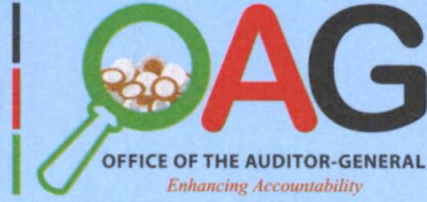


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TAMBACH SUB-COUNTY HOSPITAL

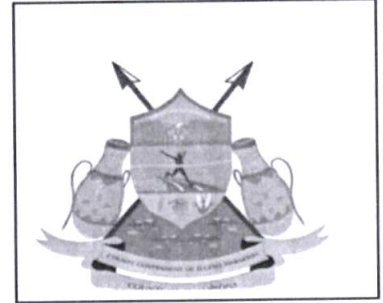
FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF ELGEYO
MARAkwET





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**TAMBACH SUB COUNTY HOSPITAL
(Elgeyo Marakwet County Government)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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



Tambach Sub County Hospital (Elgeyo Marakwet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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1. Acronyms & Glossary of Terms

Provide a list of all acronyms and glossary of terms used in the preparation of this report e.g.

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

2. Key Entity Information and Management

(a) Background information

The hospital is governed by a Board of Management. Tambach Sub-County hospital is a Level 4 hospital sitting on a 2.5-ha plot of land, established around the year 1930. The hospital is domiciled in Elgeyo Marakwet County under the Health Services Department. The hospital is governed by a Board of Management. The Hospital was gazetted as Level 4 hospital in the year 2020 via Gazette Notice no. 3335.

(b) Principal Activities

The core mandate of the hospital is to provide high quality health care services (curative and rehabilitative) to the community. The hospital plays its role in the county by providing a wide range of health services in partnership with the greater community and other stakeholders. Some of the roles played by the hospital in the county include: Serving as a sub county centre for provision of general health care and providing technical support to health centres and dispensaries.

Vision

To provide quality and efficient specialized services to its clients hence achieving excellence in healthcare for all.

Mission

Ensuring the community has equitable access to high quality patient centred specialized services that are: Timely, evidence-based, culturally appropriate and efficient; Provided by highly skilled staff who are committed, accountable and valued; and supported by leading edge research, education and technologies.

Core Values

- Team Work
- Openness
- Respect
- Empowerment
- Confidentiality

(c) Key Management

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

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

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(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:

Designation	Name
Medical Superintendent	Mr Mark Kipsang
Head of Nursing Services	Mr Godfrey Sawe
Head of Laboratory service	Mr James Kebenei
Head of Pharmaceutical services	Mr Titus Silal
Hospital administrator	Mr George Kipyatich
Director Medical services	Dr. Isaac Kipyego
Chief Officer Health and Sanitation	Mr Jeremiah Chirchir
Director Accounting Services	Mr Johnkeen Murkeu
Chief Officer Finance and Economic Planning	Mr Peter Chesos

(e) Fiduciary Oversight Arrangements

- Clinical Research and Standards Committee.
- Audit committee
- Risk Committee
- County Assembly
- Parliamentary committees

Key Entity Information and Management (continued)

(f) Entity Headquarters

Tambach Sub county Hospital,
 Located at: Iten Kabarnet Road, Tambach,
 P.O. Box 331-37000,
 Iten, Kenya

(g) Entity Contacts

Telephone: (+254) 721512924
 E-mail: tambachhospital@gmail.com

(h) Entity Bankers

Kenya Commercial Bank Limited, Iten Branch,
 P. O. Box 30081 - 00100,
 Nairobi, Kenya.

Equity Bank Limited, Iten Branch,
 P.O. Box 75104 – 00200,
 Nairobi, Kenya.

(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.332 – 30700,
Iten, Kenya

3. The Board of Management






Ref	Directors	Details
1.	 <p>Hon. James Chirchir Board Chairman YOB – 1975</p>	<p>Hon. James Chirchir has been serving as the Chairman of the TSCH Board of Management since his appointment on December 19, 2023. His leadership is supported by a wealth of experience, including his tenure as a Nominated Member of the Elgeyo Marakwet County Assembly from 2017 to 2022.</p> <p>Hon. Chirchir holds a Bachelor of Arts degree in Economics and a Diploma in Banking. Additionally, he is an Associate Member of the Kenya Institute of Bankers, reflecting his commitment to professional excellence in the financial sector.</p>
2.	 <p>Mr. Mark Kipsang Medical Superintendent YOB- 1982</p>	<p>Mr. Mark Kipsang serves as the Medical Superintendent and Secretary of the Tambach Sub-County Hospital Board of Management.</p> <p>With 18 years of experience as a dedicated medical professional, Mr. Kipsang has played a pivotal role in healthcare management and service delivery. He holds a Degree in health systems management, higher national diploma in anaesthesia (KMTC Eldoret) and Diploma in Clinical Medicine and Surgery from the Kenya Medical Training College (KMTC), Nakuru Campus, highlighting his expertise in clinical practice and healthcare leadership.</p>
3.		<p>Dr. Philomena Tanui serves as a Board Member of the TSCH Board of Management.</p> <p>She holds a PhD in Philosophy, demonstrating her academic excellence and commitment to advancing knowledge and leadership in her field.</p>
4.	 <p>Mr Reuben Kimosop Yob- 1974</p>	<p>Mr. Reuben Kimosop serves as a Board Member of the TSCH Board of Management.</p> <p>He is also a catechist at St. Peter Kewapsos Catholic Church, Tambach Parish, where he is actively involved in spiritual leadership and community service.</p>

Tambach Sub County Hospital (Elgeyo Marakwet County Government)
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5.	 Cllr. Peter Barngetuny YOB- 1972	<p>Clr. Peter Barngetuny serves as a Board Member of the TSCH Board of Management.</p> <p>He holds a Diploma in County Governance from JKUAT University, reflecting his expertise in local governance and public administration.</p>
6.	 Mrs Francisca Ayabei YOB- 1957	<p>Mrs. Francisca Ayabei serves as a Board Member of the TSCH Board of Management.</p> <p>A retired teacher by profession, she holds a Bachelor of Education degree, showcasing her dedication to education and community development.</p>
7.	 Mr. Nathan Kipyego YOB -1996	<p>Mr. Nathan Kipyego serves as a Board Member of the TSCH Board of Management.</p> <p>He holds a Diploma in Public Health from KMTC Kabarnet Campus, highlighting his expertise in promoting community health and well-being.</p>
8.	 Fr. Edwin Kangogo. YOB- 1980	<p>Fr. Edwin Kangogo serves as a Board Member of the TSCH Board of Management.</p> <p>He holds a Bachelor of Theology degree, reflecting his strong foundation in theological studies and commitment to spiritual and community leadership.</p>

The board members are independent of the executive.

4. Key Management Team

Ref	Management	Details
1	 Mr Mark Kipsang Kwambai	Medical Superintendent
2	 Mr Godfrey Sawe	Head of nursing service
3	 Mr. James Kebenei	Head of Laboratory Services
4	 Mr. Titus Silal	Head Of Pharmaceutical Services
5	 Mr. George Kipyatich	Hospital administrator

Tambach Sub County Hospital (Elgeyo Marakwet County Government)
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Ref	Management	Details
6	 <p>Dr. Isaac Kipyego MBCh/MMED Family Medicine</p>	Director Medical Services
7	 <p>Mr. JohnKeen Murkeu MBA-Finance, CPA(K)</p>	Director Accounting services

5. Chairman's Statement



I am pleased to present the financial statement for Tambach Sub-County Hospital for the fiscal year ended 30th June, 2024. This report highlights our commitment to delivering high-quality healthcare services, fostering innovation, and ensuring prudent financial management to support the hospital's strategic goals. During the year under review, Tambach Sub-County Hospital made significant strides in enhancing healthcare delivery and strengthening its role as a cornerstone of the county's health system. Despite the challenges posed by resource constraints and growing patient demand, the hospital maintained a strong focus on service delivery.

The financial performance of Tambach Sub-County Hospital reflects prudent fiscal management and a strategic focus on resource optimization. Our revenues were bolstered by in-kind contributions from the County Government, which supported critical areas such as staff salaries and the procurement of essential pharmaceuticals and non-pharmaceuticals. This financial support, coupled with internally generated revenue from medical services, has enabled the hospital to maintain a positive financial position.

During the year under review, Tambach Sub-County Hospital achieved significant milestones aimed at enhancing service delivery and infrastructure. The hospital expanded its services to include maternal and child health, diagnostics, and outpatient services, which significantly increased patient access to quality healthcare. Quality of care was enhanced through evidence-based practices and continuous training for healthcare personnel. Additionally, the hospital had improvements in key infrastructure such as renovated wards, expanded outpatient facilities, and upgraded water and sanitation systems to support infection prevention and control. These advancements have strengthened the hospital's capacity to deliver efficient, patient-centered care. The Board of Management remains steadfast in its commitment to good governance and accountability. We have implemented measures to ensure efficient resource utilization, transparent reporting, and adherence to statutory regulations.

As we move forward, Tambach Sub-County Hospital will focus on expanding quality healthcare services, upgrading medical infrastructure, and embracing technology to enhance service delivery. Additionally, we will continue to strengthen partnerships with the County Government, donors, and other stakeholders to mobilize resources and improve healthcare access for our community.

On behalf of the Board of Management, I extend my gratitude to the County Government, hospital staff, partners, and the community for their unwavering support and dedication. Together, we will continue striving towards achieving our vision of being a leading provider of equitable, high-quality healthcare services.

.....
Hon. James Chirchir
Chairman to the Board

6. Report of The Medical Superintendent



I am deeply honoured and happy to present the report for Tambach Sub-County Hospital for the fiscal year ending 30th June, 2025. The year under review, witnessed successes and some challenges in health care provision for the clients seeking services at our facility within Elgeyo Marakwet County and without. The health care system is made of up of the service delivery, human resource for health, health finance, drugs, vaccines and technologies, health information systems and leadership/governance. For a robust, effective and efficient health system, the above pillars must be strengthened. One entity directly affects the other one; therefore each pillar must be strengthened. The health care workers have worked with a lot of dedication despite challenges to make sure that the services to our clients are satisfactory. Over the year, the facility through the county government constructed the modern laboratory which will improve on the level of service delivery. Furthermore, the hospital is at advanced stage of handing over the site to construct a radiology unit during the financial year 2025-26. The dedication of our healthcare team, along with strong collaboration with the County Government and development partners, has allowed us to make notable strides in improving the health and well-being of the community. During the year under review, the facility still has financial constraints but the facility was able to prudently manage the finances. Throughout the year, the hospital made considerable progress in addressing the growing healthcare needs of the population. We enhanced patient care quality, and bolstered our technical and training capabilities to keep pace with the increasing demand for healthcare services (Operationalizing special clinics and other services). These accomplishments reflect the hard work of our staff, the continued support of the County Government, and our partnerships with development organizations. Despite these advancements, the hospital faces on-going challenges, including resource constraints, staffing gaps, and the need for more specialized services and medical equipment. Additionally, infrastructure improvements are necessary especially on the outpatient department to meet the rising healthcare demands. Moving forward, Tambach Sub-County Hospital will continue to focus on introducing specialized care, improving diagnostic capabilities, and maintaining the highest standards of patient safety. We are committed to advancing staff training to ensure they remain equipped with the latest knowledge and skills in modern healthcare practices. I do expect that stakeholder collaboration and staff capacity building will improve on the health care outcomes. I wish to express my gratitude to the county government of Elgeyo Marakwet , development partners, the board of management, hospital management team and the members of staff for their dedication, teamwork and motivation in offering service to the people of Elgeyo Marakwet county. Together we shall make health care accessible, affordable effective and efficient

.....


Mr. Mark Kipsang Kwambai.
Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

This section provides a summary of the performance of Tambach Sub-County Hospital for the fiscal year ending 30th June, 2025, against key objectives in governance, infrastructure, finances, and human resources. These objectives were designed to enhance service delivery to the people of Elgeyo Marakwet County.

1. Strengthen Governance and Oversight

The hospital recognized the importance of solid governance structures to ensure effective management, transparency, and accountability. This objective focused on enhancing the oversight provided by the Board of Management and engaging relevant stakeholders in decision-making processes.

2. Upgrade and Expand Hospital Infrastructure

The objective aimed to improve the hospital's infrastructure, including upgrading medical facilities, renovating patient wards, and enhancing sanitation services to support a more efficient healthcare environment. With the growing patient numbers, modernizing hospital infrastructure was seen as vital for improving service delivery.

3. Improve Financial Management and Sustainability

In line with the hospital's commitment to operational efficiency and long-term sustainability, this objective focused on improving financial management practices, optimizing the use of available resources, and strengthening efforts to mobilize additional funding. The goal was to ensure that the hospital could continue to provide quality care while maintaining financial stability.

4. Enhance Human Resource Capacity and Development

The hospital's ability to deliver high-quality care depends largely on the skills, dedication, and expertise of its healthcare personnel. This objective aimed to recruit qualified staff to address staffing gaps, promote professional development, and ensure the hospital had the necessary human resources to meet increasing healthcare demands.

Tambach Sub County Hospital (Elgeyo Marakwet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Strategic Pillar	Objective	Key Performance	Activities	Achievements
Governance, leadership and management	Strengthen Governance and Oversight	<ul style="list-style-type: none"> - Number of board meetings held - Compliance with regulations 	<ul style="list-style-type: none"> - Conduct regular board meetings - Review operational performance 	<ul style="list-style-type: none"> - Achieved. - Regular board meetings held, active oversight, and enhanced transparency.
Infrastructure	Upgrade and Expand Hospital Infrastructure	<ul style="list-style-type: none"> - Number of patient wards renovated - Expansion of outpatient services 	<ul style="list-style-type: none"> - Renovation of wards - Expansion of outpatient services - Upgrade of sanitation facilities 	<ul style="list-style-type: none"> - Achieved. - Key patient wards renovated, outpatient services expanded, sanitation facilities upgraded, and new medical equipment procured.
Finances	Improve Financial Management and Sustainability	<ul style="list-style-type: none"> - Budget efficiency - Resource mobilization and funding raised 	<ul style="list-style-type: none"> - Optimize resource allocation - Secure additional funding - Increase revenue through services 	<ul style="list-style-type: none"> - Partially Achieved. - Financial management processes improved, additional funding from partners secured, and revenue generation increased.
Human Resources	Enhance Human Resource Capacity and Development	<ul style="list-style-type: none"> - Staffing levels in key areas - Number of professional development programs completed 	<ul style="list-style-type: none"> - Recruit healthcare personnel - Implement training programs - Provide internships for medical trainees 	<ul style="list-style-type: none"> - Achieved. - Staffing gaps addressed, professional development programs implemented, and internships expanded.

8. Corporate Governance Statement

Tambach Sub-County Hospital is committed to maintaining the highest standards of corporate governance in its operations. We recognize that strong governance structures and practices are essential for the hospital's success in delivering quality healthcare services to the people of Elgeyo Marakwet County. This Corporate Governance Statement outlines the key governance principles, practices, and structures that guide our decision-making and ensure accountability, transparency, and efficiency in all aspects of hospital operations.

Governance Structure

The governance of Tambach Sub-County Hospital is overseen by a Board of Management, which provides strategic direction and ensures that the hospital operates in accordance with the relevant laws, regulations, and best practices. The Board is responsible for approving policies, budgets, and major initiatives, while also overseeing the performance of the hospital's management team. The Board of Management operates in a transparent and accountable manner, holding regular meetings to review the hospital's performance and make critical decisions in line with the hospital's strategic goals.

The hospital is managed by the Medical Superintendent, who is supported by a team of senior management professionals responsible for the day-to-day operations of the hospital. The Medical Superintendent reports directly to the Board of Management and ensures that the hospital's objectives are implemented effectively and efficiently.

Board of Management Composition and Responsibilities

The Board of Management comprises individuals with diverse expertise in healthcare, finance, administration, and governance. This diversity allows the Board to provide well-rounded and strategic oversight of the hospital's activities. The members of the Board of Management who served during the year are as shown below:

Table 2: Board Composition

Board member	Board position	Appointment date	Retire date
James Chirchir	Chairperson	19/12/2023	19/12/2026
Peter Barngetuny	Member	19/12/2023	19/12/2026
Nathan Kipyego	Member	19/12/2023	19/12/2026
Francisca Kwambai	Member	19/12/2023	19/12/2026
Reuben Kimosop	Member	19/12/2023	19/12/2026
Kangogo Edwin	Member	19/12/2023	19/12/2026
Dr Flomena Tanui	Member	19/12/2023	19/12/2026
Rober korir	Member	19/12/2023	19/12/2026

Tambach Sub County Hospital (Elgeyo Marakwet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Mark Kipsang Kwambai	Secretary	29/07/2025	19/12/2026
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Role of the Chairman

The Chairman holds the responsibility for providing strategic leadership to the board, playing a pivotal role in fostering conditions for the board's overall effectiveness. These include promoting an open environment for discussion, ensuring all members can freely express their views and contribute effectively. The Chairman also ensures that the board actively participates in shaping the Hospital's strategies and policies. Moreover, they oversee the scheduling of board meetings as needed and ensure that members receive accurate, timely, and adequate information to fulfill their duties effectively.

Role of the Board

The Board of Management, with the support of Board Committees and the Secretary-Medical Superintendent, bears the responsibility for promoting good corporate governance and stewardship of the Hospital. The Board, with its Committees, offers strategic guidance, while the Hospital in charge, aided by the Hospital Management Team, is accountable to the Board for executing the strategy. Board members are expected to demonstrate responsibility, prudence, and skillfulness in carrying out their fiduciary duties on behalf of the Hospital.

The roles and responsibilities of the Board as set out in the Board Charter include:

- (i) Establishing the Hospital's strategic direction and priorities, and adopting business plans proposed by management for the achievement of the strategic objectives
- (ii) Monitoring and evaluating the implementation of strategies, policies, management performance criteria and business plans.
- (iii) Providing oversight in financial reporting to the Government and communication to stakeholders.
- (iv) Ensuring availability of adequate resources for the achievement of the Hospital's objectives.
- (v) Safeguarding Hospital assets by instituting appropriate internal control systems.
- (vi) Reviewing succession planning for the management and making senior executive appointments, organizational changes and remuneration issues.
- (vii) Overseeing business affairs of the Hospital in light of emerging risks and opportunities.
- (viii) Ensuring the Hospital complies with all relevant laws, regulations and codes of best business practices.
- (ix) Approving annual budgets.

Board work plan and meetings

A work plan outlining an annual schedule of meetings for the Board and its committees is prepared in advance. The Chairman, in collaboration with the Hospital in charge, determines the agenda for each Board meeting, which is then circulated to members at least seven days prior to the meeting.

In the year under review, the Board held a total of 4 meetings to consider pertinent issues relating to strategy, business performance and sustainability of the Hospital.

Table 3: Board and committee meeting attendance

Board Member /Total No of meetings	Board meetings
	3
James Chirchir	2/3
Peter Barngetuny	3/3
Nathan Kipyego	3/3
Francisca Kwambai	2/3
Reuben Kimosop	3/3
Kangogo Edwin	2/3
Dr Flomena Tanui	1/3
Rober korir	3/3
Andrew Cheruiyot	3/3

The Board's role is to ensure that the hospital meets its operational goals while adhering to ethical standards and maintaining a high level of transparency.

Ethical Practices and Transparency

Tambach Sub-County Hospital adheres to the highest ethical standards in all its dealings with patients, staff, government entities, and partners. The hospital's leadership is committed to fostering a culture of integrity, accountability, and transparency. All financial transactions are conducted in accordance with established accounting standards, and the hospital ensures that its financial reports are accurate, timely, and accessible to stakeholders. In addition, the hospital actively engages with stakeholders, including patients and the community, to ensure that its services are meeting the needs of the population.

Risk Management

The hospital has implemented a comprehensive risk management framework to identify, assess, and manage potential risks that may affect its operations. This includes risks related to financial management, healthcare delivery, staffing, infrastructure, and compliance. Regular risk assessments are conducted, and mitigation strategies are developed to ensure that the hospital continues to operate smoothly and deliver high-quality care to its patients.

Accountability and Reporting

Tambach Sub-County Hospital is committed to regular and transparent reporting of its performance to stakeholders. The hospital produces annual financial statements, which are audited by external auditors to ensure accuracy and compliance with accounting standards. The hospital also reports on its strategic

achievements, challenges, and progress against predetermined objectives, ensuring that stakeholders are informed about the hospital's performance and development.

9. Management Discussion and Analysis

Clinical Performance

Tambach Sub County Hospital remains dedicated to offering a comprehensive range of healthcare services to the residents of Elgeyo Marakwet County and surrounding areas. These services encompass outpatient general care, physiotherapy, ophthalmology, minor surgical procedures, and nutrition services, alongside comprehensive care clinics. Clinical support services include laboratory services and pharmacy services. Mother-child services such as antenatal and postnatal care, as well as immunization, are provided. Inpatient services include general medicine, minor surgical procedures, pediatrics, and maternity care.

Overall patient attendance

In the fiscal year 2024/25, TSCH experienced an increase outpatient visits, totaling 13,735, and inpatient admissions, which increased to 139. This increase is primarily attributed to an improved service delivery. This trend follows the 2023/24 FY, where outpatient visits were recorded at 11,588 and inpatient admissions at 136. .

Reproductive health

In the financial year 2024/25, Tambach sub county Hospital has experienced an overall increase in maternity and antenatal care services, highlighted by a rise in antenatal clinic (ANC) visits and maternity deliveries. ANC Visits 2023/2024 (979) 2022/2023 (777)

The bed capacity is at 35 beds with the average length of stay (ALOS) in the hospital remains a crucial metric for assessing the efficiency of inpatient healthcare delivery. For the year 2024/25, the ALOS was recorded at 2 days, consistent with previous assessments. Surgical cases tend to have longer bed days

Mortality Rate.

During the review period, the average mortality rate stood at 1.4%. The low mortality rate is promptly referral of sick patient and the hospital's effective management of patients.

Patient Safety.

TSCH is committed to enhancing patient safety, recognizing it as a fundamental aspect of healthcare delivery. The hospital has implemented strategies to reduce hospital-acquired infections, minimize medical errors, and decrease the incidence of falls and venous thrombosis, thereby fostering a safer environment for all patients.

Financial Highlights

Financial Performance

The financial performance of Tambach sub county hospital during the year under review reflects a continued reliance on multiple sources of funding, including the Facility Improvement Funds (FIF), free maternity services reimbursements, and rebates from the National Hospital Insurance Fund (NHIF). Additionally, the hospital received significant support from the County Government of Elgeyo Marakwet, the Ministry of Health. For the financial year 2024/25, Tambach sub county hospital demonstrated notable revenue growth. The hospital's total revenue in FY 2024/25 was Kshs. 6.3million from rendering service and FIF of kshs 2.2 million. This revenue can be attributed to enhanced resource mobilization strategies and the expansion of hospital services.

In addition to internally generated revenue, Tambach sub county hospital received substantial external support. The County Government of Elgeyo Marakwet supplied medical drugs worth Kshs. 2.8 million. Furthermore, the county and national government through UHC program took on the responsibility of paying employee salaries, which amounted to Kshs. 43.0 million during the period under review. These external contributions significantly helped in the hospital's operations. The revenue generated during the year was used to cover hospital expenditures amounting to Kshs. 7.1 million, which included costs associated with service delivery, maintenance, and procurement.

Performance Results

While the hospital made strides in collecting its revenue, it faced financial challenges in terms of poverty levels among the clients. The challenge highlights the need for more robust financial sustainability strategies and enhanced efficiency in resource utilization. Moving forward, TSCH aims to implement measures to further increase the revenue collections such as refining cost management processes, scaling up resource mobilization efforts, and pursuing new partnerships to diversify funding streams. By addressing these financial challenges, TSCH seeks to position itself for long-term sustainability while continuing to deliver high-quality healthcare services. The hospital's financial performance, while determined to improve its services which will ensure revenue growth, also underscores the importance of securing more sustainable funding models and enhancing operational efficiencies. Moving forward, TSCH will continue to focus on improving financial management and diversifying its revenue streams to ensure long-term sustainability and improved healthcare service delivery.

Sign:.....Date: 27th August, 2025

Mr. Mark Kipsang Kwambai
Secretary to the Board

10. Environmental And Sustainability Reporting

This report highlights the environmental and sustainability initiatives implemented by Tambach Sub-County Hospital (TSCH) for the fiscal year ending 30th June, 2025. The hospital is dedicated to integrating sustainable practices that minimize environmental impact while delivering quality healthcare. Our commitment focuses on People, Planet, and Profit, creating long-term value for the community, staff, patients, and stakeholders.

Sustainability Strategy and Profile

Sustainability is integral to TSCH's operations, ensuring that our actions today do not compromise future generations' ability to meet their needs. Our strategy emphasizes reducing environmental impact, promoting employee well-being, and contributing to the community's health and economic growth. We adhere to national regulations, adopt green technologies, and enhance resource efficiency across all hospital functions, from waste management to energy use.

Key Sustainability Objectives:

- **Environmental Stewardship:** Reduce energy and water consumption, minimize waste, and promote recycling.
- **Social Responsibility:** Support employee welfare, community health, and disease prevention.
- **Economic Efficiency:** Achieve cost-effective operations by managing resources efficiently and ensuring financial sustainability.

Environmental Performance

i. Energy Efficiency and Carbon Footprint Reduction

TSCH has made substantial progress in reducing its carbon footprint. Energy-efficient lighting are now in use throughout the hospital. Staff and patients are encouraged to reduce energy consumption through awareness campaigns. We are also optimizing heating and cooling systems to lower operating costs.

ii. Waste Management and Recycling

Waste management is a core focus, with a comprehensive waste segregation program in place to separate clinical, hazardous, and general waste. These practices minimize landfill waste, conserve resources, and reduce environmental impact.

iii. Water Conservation

In response to growing environmental concerns, TSCH has implemented water-saving fixtures and monitors water usage across departments. Initiatives such as rainwater harvesting to reduce water consumption bills. Additionally, staff are educated on responsible water usage.

iv. Green Procurement Practices

TSCH prioritizes environmentally friendly products in line with our sustainability goals. This includes purchasing energy-efficient medical equipment. We also collaborate with suppliers committed to sustainable practices, ensuring that our supply chain supports environmental objectives.

Employee Welfare and Development

i. Health and Safety

The hospital is committed to a safe and healthy work environment, adhering to OSHA standards. Regular safety training is provided, and staff are equipped with personal protective equipment (PPE). We also offer comprehensive health insurance and support mental health programs to enhance employee well-being.

ii. Professional Development

To keep our staff up to date with medical advancements, TSCH provides continuous professional development through training programs, workshops, and seminars. We support career growth through leadership training and study leaves.

Community Engagement and Corporate Social Responsibility (CSR)

i. Community Health Initiatives

TSCH is dedicated to improving community health through preventive care and health education. This year, we organized free health camps and screenings for conditions like diabetes, hypertension, and cancer. We also partnered with local schools to provide health education on sanitation, nutrition, and disease prevention.

Responsible Governance and Ethical Practices

TSCH adheres to high standards of corporate governance, ensuring transparency and accountability in all operations. We comply with health regulations, maintain open communication with authorities, and conduct regular audits to ensure financial and operational integrity.

11. Report of The Board of Management

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

Principal activities

The principal activities of the entity are:

1. To assure provision of Quality health care services, disaster preparedness and response
2. To Strengthen availability of essential medicines, medical equipment and supplies
3. To maintain and improve hospital infrastructure and means of transport to meet the demands for service delivery.

Results

The results of the entity for the year ended June 30th, 2025 are set out on page 1-5.

Board of Management

The members of the Board who served during the year are shown on page vii - viii. During the year no director retired/ resigned and 9 was appointed with effect from July, 2024.

Auditors

The Auditor General is responsible for the statutory audit of the Tambach sub county hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

Sign:..........Date: 27th August, 2025

Mark Kipsang Kwambai
Secretary to the Board

12. Statement of Board of Management’s Responsibilities


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

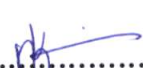
The Board of Management is responsible for the preparation and presentation of the Tambach sub county hospital financial statements, which give a true and fair view of the state of affairs of the Tambach sub county hospital for and as at the end of the financial year (period) ended on June 30, 2025.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

The Board of Management accepts responsibility for the entity’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Public Audit Act, 2015. The Board members are of the opinion that the Tambach sub county hospital financial statements give a true and fair view of the state of Tambach sub county hospital transactions during the financial year ended June 30, 2025, and of the Tambach sub county hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Tambach sub county hospital, which have been relied upon in the preparation of the Tambach sub county hospital 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 Tambach sub county hospital will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

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


.....
James Chirchir
Chairperson
Board of Management


.....
Mark Kipsang Kwambai
Accounting Officer

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
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P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON TAMBACH SUB-COUNTY HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF ELGEYO MARAKWET

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 Tambach Sub-County Hospital – County Government of Elgeyo Marakwet set out on pages 1 to 63, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement

of comparison 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 Tambach Sub-County Hospital 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 Public Finance Management Act, 2012, County Governments Act, 2012 and the Health Act, 2017.

Basis for Qualified Opinion

1. Lack of Ownership Documents

Review of financial statements revealed that the statement of financial position disclosed property, plant and equipment balance of Kshs.49,744,407 as detailed in Note 32 to the financial statements. However, Management did not provide ownership documents and valuation reports to support the amounts disclosed in respect of land and buildings. Further, verification of the asset register provided by the Hospital revealed that the listed assets did not indicate the historical or additional cost, work-in-progress, asset identification or serial number, acquisition date, description of asset and, location. In addition, the land and buildings register did not have a recording of each parcel of land and terms on which it was held.

In the circumstances, the accuracy completeness and ownership of property plant and equipment balance of Kshs.49,744,407 could not be confirmed.

2. Inaccurate Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balances of Kshs.1,383,401 as disclosed in Note 27 to the financial statements. However, reconciliation statements and bank balance confirmation certificates were not provided for audit verification.

In the circumstances, the accuracy and completeness of cash and cash equivalents balances of Kshs.1,383,401 could not be confirmed.

3. Non-Provision of Trial Balance and Journal Entries

Management did not provide a trial balance to support the balances in the financial statements. Further, there was a significant change in balance disclosed in the financial statements submitted on 29 August, 2025 and 3 November, 2025 in respect to total revenue and expenses from Kshs.70,779,288 to Kshs.8,547,704 and Kshs.67,567,822 to Kshs.10,038,497 respectively which were not supported with journals.

In the circumstances, the accuracy and completeness of the financial statement balances could not be confirmed.

4. Unsupported Receivables

The statement of financial position reflects receivables from exchange transactions balance of Ksh.2,965,801 being unreimbursed NHIF claims. However, no ageing analysis and ledger details were provided to support the accounts receivables balance in the financial statements.

In the circumstances, the accuracy and completeness of receivables balance of Kshs.2,965,801 could not be confirmed

5. Failure to Disclosed In-Kind Contributions from the County Government

During the year, it was observed that the Hospital received In-Kind contributions from the County Government of Kshs.62,650,475 which was not disclosed in the financial statements. Further, ledgers were not provided to support revenue from rendering of medical services of Kshs.6,321,168 and transfers from the County Government of Kshs.2,226,536.

In the circumstances, the accuracy and completeness of the In-Kind contributions of Kshs.62,650,475 could not be confirmed.

6. Unsupported Depreciation of Property, Plant and Equipment

Note 32 to the financial statements reflects property, plant and equipment balance of Kshs.49,744,407 which has not been supported with an asset register. In addition, the statement of financial performance reflects depreciation expenses of Kshs.2,874,194. However, the method of depreciation adopted and rates applied by Management was not disclosed in the Notes to the financial statement.

In the circumstances, the accuracy of depreciation charged of Kshs.2,874,194 could not be confirmed.

7. Unsupported Inventory

The statement of financial position reflects inventory balance of Kshs.3,169,582 comprising of inventories held which includes consumables stores and medical supplies as disclosed in Note 31 to the financial statements. However, there were no stock sheet reports to support the balances. In addition, the Hospital had not provided for audit an approved Inventory Management Policy to provide formal guidance on the management of inventory.

In the circumstances, the accuracy of inventory balance of Kshs.3,169,582 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Tambach Sub-County 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.

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 audit report of the previous year, several 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. Although the Management has indicated that some issues have been resolved and others partially resolved, there is no evidence adduced to show how the matters have been resolved. This was contrary to Section 68(2)(l) of the Public Finance Management Act, 2012 which require accounting officers designated for National Government entities to try to resolve any issues resulting from an audit that remain outstanding. See **Appendix I**

Other Information

The Management is responsible for the Other Information set out on page ii to xxii 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 Report of the Board of Management and Statement of the Board of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Hospital's '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 Maintain Revenue Cash Book

Note 11 to the financial statements reflects revenue from rendering services amount of Kshs.6,321,168. However, Management did not maintain a revenue cashbook with details of daily billings and collections per patient, transfers to fund account, withdrawal through Authority to Incur Expenditure (AIEs) and revenue receivables. This was contrary to Section 100 of the Public Finance Management Regulation (County Governments), 2015 which states that the Accounting Officer shall keep in all offices concerned with receiving cash or making payments a cashbook showing the receipts and payments and shall maintain such other books and registers as may be necessary for the proper maintenance and preparation of the accounts of the vote for which he is responsible.

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

2. Non-Compliance with Universal Health Coverage (UHC) Requirements

Review of Hospital records and verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by eighty-six (86) staff or 85% of the one hundred and one (101) authorized establishment.

Staff Requirements	Level Standards	Number In Hospital	Variance	Percentage %
Medical Officer	16	0	16	100
Anaesthesiologists	2	0	2	100
General Surgeons	2	0	2	100
Gynaecologists	2	0	2	100
Paediatricians	2	0	2	100
Radiologist	2	0	2	100
Registered community Health Nurses	75	15	60	20
Total	101	15	86	85

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

Service	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage (%)
Bed Capacity	150	36	114	76
Incubators (New-born)	5	2	3	60
Cots	5	1	4	80
Resuscitative in Theatre	1	0	1	100
Resuscitative in labour wards	12	0	12	100
Functional ICU Beds	6	0	6	100
HDU Beds	6	0	6	100
Renal Unit with Dialysis Machines	5	0	5	100
Functional Operating Theatres Maternity and General	1	0	1	100

These 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.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Ineffectiveness of the Hospital Management Committee

Review of Hospital Management Committee records revealed that the Committee operated without an approved Charter which defines the roles, responsibilities and functions of the Committees.

In the circumstances, the effectiveness of the Hospital's oversight and governance could not be confirmed.

2. Weakness in Issuance, Usage and Storage of Medical Supplies

As previously reported, review of the management of pharmaceuticals and non-pharmaceuticals commodities at the Hospital revealed that undetermined quantities of various drugs had expired. Further, the stock cards used to issue drugs to various departments in the Hospital did not indicate the batch number and the expiry dates of the drugs. Therefore, it was difficult to establish whether the issuance of drugs was on First Expiry First Out (FEFO) basis. This was contrary to Section 162(3) of the Public Procurement and Asset Disposal Act, 2015 which stipulates that stores, inventory and assets that are procured by a public entity shall not be allowed to suffer deterioration from any preventable cause and overstocking of any particular item shall be avoided.

In the circumstances, effectiveness of internal controls on issuance and storage of medical supplies could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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.

Those charged with governance are 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

01 December, 2025

Appendix 1: Unresolved Prior Year Matters

No	Year	Issue
		Report on the Financial Statements
1	2023-2024	Unsupported opening balances
		Report on Lawfulness and Effectiveness in the Use of Public Resources
3	2023-2024	Non-Compliance with requirement on Universal Health Cover
		Report on Effectiveness of Internal Controls, Risk Management and Governance
	2023-2024	Weakness in issuance, usage storage of medical supplies

Tambach Subcounty Hospital (Elgeyo Marakwet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	2,226,536	15,806,961.00
In-kind contributions from the County Government	7	-	-
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		2,226,536	15,806,961.00
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	6,321,168	7,979,636.00
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
Revenue from exchange transactions		6,321,168	7,979,636.00
Total revenue		8,547,704	23,786,597.00
Expenses			
Medical/Clinical costs	15	2,102,050	5,137,296.00
Employee costs	16	1,542,222	13,749,868.00
Board of Management Expenses	17	120,000	66,000.00
Depreciation and amortization expense	18	2,874,194	3,223,673.00
Repairs and maintenance	19	167,000	350,640.00
Grants and subsidies	20		-
General expenses	21	3,233,031	1,785,233.00
Finance costs	22	-	-
Total expenses		10,038,497	24,312,710.00
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-

Tambach Subcounty Hospital (Elgeyo Marakwet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Medical services contracts Gains/Losses	25	-	49,500.00
Impairment loss	26	-	-
Gain on foreign exchange transactions		-	-
Total other gains/(losses)		-	49,500.00
Net Surplus / (Deficit) for the year		(1,490,794)	(575,613.00)

The Hospital's financial statements were approved by the Board on _____ and signed on its behalf by:



Chairman

Board of Management



Head of Finance

ICPAK No: 16654



Medical Superintendent

Tambach Subcounty Hospital (Elgeyo Marakwet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

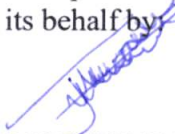
Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	1,383,401	464,790.00
Prepayments	28	-	
Receivables from exchange transactions	29	2,965,801	3,645,472.00
Receivables from non-exchange transactions	30	-	-
Inventories	31	3,169,582	2,583,800.00
Total Current Assets		7,518,784	6,694,062.00
Non-current assets			
Property, plant, and equipment	32	49,744,407	52,618,602.00
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	
Total Non-current Assets		49,744,407	52,618,602.00
Total assets (A)		57,263,191	59,312,664.00
Liabilities			
Current liabilities			
Trade and other payables	36	-	1,299,612.00
Refundable deposits from customers/Patients	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
Total Current Liabilities		-	1,299,612.00
Non-current liabilities			
Provisions	38	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-

Tambach Subcounty Hospital (Elgeyo Marakwet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Non - Current portion of borrowings	41	-	-
Service concession Arrangements	42	-	-
Total non-current liabilities		-	-
Total Liabilities (B)		-	1,299,612.00
Net assets (A-B)		57,263,191	58,013,052.00
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		(1,490,794)	(575,613.00)
Capital Fund		-	58,697,572.00
Net Assets		57,263,191	60,612,276.00

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

The Hospital's financial statements were approved by the Board on _____ and signed on its behalf by:



Chairman
Board of Management



Head of Finance
ICPAK No: 16654



Medical Superintendent

Comparative FY refers to the financial year preceding the current year.

Tambach Subcounty Hospital (Elgeyo Marakwet County Government)
Annual Report and Financial Statements for The Year Ended 30th 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	-	(575,613)	-	(575,613)
Capital/Development grants	-	-	-	-
As at June 30, 2024 (previous year)	-	(575,613)	-	(575,613)
At July 1, 2024 (current year)	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(1,490,794)	-	(1,490,794)
Capital/Development grants	-	-	-	-
At June 30, 2025 (current year)	-	(1,490,794)	-	(1,490,794)

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		2,226,536	3,570,105.00
Grants from donors and development partners		-	-
Transfers from other Government entities		-	3,791,516.00
Public contributions and donations		-	-
Rendering of services- Medical Service Income		6,321,168	-
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts(<i>specify</i>)		-	-
Total Receipts		8,547,704	7,361,621.00
Payments			
Medical/Clinical costs		2,102,050	1,140,134.00
Employee costs		1,542,222	1,168,016.00
Board of Management Expenses		120,000	66,000.00
Repairs and maintenance		167,000	300,640.00
Grants and subsidies		-	-
General expenses		3,233,031	1,298,373.00
Finance costs		-	-
Refunds paid out		-	3,268,566.00
Total Payments		7,164,303	7,241,729.00
Net cash flows from operating activities	43	177,618	119,892.00
Cash flows from investing activities			
Purchase of property, plant, equipment		-	-
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-

Tambach Subcounty Hospital (Elgeyo Marakwet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		177,618	-
Cash and cash equivalents as at 1 July 2024	27	464,790	
Cash and cash equivalents as at 30 June 2025	27	1,383,401	

(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting).

Comparative FY refers to the financial year preceding the current year.

Tambach Sub County Hospital (Elgeyo Marakwet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 June 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	
Revenue						
Transfers from the County Government	-	2,226,536.00	2,226,536	2,226,536	-	100.00
Grants from donors and development partners	-	-	-	-	-	-
Transfers from other Government entities	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- Medical Service Income	5,416,000	1,100,000	6,516,000	6,321,168	194,832	97.01
Revenue from rent of facilities	-	-	-	-	-	-
Finance / interest income	-	-	-	-	-	-
Miscellaneous receipts (<i>specify</i>)	-	-	-	-	-	-
Total income	5,416,000	3,326,536	8,742,536	8,547,704	194,832	97.77
Expenses						
Medical/Clinical costs	100,000	2,100,000	2,200,000	2,102,050	97,950	95.55
Employee costs	1,171,500	400,000	1,571,500	1,542,222	29,278	98.14
Remuneration of directors	150,000	(20,000)	130,000	120,000	10,000	92.31

Tambach Subcounty Hospital (Elgeyo Marakwet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Repairs and maintenance	100,000	70,000	170,000	167,000	3,000	98.24
Grants and subsidies	-	-	-	-	-	-
General expenses	3,894,500	(500,000)	3,394,500	3,233,031	161,469	95.24
Finance costs	-	-	-	-	-	-
Refunds	-	-	-	-	-	-
Total Operational Expenditure paid	5,416,000	2,050,000	7,466,000	7,164,303	301,697	95.96
Capital Expenditure paid	-	-	-	-	-	-
Surplus	-	1,276,536	1,276,536	1,383,401	(106,865)	108.37

19. Notes to the Financial Statements

1. General Information

Tambach Hospital entity is established by and derives its authority and accountability from Act. The entity is wholly owned by the Elgeyo marakwet County Government and is domiciled in Elgeyo marakwet County in Kenya. The entity's principal activity is provide medical services

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 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>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously</p>

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

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

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services by

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 2025 was approved by Board on 17th July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *entity* recorded additional appropriations of 2,270,000 on the FY 2024/2025 budget following the Board's approval. The *entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

c. Taxes

Sales tax/ Value Added Tax

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

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

Notes to the Financial Statements (Continued)

d. Investment property

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

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

e. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Biological Assets

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

i. Research and development costs

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

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

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

j. Financial instruments

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

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k. Inventories

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

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

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

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

l. Provisions

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

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

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

Notes to the Financial Statements (Continued)

m. Social Benefits

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

n. Contingent liabilities

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

o. Contingent assets

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

p. Nature and purpose of reserves

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

q. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

r. Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump-sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation. *(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 is included in Note xxx. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Unconditional grants	-	
Operational grant	-	-
Level 4/5 grants	-	-
Unconditional development grants	-	-
Other grants (<i>FIF</i>)	2,226,536	-
		-
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	2,226,536	-

6 b Transfers from The County Government

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

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	-	12,408,000
Medical supplies-Drawings Rights (KEMSA)	-	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	3,398,961
Utility bills	-	-
Total grants in kind	-	15,806,961

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 (specify)	-	-
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 year	Comparative Period
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
Total	-	-	-	-	-

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from National Hospital	-	-
Transfer from 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(specify)	-	-
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	-	-

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Pharmaceuticals	1,307,605	197,750
Non-Pharmaceuticals	1,332,155	-
Laboratory	872,905	63,500
Radiology	-	-
Orthopedic and Trauma Technology	-	-
Theatre	312,945	297,750
Accident and Emergency Service	-	-
Anesthesia Service	-	-
Ear Nose and Throat service	-	72,600
Nutrition service	-	-
Cancer centre service	-	-
Dental services	-	-
Reproductive health	1,572,058	395,500
Paediatrics services	458,710	-
Farewell home services	-	-
Ambulance services	-	-
Nhif Claims/Capitation	464,790	6,952,536
Total revenue from the rendering of services	6,321,168	7,979,636

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Residential property	-	-
Commercial property	-	-
Total Revenue from rent of facilities	-	-

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
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Sale of goods (water, publications, containers etc)	-	-
Write backs (Deposits, payments in advance etc)	-	-
Bad debts recovered	-	-
Others (Specify)	-	-
Total Miscellaneous income	-	-

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	62,800	102,800
Public health activities	-	-
Food and Ration	1,784,000	1,459,325
Uniform, clothing, and linen	-	22,000
Dressing and Non-Pharmaceuticals	-	1,889,901
Pharmaceutical supplies	-	1,509,060
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	255,250	154,210
Purchase of Medical gases	-	-
X-Ray/Radiology supplies	-	-
Other medical related clinical costs	-	-
Total medical/ clinical costs	2,102,050	5,137,296

16. Employee Costs

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Salaries, wages, and allowances	1,542,222	12,408,000
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	-	1,341,868
Employee costs	1,542,222	13,749,868

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	120,000	66,000
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	120,000	66,000

18. Depreciation and Amortization Expense

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Property, plant and equipment	2,874,194	3,223,673
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	2,874,194	3,223,673

19. Repairs And Maintenance

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Property- Buildings	167,000	312,640
Medical equipment	-	-
Office equipment	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
Motor vehicle expenses	-	38,000
Maintenance of civil works	-	-
Total repairs and maintenance	167,000	350,640

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(specify)	-	-
Total grants and subsidies	-	-

21. General Expenses

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	-	-
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	75,029	31,440
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	-	-
Electricity expenses	430,000	310,140
Fuel and Lubricants	280,000	430,000
Other fuels	535,500	
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	199,000	60,000
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	18,900	-
Printing and stationery	1,181,660	517,445
Hire charges	-	-
Rent expenses	-	-
Water and sewerage costs	302,942	211,208
Skills development levies	-	-
Telephone and mobile phone services	-	30,000
Internet expenses	-	-
Staff training and development	-	-

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Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical,	-	-
Library books/Materials	-	-
Other operating expenses	210,000	195,000
Total General Expenses	3,233,031	1,785,233

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 (specify)	-	-
Total gain on sale of assets	-	-

24. Unrealized Gain on Fair Value Investments

Description	FY 2024-2025	FY 2023-2024
	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	-	-
Non- Comprehensive contracts care with NHIF	-	-
Linda Mama Program	-	-
Waivers and Exemptions	-	49,500
Total Gain/Loss	-	49,500

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 Equivalents

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Current accounts	1,383,401	464,790
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalents	1,383,401	464,790

Notes to the Financial Statements (Continued)

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

Description		FY 2024-2025	FY 2023-2024
Financial institution	Account number	KShs	KShs
1. Current account			
Kenya Commercial bank	1147077878	48,740	464,790
Equity Bank, etc	153028570313 8	1,334,661	630,000
Sub- total		1,383,401	1,094,790
2. On - call deposits			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
3. Fixed deposits account			
Bank Name		-	-
Sub- total		-	-
4. Others(specify)			
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
Sub- total		-	-
Grand total		1,383,401	1,094,790

28. Prepayments

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others specify(Electricity)	-	-
Total	-	-

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29. Receivables From Exchange Transactions

Description	FY 2024-2025		FY 2023-2024	
	KShs		KShs	
Medical services receivables(Unreimbursed NHIF Claims)	2,965,801.00		3,645,472	
Rent receivables	-		-	
Other exchange debtors	-		-	
Less: impairment allowance	-		-	
Total receivables	2,965,801.00		3,645,472.00	

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	1,142,825	38.53	-	%
Between 1- 2 years	1,822,976	61.47	-	%
Between 2-3 years	-	-	-	%
Over 3 years	-	-	-	%
Total (a+b)	2,965,801.00	100.00	-	%

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 (Medical services receivables - Unreimbursed NHIF Claims)	-	-
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)	-	%	-	%

31. Inventories

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Pharmaceutical supplies	2,121,228	780,000
Maintenance supplies	-	-
Non pharmaceuticals	-	575,600
Food supplies	42,904	103,400
Linen and clothing supplies	954,100	954,100
Cleaning materials supplies	26,850	-
General supplies	24,500	-
Less: provision for impairment of stocks	-	-
Total	3,169,582	2,583,800

Detailed disclosure on inventories

	FY 2024-2025	FY 2023-2024
Opening balance	575,600	780,000
Additional Inventory in the year	585,782	-
Inventory expensed in the year		103,400
Write-downs in the year	-	954,100
Others specify	-	-
Closing balance	756,482	2,008,200

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Notes to the Financial Statements (Continued)

32. Property, Plant and Equipment

Description	Land	Buildings and Civil works 2.5	Motor vehicles 25%	Furniture, fittings, and office equipment 12.5%	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Cost									
At 1 July 2023 (previous year)	6,000,000	33,130,000	5,336,000	6,500,000	900,000	24,000,000	-	-	75,866,000
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th Jun 2024	6,000,000	33,130,000	5,336,000	6,500,000	900,000	24,000,000	-	-	75,866,000
At 1 July 2024 (current year)	6,000,000	33,130,000	5,336,000	6,500,000	900,000	24,000,000	-	-	75,866,000
Additions	-	-	-	-	-	-	-	-	-

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Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
At 30th June 2025	6,000,000	33,130,000	5,336,000	6,500,000	900,000	24,000,000	-	-	-	-	-	75,866,000
Depreciation and impairment												
At 1 July 2023 (previous year)		2,218,058	5,084,000	3,875,000	596,667	8,250,000	-	-	-	-	-	20,023,725
Depreciation for the year		772,799	63,000	328,125	91,000	1,968,750	0	-	-	-	-	3,223,674
Disposals		-	-	-	-	-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-	-	-	-	-
At 30 June 2024		2,990,857	5,147,000	4,203,125	687,667	10,218,750	-	-	-	-	-	23,247,399
At July 2024 (current year)		2,990,857	5,147,000	4,203,125	687,667	10,218,750	-	-	-	-	-	23,247,399
Depreciation for the year		753,479	47,250	287,109	63,700	1,722,656	-	-	-	-	-	2,874,194

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Disposals		-	-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-	-
Transfer/adjustment		-	-	-	-	-	-	-	-
At 30th June 2025		3,744,336	5,194,250	4,490,234	751,367	11,941,406	-	-	26,121,593
Net book values									
At 30 th Jun 2024(previous)	6,000,000	30,139,144	189,000	2,296,875	212,333	13,781,250	-	-	52,618,602
At 30 th Jun 2025(current)	6,000,000	29,385,664	141,750	2,009,766	148,633	12,058,594	-	-	49,744,407

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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 year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization for the period	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

34. Investment Property

	FY 2024-2025	FY 2023-2024
	KShs	KShs
At beginning of the year	-	-
Additions	-	-
Disposals during the year	-	-
Fair value gain	-	-
Depreciation (where investment property is at cost)	-	-
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	2024-2025		2023-2024	
	KShs		KShs	
Trade payables	-		1,125,760	
Employee dues	-		173,852	
Third-party payments (e.g. unremitted payroll deductions)	-		-	
Audit fee	-		-	
Doctors' fee	-		-	
Total trade and other payables	-		1,299,612	
Ageing analysis:	Current FY 24/25	% of the Total	2023-2024	% of the total
Under one year	-	100 %	1,299,612	100 %
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	1,299,612	%

37. Refundable Deposits from Customers/Patients

	FY 2024-2025	FY 2024-2025
	KShs	Kshs
Medical fees paid in advance	-	-
Credit facility deposit	-	-
Rent deposits	-	-
Others (specify)	-	-
Total deposits	-	-

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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
	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	-	-

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Notes to the Financial Statements (Continued)

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

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

41. Borrowings

	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

	FY 2024-2025	FY 2023-2024
	KShs	KShs
Current Obligation	-	-
Non-Current Obligation	-	-
Total	-	-

Notes to the Financial Statements (Continued)

42. Service Concession Arrangements

	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	2024-2025 KShs	2023-2024 KShs
Surplus for the year before tax	(1,490,794)	(575,613)
Adjusted for:		
Depreciation	2,874,194	3,223,673
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working Capital adjustments	1,383,401	2,648,060.0
Increase in inventory	(585,782)	(342,660)
Decrease in receivables	679,611	421,407
Increase in deferred income	-	-
Decrease in payables	(1,299,612)	477,039
Increase in payments received in advance	-	-
Net cash flow from operating activities	177,618	119,892

Notes to the Financial Statements (Continued)

44. Financial Risk Management

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

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

(i) Credit risk

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

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

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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

(ii) Liquidity risk management

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

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

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

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Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

a) Foreign currency risk

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2025			
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)

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

Foreign currency sensitivity analysis

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

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

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	2024-2025	2023-24
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve	-	-
Total funds	-	-
	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/ (excess cash and cash equivalents)	-	-
Gearing	-	-

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	FY 2024-2025	FY 2023-2024
	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		

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Payments of salaries and wages for permanent employees	43,008,682	-
Payments for goods and services for Medica drugs (drawing rights)	2,828,359	-
Total	45,837,041	-
d) Key management compensation		
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	2024-2025	2023-2024
	Kshs	Kshs
Court case xxx against the hospital	-	-
Bank guarantees in favour of subsidiary	-	-
Total	-	-

(Give details)

48. Capital Commitments

Capital Commitments	2024-2025	2023-2024
	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 Elgeyo Marakwet county.

51. Currency

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

20. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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

Guidance Notes:

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

.....
Accounting Officer

Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

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

Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity.....

Name of Beneficiary entity.....

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

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

Head of Accounts Department - Disbursing Entity:
 Name Sign Date

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

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Appendix IV Reporting of Climate Relevant Expenditures

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

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