
Health information stationery	6,518,000.00	7,163,000.00
Reproductive health materials	-	-
Sanitary and cleansing Materials	2,753,500.00	2,010,719.00
Purchase of Medical gases	17,711,195.00	8,776,682.00
X-Ray/Radiology supplies	3,824,116.00	18,953,300.00
Other medical related clinical costs (implants)	913,000.00	1,041,000.00
Total medical/ clinical costs	261,312,094.00	244,192,534.00

16. Employee Costs

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Salaries, wages, and allowances	542,000,244.00	965,730,650.00
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>Casual Workers</i>)	57,439,059.00	44,822,657.00
Employee costs	599,439,303.00	1,010,553,307.00

Thika Level 5 Hospital (Kiambu County Government)
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Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Chairman's Honoraria	-	-
Sitting allowance	154,000.00	154,000.00
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	154,000.00	154,000.00

18. Depreciation and Amortization Expense

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Property, plant and equipment	2,402,620.00	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	2,402,620.00	-

19. Repairs And Maintenance

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Property- Buildings	1,330,971.00	734,900.00
Medical equipment	6,683,079.00	4,676,067.00
Office equipment/Other Equipments	3,949,992.00	2,031,780.00
Furniture and fittings	-	-
Computers and accessories	-	87,000.00
Motor vehicle expenses	-	-
Maintenance of civil works	-	-
Total repairs and maintenance	11,964,042.00	7,529,747.00

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Community development and social work	-	-
Education initiatives and programs	-	-
Free/ subsidised medical camp	-	-
Disability programs	-	-
Free cancer screening	-	-
Social Benefit Expenses	-	-
Other grants and subsidies	-	-
Total grants and subsidies	-	-

21. General Expenses

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Advertising and publicity expenses	665,392.00	-
Catering expenses	-	160,400.00
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	122,228.00	301,630.00
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	15,969,894.00	32,790,427.00
Electricity expenses	14,874,578.00	23,753,287.00
Fuel and Lubricants	-	319,867.00
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	109,600.00	-
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-
Printing and stationery	5,940,090.00	8,327,554.00
Hire charges	-	-
Rent expenses	-	-
Water and sewerage costs	7,228,331.00	11,224,957.00
Skills development levies	-	-
Telephone and mobile phone services	1,250,000.00	935,175.00

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Internet expenses	-	302,451.00
Staff training and development	-	-
Subscriptions to professional bodies	10,000.00	-
Subscriptions to newspapers periodical,	-	-
Library books/Materials	-	-
Parking charges	-	-
Other Fuel(cooking Gas,firewood,Charcoal)	2,631,934.00	3,023,180.00
Other Expenses	-	-
20%fund account expenses	94,806,563.00	91,636,721.00
Total General Expenses	143,608,610.00	172,775,649.00

22. Finance Costs

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

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

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
Total gain on sale of assets	-	-

24. Unrealized Gain On Fair Value Investments

Description	Period ended June 30 2024	Comparative Period prior year
	Kshs	Kshs
Investments at fair value	-	-
Total gain	-	-

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Comprehensive care contracts with NHIF/SHA	-	-
Non- Comprehensive contracts care with NHIF/SHA	-	-
Linda Mama Program	-	-
Waivers and Exemptions	27,654,395.00	23,835,686.00
Total Gain/Loss	27,654,395.00	23,835,686.00

26. Impairment Loss

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

27. Cash And Cash Equivalentents

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Current accounts	8,896,426.00	6,067,345.00
On - call deposits		-
Fixed deposits accounts		-
Cash in hand		-
Others- Mobile money		-
Total cash and cash equivalentents	8,896,426.00	6,067,345.00

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Notes to the Financial Statements (Continued)

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

Description		FY 2024-2025	FY 2023-2024
Financial institution		KShs	KShs
a) Current account			
Kenya Commercial bank-FIF	1157019552	8,841,615.00	3,938,985.00
Kenya Commercial bank-NHIF	1256599956	853.00	891.00
Family Bank-Grant Account	005000067439	34,345.00	34,345.00
mpesa account	paybill	19,595.00	223,647.00
Bank Account-Revenue Account	001000053774	1.00	1,869,462.00
CO-OP Account-01141371994600	01141371994600	17.00	17.00
Sub- total		8,896,426.00	6,067,347.00
b) On - call deposits		-	
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) Fixed deposits account			
Bank Name		-	-
Sub- total		-	-
d) Others			
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
Sub- total		-	-
Grand total		8,896,426.00	6,067,347.00

28. Prepayments

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others (Electricity)	-	1,065,226.00
Total	-	1,065,226.00

Thika Level 5 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2025

29. Receivables From Exchange Transactions

Description	FY 2024-2025	FY 2023-2024
		KShs
Medical services receivables	854,133,148.00	563,509,473.86
Rent receivables	55,000.00	-
Other exchange debtors		
Less: impairment allowance		-
Total receivables	854,188,148.00	563,509,473.86

Analysis of Receivables From Exchange Transactions

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Medical services receivables	854,133,148.00	708,269,278.00
Rent receivables	55,000.00	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	854,188,148.00	708,269,278.00

Analysis of Receivables From Exchange Transactions

Description	FY 2024-2025		FY 2023-2024	
	KShs		KShs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	242,552,161.00	28.40%	144,759,805.00	20.44%
Between 1- 2 years	48,126,513.00	5.63%	60,298,222.00	8.51%
Between 2-3 years	60,298,222.00	7.06%	149,683,726.00	21.13%
Between 3-4 years	149,683,726.00	17.52%	173,991,992.00	24.57%
Over 4 years	353,527,526.00	41.39%	179,535,533.00	25.35%
Total (a+b)	854,188,148.00		708,269,278.00	

Thika Level 5 Hospital (Kiambu County Government)
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30. Receivables From Non-Exchange Transactions

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Transfers from the County Government	-	-
Undisbursed donor funds	-	-
Other debtors (non-exchange transactions)	-	-
Less: impairment allowance	-	-
Total	-	-

Analysis of Receivables From Non-Exchange Transactions

Description	FY 2024-2025		FY 2023-2024	
	KShs		KShs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	0	-	0

31. Inventories

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Non-Pharmaceutical supplies	36,058,101.00	-
Pharmaceutical supplies	6,050,865.00	27,497,166.00
Laboratory supplies	4,719,663.00	-
Renal supplies	3,448,650.00	-
Radiology supplies	6,367,650.00	-
Linen and clothing supplies	-	-
Cleaning materials supplies	805,004.00	897,941.00
General supplies	1,913,220.00	3,450,120.00
Less: provision for impairment of stocks	(64,830.00)	-
Total	59,298,323.00	31,845,227.00

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Notes to the Financial Statements (Continued)

32. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture and Fittings	Plant and medical equipment	Purchase of Computers	Capital work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs		Kshs	Kshs
Cost								
<i>As at 01/07/ 2024(beginning of the year)</i>	-	-	-	1,336,800.00	6,262,822.00	6,440,000.00	-	14,039,622.00
Additions during the year	-	-	-	1,954,890.00	1,066,500.00	2,159,950.00	-	5,181,340.00
Disposals during the year	-	-	-	-	-		-	-
Transfers/adjustments during the year	-	-	-	-	-		-	-
As at 30 June 2025 (close of the year)	-	-	-	3,291,690.00	7,329,322.00	8,599,950.00	-	19,220,962.00
								-
<i>As at 01/07/ 2024(beginning of the year)</i>	-	-	-	-	-		-	-
Additions during the period	-	-	-	-			-	-
Disposals during the period	-	-	-	-	-		-	-
Transfer/adjustments during the period	-	-	-	-	-		-	-
As at 30 June 2025 (close of the current period)	-	-	-	-	-		-	-
								-
Depreciation and impairment								-
<i>As at 01/07/ 2024(beginning of the year)</i>	-	-	-	-	-		-	-
Depreciation for the year	-	-	-	411,461.00	916,165.00	1,074,994.00	-	2,402,620.00

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Disposals	-	-	-				-	-
Impairment	-	-	-				-	-
As at 30 June 2025(close of the year)	-	-	-	411,461.00	916,165.00	1,074,994.00	-	2,402,620.00
As at 01/07/ 2024(beginning of the year)	-	-	-	-	-		-	-
Depreciation for the period	-	-	-	-	-		-	-
Disposals for the period	-	-	-	-	-		-	-
Impairment for the period	-	-	-	-	-		-	-
Transfer/adjustment during the period	-	-	-	-	-		-	-
As at 31 June 2025 (close of the current period)	-	-	-	-	-		-	-
								-
Net book values								-
As at 30 June 2024 (Previous)	-	-	-	1,336,800.00	6,262,822.00		-	14,039,622.00
As at 30 June 2025 (Current)	-	-	-	2,880,229.00	6,413,157.00		-	16,818,342.00

Depreciation of assets(rates)

Furniture ,Fittings Office Equipment	12.50%
Plant And Equipment	12.50%
ICT Equipment	40%

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Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
Additions-Internal development	-	-
Disposal	-	-
At end of the period	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization for the period	-	-
Impairment loss	-	-
At end of the period	-	-
NBV	-	-

34. Investment Property

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
At beginning of the year	-	-
Additions	-	-
Disposals during the year	-	-
Fair value gain	-	-
	-	-
Impairment	-	-
At end of the year	-	-

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Notes to the Financial Statements (Continued)

35. Biological Assets

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Trees in a plantation forest	-	-
Animals: Dairy Cattle, Pigs, Sheep	-	-
Others specify	-	-
Total	-	-

36. Trade and other Payables

Description	FY 2024-2025	FY 2023-2024		
	KShs	KShs		
Trade payables	579,338,496.00	576,132,616.00		
Employee dues	4,762,155.00	15,138,271.00	-	
Third-party payments (e.g. unremitted payroll deductions)	-	-	-	
Audit fee	-	-	-	
Doctors' fee	-	-	-	
Total trade and other payables	584,100,651.00	591,270,887.00	-	-
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the total
Under one year	131,692,126.00	23.49%	138,862,362.00	23.49%
1-2 years	100,693,522.00	17.03%	100,693,522.00	17.03%
2-3 years	176,500,336.00	29.85%	176,500,336.00	29.85%
Over 3 years	175,214,667.00	29.63%	175,214,667.00	29.63%
Total	584,100,651.00	%	591,270,887.00	%

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37. Refundable Deposits from Customers/Patients

Description	FY 2024-2025	FY 2023-2024		
	KShs	KShs		
Medical fees paid in advance	-	1,379,179.00		
Credit facility deposit	-	-		
Rent deposits	-	-		
Others	-	-		
Total deposits	-	1,379,179.00		
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

38. Provisions

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

39. Finance Lease Obligation

Description	FY 2024-2025	FY 2023-2024
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	KShs	KShs
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
Total	-	-

40. Deferred Income

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
Total	-	-

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

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

41. Borrowings

Description	FY 2024-2025	FY 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	-	-
Balance at end of the period	-	-

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

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs

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Current Obligation	-	-
Non-Current Obligation	-	-
Total	-	-

42. Service Concession Arrangements

Description	FY 2024-2025	FY 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	Period ended June 30 2024	Comparative period
	Kshs	Kshs
Surplus for the year before tax	30,132,063.75	-
Adjusted for:	-	-
Depreciation	-	-
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working Capital adjustments	-	-
Increase in inventory	(7,517,926.00)	-
Increase in receivables	(145,943,869.90)	-
Increase in deferred income	-	-
Increase in payables	(1,805,531.45)	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	(125,135,263.60)	-

Notes to the Financial Statements (Continued)

44. Financial Risk Management

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

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

(i) Credit risk

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

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

Notes to the Financial Statements (Continued)

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

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

(ii) Liquidity risk management

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

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

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

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

a) Foreign currency risk

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 20xx			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities	-	-	-
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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

Notes to the Financial Statements (Continued)

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20XX (previous year)			
Euro	10%		
USD	10%		
20XX (current year)			
Euro	10%		
USD	10%		

b) Interest rate risk

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

Management of interest rate risk

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

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Notes to the Financial Statements (Continued)

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of financial performance if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (20xx: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs xxx (20xx – KShs xxx).

iv) Capital Risk Management

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

Description	Current Period	Comparative Period
	Kshs	Kshs
Revaluation reserve		
Retained earnings		
Capital reserve		
Total funds		
Total borrowings		
Less: cash and bank balances		
Net debt/ (<i>excess cash and cash equivalents</i>)		
Gearing		

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Notes to the Financial Statements (Continued)

45. Related Party Balances

Nature of related party relationships

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

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

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

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

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Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Directors' emoluments		
Compensation to the medical Sup		
Compensation to key management		
Total		

46. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

47. Contingent Liabilities

Contingent liabilities	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Court case xxx against the hospital		
Bank guarantees in favour of subsidiary		
Total		

(Give details)

48. Capital Commitments

Capital Commitments	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Authorised For		
Authorised And Contracted For		
Total		

49. Events after the Reporting Period

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

50. Ultimate and Holding Entity

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

51. Currency

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

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Annual Report and Financial Statements for The Year Ended 30 June 2025

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.


S/No.	Financial Year	Audit Issue	STATUS	TIME FRAME
1	2023/2024	Inaccuracies in the Financial Statements	Resolved	
2	2023/2024	Inaccuracies in Cash and Cash Equivalents	Resolved	
3	2023/2024	Unreconciled Variances Between Facility Improvement Fund (FIF) Amounts and Thika Level V Hospital Balances	Resolved	
4	2023/2024	Unreconciled Variances Between Kiambu County Executive Payables and Thika Level 5 Payables	Not Resolved	In 3 Months
5	2023/2024	Variance between Financial Statements and Supporting Ledgers	Resolved	
6	2023/2024	Unsupported Property Plant and Equipment	Resolved	
7	2023/2024	Failure to Depreciate Property, Plant and Equipment	Resolved	
8	2023/2024	Unreconciled In-Kind Contribution from the County Government	Not Resolved	In 3 Months
9	2023/2024	Long Outstanding Receivables	Not Resolved	In 3 Months
10	2023/2024	Budgetary Control and Performance	Not Resolved	Immediately

Thika Level 5 Hospital (Kiambu County Government)
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S/No.	Financial Year	Audit Issue	STATUS	TIME FRAME
11	2023/2024	Non-Compliance with Public Sector Accounting Standards Board Reporting Template	Resolved	
12	2023/2024	Irregular Procurement and Payments of Supply and Delivery of X-Ray Consumables	Resolved	
13	2023/2024	Irregular Extension of the Contracts for Security, Cleaning, Laundry and Services	Not Resolved	In 6 Months Time As Awaiting Tender Advertisement
14	2023/2024	Irregular Procurement and Payment of Supply and Delivery of Renal Consumables	Resolved	
15	2023/2024	Purchase of Plant, Property and Equipment		
16	2023/2024	Non-Rotation of Suppliers	Resolved	
17	2023/2024	Payments for Partially Delivered Items	Resolved	
18	2023/2024	Irregular Engagement of Contractual Employees	Resolved	
19	2023/2024	Lack of a Staff Establishment	Not Resolved	Immediately
20	2023/2024	Unutilized Medical Equipment From FIF	Not Resolved	In 3 Months
21	2023/2024	Irregularities in Board Composition and Governance		
22	2023/2024	Non-Compliance with Remittance of Statutory Dues and Other Deductions	Resolved	In 6 Months

Thika Level 5 Hospital (Kiambu County Government)
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S/No.	Financial Year	Audit Issue	STATUS	TIME FRAME
23	2023/2024	Long Outstanding Trade and Other Payables	Not Resolved	In 6 Months
24	2023/2024	Lack of Internal Audit Department	Not Resolved	In 6 Months
25	2023/2024	Lack of Policies and Manuals	Not Resolved	In 6 Months
26	2023/2024	Bad Debt Policy	Not Resolved	In 6 Months
27	2023/2024	Approved ICT Policy	Not Resolved	In 6 Months
28	2023/2024	Hospital Waiver Policy	Not Resolved	In 6 Months
29	2023/2024	Expired Medical Supplies	Not Resolved	In 3 Months


.....
Accounting Officer

Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

Thika Level 5 Hospital (Kiambu County Government)
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Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity.....

Name of Beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

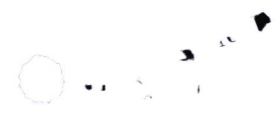
I confirm that the amounts shown above are correct as of the date indicated.

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		
-	-			Q1	Q2	Q3	Q4		
-	-	-							



*Thika Level 5 Hospital (County Government of Kiambu)
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Appendix V: Disaster Expenditure Reporting Template

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



1. The first part of the document is a list of items, including:

- 1.1. The first item is a list of items, including:
- 1.2. The second item is a list of items, including:
- 1.3. The third item is a list of items, including:

2. The second part of the document is a list of items, including:

- 2.1. The first item is a list of items, including:
- 2.2. The second item is a list of items, including:
- 2.3. The third item is a list of items, including: