



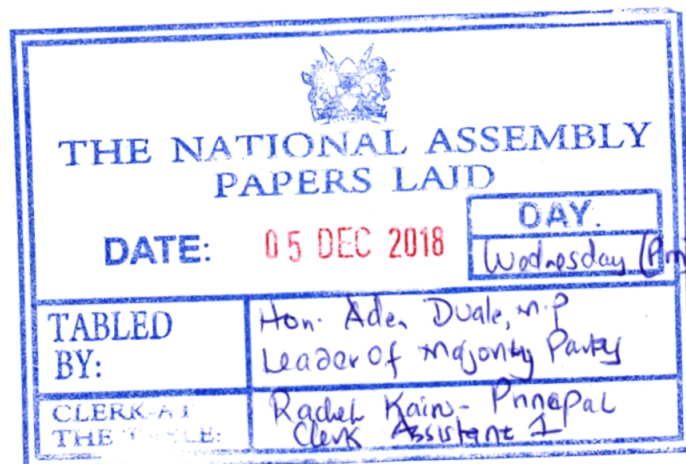
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THE MEDICAL PRACTITIONERS AND DENTISTS BOARD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2016

MEDICAL PRACTITIONERS AND DENTISTS BOARD

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MEDICAL PRACTITIONERS AND DENTISTS BOARD

BACKGROUND INFORMATION

The Medical Practitioners and Dentists Board is established under section 4 of the Medical Practitioners and Dentists Act Cap 253 of the Laws of Kenya.

This Act was enacted by Parliament in 1977 and came into operation on 1st January 1978 the current version of the Act, like the majority of the other Acts was printed in 1983.

Pursuant to section 4 (15) which was inserted vide the Statute Law (Miscellaneous Amendments) Act (Act No. 11 of 1003), the Board is a body corporate with perpetual succession and a common seal, and is capable of suing or being sued, owning and dealing with property and borrowing and lending money.

Pursuant to section 25, the functions of the Board should be financed by grants given by the Minister with the consent of the Treasury, out of money provided by Parliament. However, at present the Board generates its income from Licence Fees paid by doctors and private hospitals.

Functions of the Board

- (a) Consideration and acceptance or rejection of all applications to be registered either as a Medical Practitioner or Dentist (Section 6 of the Act).
- (b) Assessment of training and supervisory requirements necessary for a person to qualify for registration (Section 11).
- (c) Supervision of the course content of any university in Kenya that offers medical and dental degrees to satisfy itself that these courses meet the standards set by the Board (Section 11A)
- (d) Requiring applicants to sit such oral or written examinations either set by the Board or by delegates of the Board, as the Board may consider necessary in order to assess the suitability of applicants for registration (Section 11)
- (e) Conferment of Licences to Render Medical or Dental Services (Section 13)
- (f) Conferment of Licences to engage in private practice of medicine or dentistry (Section 15)
- (g) Authorization of premises for use in the private practice of medicine or dentistry (Section 15).
- (h) Inquiring into the conduct of medical and dental practitioners who are guilty of any infamous or disgraceful conduct in a professional respect (Section 20)
- (i) Restoration of practitioners in the register and lifting of suspensions.
- (j) Consulting with the Minister on the rules necessary to be prescribed for the carrying out of the provisions of the Act (Section 23)

Principal Activities

The principal activity of the Board is to:

1. Register and licence medical and dental practitioners
2. Inspect, register and licence health institutions
3. Discipline medical/dental malpractice
4. Maintain an annual register of medical/dental practitioners and health institutions
5. Supervise medical and dental education,
6. Enforce Continuous Professional Development,
7. Supervise internship training,
8. Regulate the practice of medicine and dentistry
9. Advise Minister for Health of quality health care,
10. Collaboration and partnership with bodies of similar mandate
11. Monitoring and evaluation of performance.

MEDICAL PRACTITIONERS AND DENTISTS BOARD
GENERAL INFORMATION

Registered Office

M P D B House
Woodlands Road
P.O. Box 44839, 00100
Nairobi, Kenya

Contacts

Telephone: (254) 0202724994 / 2711478 / 2728752 / 0720771478
E-mail: info@kenyamedicalboard.org
Website: www.medicalboard.co.ke

Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000, City Square 00200
Nairobi, Kenya

2. Kenya Commercial Bank
Milimani
P.O. Box 69693, 00400
Nairobi

3. Barclays Bank of Kenya
Hurlingham
P.O. Box 34974, 00100
Nairobi

4. Cooperative Bank
University way
P.O. Box 48321, 00100
Nairobi

Independent Auditors

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

Principal Legal Advisers

1. The Attorney General
State Law Office, Harambee Avenue
P.O. Box 40112, City Square 00200
Nairobi, Kenya
2. Muriu Mungai and Co Advocates
P.O. Box 40112, City Square 00200
Nairobi, Kenya
3. Rachier and Amollo Advocates
P.O. Box 55645, City Square 00200
Nairobi, Kenya

MANAGEMENT BOARD



Prof. George Magoha, CBS.EBS. MBS
Chairman



Prof. Alice K. Mutungi
Vice Chair



Dr. Nicholas M. Muraguri
DMS/Registrar



Daniel M. Yumbya
CEO/Secretary



Dr. Cyprian M. Echessa
Member



Dr. David T. Kiima
Member



Dr. Sanjeev J. Sharma
Member



Dr. Elly Nyaim Opot
Member



Dr. Gladwell K. Gichuru
Member



Prof. Fredrick Were
Member



Prof. Lukoye Atwoli
Member



Prof. B. Okello Agina
Member



Dr. Nelly K. Bosire
Member



Dr. Fredrick K. M'ibuku
Member



Dr. Andrew Were
Member



Dr. Eva W. Njenga
Member



Dr. Tom Ochola
Member



Dr. Mathew Akama
Member

MEDICAL PRACTITIONERS AND DENTISTS BOARD

MANAGEMENT TEAM

Name	Area of responsibility
1. Mr. Daniel M. Yumbya	Chief Executive Officer
2. Mr. John Kariuki	Registration & Licensing Manager
3. Mr. Philip Ole Kamwaro	Finance Manager
4. Mr. Sospeter Oyano	Accountant
5. Ms. Eunice Muriithi	Legal Services Manager
6. Mr. Duncan Mwai	ICT Manager
7. Mr. Lesinko Nabulu	Procurement Manager

STATEMENT OF BOARD MEMBERS RESPONSIBILITIES

Public Finance Management Act, 2012 and the State Corporations Act; requires the Board to prepare financial statements, which give a true and fair view of the state of affairs at the end of the financial year 2015/2016 and the operating results. The Board is also required to ensure that it keeps proper accounting records which disclose with reasonable accuracy the financial position. The Board is also responsible for safeguarding the assets.

The Board is responsible for the preparation and presentation of financial statements, which give a true and fair view of the state of affairs for and as at the end of the financial year ended on June 30, 2016. 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; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting


Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Board is of the opinion that the financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2016, and of the financial position as at that date. The Board further confirm the completeness of the accounting records maintained, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board to indicate that it 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 Board's financial statements were approved by the Board on 18th October, 2016 and signed on its behalf by:


.....
PROF. GEORGE MAGOHA, CBS.EBS.MBS
CHAIRMAN


.....
DANIEL M. YUMBYA
CHIEF EXECUTIVE OFFICER

CHAIRMAN'S STATEMENT

I am delighted to submit the annual financial statements of the Medical Practitioners and Dentists Board for the year ended 30th June, 2016. This year, there have been a significant number of activities undertaken by the Board. The ability of the Board to adapt to the environment that remains volatile and challenging to respond with quality of expertise and experience is commendable.

The political environment during this financial year has been peaceful and accommodating. The national and county government collaborated with the Board in various ways that promoted the success of the Board in the year. Cooperation and collaboration with other Boards and councils such as the Pharmacy and Poisons Board as well as the Kenya Medical Association has contributed to the achievement of major objectives in this financial year.

The Board has adopted and incorporated ICT in its day to day management. Complainants can now track on their cases through the Medical Practitioners and Dentists Board portal. The status of facilities and practitioners is also accessible through this portal and thus efficiency has been promoted.

Committee and Full Board meetings were held during this financial year. A number of conferences and workshop meetings were attended by selected Board representatives. Most of the external meetings were attended to create lasting relations with key stakeholders and to uphold the mantle of quality and effective healthcare by the Board. The committees that sat during the year were the Preliminary Inquiry Committee (PIC), Professional Conduct Committee (PCC) and the Training, Assessment and Regulation Committee (TARC).

The Medical Practitioners and Dentists Board undertook to promote the highest scientific and ethical standards in Medical and Dental Education. In line with this, the Board has engaged in curriculum Review in order to improve training and quality assurance standards for Medical and Dental Schools hence help to harmonize medical and dental training with the identification of core areas and the creation of a framework for effective dental training process, evaluation and feedback.

I wish to thank the staff and management for their cooperation and commitment towards the achievement of the mandate of the Board. Going forward, the Board will continue to be flexible in all its operations so as to ensure achievement of set goals and objectives

PROF. GEORGE MAGOHA, CBS.EBS.MBS
CHAIRMAN

REPORT OF THE CHIEF EXECUTIVE OFFICER

Each year we use this introductory section of our annual report to summarize the accomplishments of the past 12 months, which are detailed in the Annual Reports that follows. We also use this section to present a clear and concise point of view about the Board and its environment, the things we believe really matter and what we think it all means for our operations. Whether you're our client, the public, an employee or a stakeholder in the broader community, we want you to understand the strategy of the Board, the action plan that supports that strategy and its relevance to the issues that we understand matter to you.

Appreciation

Before highlighting the achievements of the Board in the Financial Year 2015/2016, I must first of all extend a special thanks and gratitude to the following: the Chairman, the Registrar, and Board Members who served during the year and the staff for their selfless dedication to duty beyond reproach. Their personal impact can be tracked through some of the world leading approaches to issues that we have been able to implement and we have seen a great improvement as witnessed through the efficiency and effectiveness in the discharge of our mandate.

Partnerships

As the chairman has captured in his message, 2015/2016 was a year of tremendous progress in moving forward the agenda of the Board. We achieved strong results and continued to build on the momentum in each of our operational areas. In the year, we organized an international conference bringing together all associations of medical bodies under Association of Medical Organizations Councils of Africa (AMCOA) which achieved a lot by formulating policy documents for regulating the practice of medicine and dentistry in Africa.

Organization Culture

The consistent performance has been driven by a disciplined growth strategy and guided by a set of clear strategic priorities. But it also reflects something more-a difference in how people across this organization think, act and work together. Corporate culture is difficult to capture in a checklist or a questionnaire, but it is a topic directly related to trust-the most valuable capital an organization maintains. It is revealed in the beliefs that an organization has committed to uphold and in the actions of the people who work in this organization. And it is mirrored in the aspiration to grow them in a way that respects all stakeholders.

In the year under review the Medical Practitioners and Dentists Board achieved a continuous strong performance in ensuring the achievement of its vision of ensuring quality health care to all while implementing significant milestones in its operations.

In 2015/2016 FY, the Board continued to partner with local, regional and international organizations to ensure sharing and exchange of the world best practices in medicine and dentistry profession.

Customer Service Charter

To undertake to promote the highest scientific and ethical standards in medical and dental education, the Board is implementing Customer Service Charter which is a contract between stakeholders and the Board. This will be used to benchmark during the formation and implementation of strategic approaches to ensure efficiency in service delivery culminating in provision of quality healthcare to all Kenyans.

Internship and Training

During the year the Board inspected a total of 43 internship training centers and carried out joint inspections with other Boards and Councils and was able to inspect over 700 health facilities countrywide. A total of 133 facilities were closed down due to lack of qualified personnel among other compliance issues. In addition, 27 individuals were arrested and arraigned in court to answer to charges related to the practice of medicine and dentistry.

Financial Position

On performance, the Board managed to post a growth in its revenue by 5.94% from financial year 2014/2015 and its asset base by 39.33%. This is attributable to the work in progress of constructing the new office block, newly registered qualified doctors and health facilities and increased number of doctors joining private practice. Despite this growth, the Board continues to experience financial constraints due to the limited funds available for operations and development.

Proposed Office Block

During the year under review, we managed to save Kshs.50.5 million to be utilized in the construction of the Office block. The building contractor so far have raised Valuation Certificates Number 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15 and 16 totaling Kshs.227.4 million which have all been settled. In addition, the building consultants have so far been paid a total of Kshs.6.4 million. The Board also borrowed Kshs.40 million 3-year bank loan from Barclays Bank of Kenya to aid in settling some of the building expenses. It is important to note that, it has taken the Board to employ austerity measures, hard work, strict financial discipline and prudence to save towards this project.

Going forward, we endeavor to remain committed to our vision and will continue offering the best of service not only to our clients but to all our stakeholders whom we are mandated to serve.

DANIEL M. YUMBYA
CHIEF EXECUTIVE OFFICER

CORPORATE GOVERNANCE

Corporate governance is the system of rules, practices and processes by which an organization is directed and controlled.

Corporate governance essentially involves balancing the interests of an organization's many stakeholders, such as the public, management, clients, suppliers, financiers, government and the community. Since corporate governance also provides the framework for attaining an organization's objectives, it encompasses practically every sphere of management, from strategic plans and internal controls to performance measurement and corporate disclosure.

Governance refers specifically to the set of rules, controls, policies and resolutions put in place to dictate corporate behaviour. Ministry of Health and public are important stakeholders who indirectly affect governance, but these are not examples of governance itself. The Board Members are pivotal in governance, and it can have major ramifications for equity valuation.

The Board Members

The Board Members are the primary direct stakeholder influencing corporate governance. Directors are elected by doctors or appointed by Minister in charge of Health, and they represent all these stakeholders. The board is tasked with making important decisions, such as corporate policies formulation and direction, monitoring and evaluation. Boards are often comprised of elected and appointed members. Independents are considered helpful for governance; because they dilute the concentration of power and help align stakeholders' interest with those of the insiders.

Ensuring that our operations are governed effectively, with strong controls, but without being constrained unnecessarily, is the challenge we set ourselves to achieve. It is vital that we ensure this philosophy operates throughout the organization. Creating an effective Board is part of that process and if the Board is to do its job well it needs to reflect the diversity of the organization it governs, it must continually refresh and renew itself through planned succession and human capital development; it must measure its own performance as well as monitoring the performance of the organization. In line with these principles, a number of steps have been taken. The committees and their memberships have been reviewed and changes made. In addition, the Committee has been constituted taking into consideration gender balance. The Board has also developed a standard operating procedure to govern its activities. The Board sits at the top of the organization's governance framework, setting broad strategic targets, monitoring progress, approving proposed actions and ensuring appropriate controls are in place and effective.

The Board approval is required for: major investments, including the acquisition or disposal of any asset, entering into contracts and any changes to the Board's long-term objectives and strategies; and the annual recurrent and capital expenditure budgets.

The Board fulfils a number of its most important functions through its committees.

Meetings

Scheduled Board committee meetings were held during the year ended 30th June, 2016 and there were Full Board meetings which were held during the year under review. A number of other conferences and workshop meetings were attended by selected Board representatives. To further their understanding of the Board and their relationship with the operating activities, some representatives were able to attend meetings and conferences held by various Boards and Councils, following which they reported back on matters of interest. Prior to each meeting, comprehensive Board papers are circulated to the members addressing not only the regular agenda items on which the management will report, but also details of any areas requiring approval or decisions such as significant acquisitions or important decisions..

Conflicts of interest

Each of the Board Member has disclosed any situations which apply to them as a result of which they have or may have an interest which conflicts or may conflict with the interests of the organization in accordance with the relevant laws.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

We recognise that we must integrate our business values and operations to meet the expectations of our stakeholders. They include clients, employees, government, suppliers, the public, development partners, the community and the environment.

- We recognise that our social, economic and environmental responsibilities to these stakeholders are integral to our operations. We aim to demonstrate these responsibilities through our actions and within our corporate activities.
- We take seriously all feedback that we receive from our stakeholders and, where possible, maintain open dialogue to ensure that we fulfil the requirements outlined within this statement.
- We shall be open and honest in communicating our strategies, targets, performance and governance to our stakeholders in our continual commitment to sustainable development.
- The Board is responsible for the implementation of social responsibility requirement and will make the necessary resources available to realise this. The responsibility for our performance on this rests with all employees throughout the organization.

Our focus:

- We shall ensure a high level of performance while minimising and effectively managing risk ensuring that we uphold the values of honesty, partnership and fairness in our relationships with all our stakeholders
- We shall support the development of our external stakeholders through collaborations.
- We shall encourage suppliers and contractors to adopt responsible business policies and practices
- We shall encourage dialogue with local communities for mutual benefit
- We will register and resolve customer complaints in accordance with our mandate.
- We shall operate an equal opportunities policy for all present and potential future employees and will offer our employees clear and fair terms of employment and provide resources to enable their continual development
- We shall maintain a clear and fair employee remuneration policy and shall maintain forums for employee consultation and involvement
- We shall provide safeguards to ensure that all employees of whatever nationality, colour, race or religious belief are treated with respect and without sexual, physical or mental harassment
- We shall provide, and strive to maintain, a clean, healthy and safe working environment.

During the year the Board revisited Narok County Referral Hospital to assess the progress of the trees planted last financial year as part of its corporate social responsibility. Going forward, the Board will continue to align itself with activities that will impact positively in social circles through organizing patient rights awareness activities among other social activities.

REPUBLIC OF KENYA



Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagKenya.go.ke
Website: www.kenao.go.ke

P.O. BOX 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

**REPORT OF THE AUDITOR-GENERAL ON MEDICAL PRACTITIONERS AND DENTISTS
BOARD FOR THE YEAR ENDED 30 JUNE 2016**

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Medical Practitioners and Dentists Board, set out on pages 13 to 34 which comprise the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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.

Management's Responsibility for the Financial Statements

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 such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The 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.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Medical Practitioners and Dentists Board as at 30 June 2016, 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 Medical Practitioners and Dentists Act, Cap.253 of the Laws of Kenya.



FCPA Edward R. O. Ouko, CBS

AUDITOR-GENERAL

Nairobi

20 January 2017

MEDICAL PRACTITIONERS AND DENTISTS BOARD

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Kshs.	2015 Kshs.
REVENUES			
Income	2	151,500,500	141,547,500
Other Income	3	18,039,411	18,458,604
TOTAL REVENUE		169,539,911	160,006,104
OPERATING EXPENSES			
General Costs	4	106,496,079	79,274,682
Depreciation of property, plant and equipment	5	6,830,495	1,264,289
Board Expenses	6	8,173,951	23,066,366
TOTAL OPERATING EXPENSES		121,500,525	103,605,337
SURPLUS/ (DEFICIT)		48,039,386	56,400,767
Finance Costs	7	167,380	574,416
SURPLUS/ (DEFICIT)		47,872,006	55,826,351

MEDICAL PRACTITIONERS AND DENTISTS BOARD

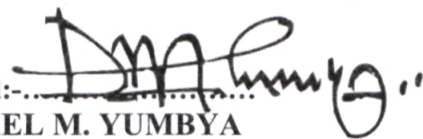
STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

Assets	Notes	2016 Kshs	2015 Kshs
Current Assets			
Trade and Other Receivables	9	1,456,681	1,994,848
Cash and Cash Equivalents	10	1,369,325	64,026,312
Sub Total		2,826,006	66,021,160
Non- Current Assets			
Property Plant And Equipment	8	339,351,158	179,584,252
Total		339,351,158	179,584,252
Total Assets		342,177,164	245,605,412
Liabilities			
Current Liabilities			
Trade and Other payables	12	39,988,007	16,051,562
Non-Current Liabilities			
Bank Loan	20	24,763,301	-
Total Liabilities		64,751,308	16,051,562
Net Assets		277,425,856	229,553,850
Accumulated fund		39,651,017	39,651,017
Surplus		237,774,839	189,902,833
Total Net Assets and Liabilities		277,425,856	229,553,850

The financial statements were approved by the Board on 18th October, 2016 and signed on its behalf by:

Signed:.....
PROF. GEORGE MAGOHA, CBS.EBS.MBS
CHAIRMAN

Signed:.....
DANIEL M. YUMBYA
CHIEF EXECUTIVE OFFICER

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2016

	Accumulated Fund	Surplus	Total
As At 1, July 2014	39,651,017	134,076,482	173,727,499
Surplus	-	55,826,351	55,826,351
As at 30, June 2015	39,651,017	189,902,833	229,553,850

	Accumulated Fund	Surplus	Total
As At 1, July 2015	39,651,017	189,902,833	229,553,850
Surplus	-	47,872,006	47,872,006
As at 30, June 2016	39,651,017	237,774,839	277,425,856

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	Kshs	Kshs
Operating Activities		
Receipts	169,539,911	160,006,104
(Increase)/Decrease in Trade Receivables	538,167	(319,431)
Increase/(Decrease) in Trade Payables	23,936,445	13,218,190
Payments	(106,765,200)	(102,915,464)
Net Cash flow from operating activities	87,249,323	69,989,399
Investing Activities		
Purchase of Fixed Assets	(171,336,276)	(125,928,115)
Net cash flow generated from/ (used in) investing activities	(171,336,276)	(125,928,115)
Financing Activities		
Bank loan proceeds	24,763,301	-
Bank loan repayments	(3,333,335)	-
Net cash flow generated from/ (used in) financing activities	21,429,966	-
Increase/(Decrease) in Cash and Cash Equivalents	(62,656,987)	(55,938,716)
Cash and Cash Equivalent at the Beginning of the Year	64,026,312	119,965,028
Cash and Cash Equivalent at the End of the Year	1,369,325	64,026,312

MEDICAL PRACTITIONERS AND DENTISTS BOARD

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2016**

	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Performance Difference	% Variance
	2015-2016	2015-2016	2015-2016	2015-2016	2015-2016	2015- 2016
Revenue	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000	%
Fees	154,835,350	-	154,835,350	151,500,500	3,334,850	0.02
Other Income	11,172,650	6,000,000	17,172,650	18,039,411	(866,761)	(0.05)
Total income	166,008,000	6,000,000	172,008,000	169,539,911	2,468,089	0.01
Expenses						
Staff Costs	19,462,000	7,000,000	26,462,000	25,860,727	601,273	0.02
Board Expenses	21,153,000	(12,700,000)	8,453,000	8,173,951	279,049	0.03
Electricity and Water	580,000	-	580,000	494,112	85,888	0.15
Telephone & Postage	1,250,000	500,000	1,750,000	1,699,087	50,913	0.03
Travelling & Accommodation	3,500,000	6,000,000	9,500,000	9,046,187	453,813	0.05
Advertisement & Publicity	1,200,000	650,000	1,850,000	1,843,744	6,256	-
Staff Training Expenses	2,500,000	(2,270,000)	230,000	716,260	(486,260)	(2.11)
Insurance Costs	3,480,000	(1,800,000)	1,680,000	1,578,333	101,667	0.06
Bank Charges & Commissions	200,000	(40,000)	160,000	167,380	(7,380)	(0.05)
Office and General Supplies	5,170,000	(1,000,000)	4,170,000	3,802,304	367,696	0.09
Auditor's Remuneration	400,000	-	400,000	500,000	(100,000)	(0.25)
Legal Fees	3,220,000	400,000	3,620,000	3,575,284	44,716	0.01
Repairs and Maintenance	6,600,000	(2,000,000)	4,600,000	4,576,708	23,292	0.01
Depreciation	2,743,000	4,087,495	6,830,495	6,830,495	-	-
Other Operating Expenses	24,520,000	29,000,000	53,520,000	52,803,333	716,667	0.01
Total expenditure	95,978,000	23,040,000	119,018,000	121,667,905	2,137,590	0.02
Surplus for the period	70,030,000	(17,040,000)	52,990,000	47,872,006	330,499	0.01

NOTE: The review from original budget to the final budget were necessitated by the fact that the budget proposal was prepared in January 2015 before the year end and thus no actual figures were available to enable the estimation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below:

a) Statement of compliance and basis of preparation

The Board's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (Accrual Basis). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Board. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

b) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Board recognizes revenues from fees and other charges when the event occurs and the asset recognition criteria are met. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Board and the fair value of the asset can be measured reliably.

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 Board and can be measured reliably.

ii) Revenue from exchange transactions

Rendering of services

The Board 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 when the service has been rendered.

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 each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Board's right to receive payments is established. The Board does not give out any dividends being a regulatory body.

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.

c) Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Board. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

d) Taxes**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Board operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Sales 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.

e) 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 30-year period.

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.

f) 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.

Depreciation of property, plant and equipment

Freehold land and capital work in progress are not depreciated. Capital work in progress relates mainly to the cost of on-going but incomplete works on buildings and other civil works and installations.

Depreciation on property, plant and equipment is recognised in the income statement on a reducing balance basis to write down the cost of each asset amount to its residual value over its estimated useful life.

The annual rates in use are:

Buildings	2.5%
Motor vehicles, including motor cycle	25%
Computers and related equipment	30%
Office equipment, furniture and fittings	12.5%

A full year's depreciation charge is recognised both in the year of asset purchase and in the year of asset disposal.

g) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Board. 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 Board 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 Board. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

h) 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.

Research and development costs

The Board expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Board 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
- How 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. During the year under review, the Board did not carry out any research and development.

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Board determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Board has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Board assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

j) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Board determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. IPSAS 29.65

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) 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 of 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 of cost and 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 Board.

k) Provisions

Provisions are recognized when the Board 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 Board 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.

Contingent liabilities

The Board 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.

Contingent assets

The Board 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 Board 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.

l) Nature and purpose of reserves

The Board creates and maintains reserves in terms of specific requirements. Board will state the reserves maintained and appropriate policies adopted.

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

The Board provides retirement benefits for its employees through monthly part payment of the National Social Security Fund (NSSF). 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 proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation. The Board does not have a defined benefit plan for its employees.

o) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

p) 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.

q) Related parties

The Board 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 it, or vice versa. Members of key management are regarded as related parties and comprise the Ministry of Health, Board Members, and senior managers.

r) Service concession arrangements

The Board 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 Board 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 Board also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

s) 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 deposits with financial institution.

t) Comparative figures

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

u) Significant judgments and sources of estimation uncertainty

The preparation of the Board's financial statements in conformity with IPSAS required 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. State all judgements, estimates and assumptions made: e.g

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 Board based its assumptions and estimates on parameters available when the 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 Board. 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 Board
- 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 are raised, determined and estimated based on the information available. Provisions are measured at the management's best estimate of the amount to be paid to settle the obligation at the reporting date.

Assumptions are used in determining the provision for doubtful debts. Provision is made for the estimated amount to be received from the Board's debts.

v) Subsequent events

The Board signed Final Account with the building contractor of Kshs.285,746,617.71 for the new office complex in the month of July 2016, a variation amount of Kshs.27,404,555.76 from the original contract sum of Kshs.258,342,061.95. This event subsequent to the financial year end has no significant impact on the financial statements for the year ended June 30, 2016 since it will accrue as and when the certificates are issued.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. FEES

	2016	2015
Private Practice	35,144,000	34,303,000
Licence to Render Institution	24,550,000	20,268,000
Additional Qualification	47,960,500	44,130,000
Retention	20,000	40,000
Registration	21,424,000	21,995,000
Certificate of Status	6,512,000	5,365,500
Specialist Recognition	6,260,000	8,140,000
Certification of Documents	3,560,000	3,540,000
Inspection Fees	862,000	1,266,000
Review of Curriculum Fees	4,908,000	2,100,000
Total	300,000	400,000
	151,500,500	141,547,500

Note: The board raises its revenue from registration and licensing of doctors, private and faith-based health institutions

3. OTHER INCOME

	2016	2015
Exam	9,186,000	10,605,000
Interest	311,970	2,428,707
Books and Guides	98,000	457,500
Search	397,000	102,000
Tribunal/PCC/PIC	955,200	1,890,200
Continuous Professional Development	2,874,000	2,225,000
Internship Licences	3,005,000	-
Rent – Safaricom/Celtel	491,241	531,197
Indexing	721,000	219,000
Total	18,039,411	18,458,604

4. GENERAL COSTS

	2016	2015
Staff costs	25,860,727	19,832,453
Electricity and water	494,112	249,300
Telephone & Postage	1,699,087	801,883
Travelling & Accommodation	9,046,187	7,370,870
Advertising & Publicity	1,843,744	2,074,817
Staff training expenses	716,260	1,135,000
Insurance costs	1,578,333	1,360,381
Office and general supplies and services	3,802,304	3,405,988
Auditors' remuneration	500,000	300,000

	2016	2015
Legal fees	3,575,284	4,090,790
Repairs and maintenance	4,576,708	2,642,955
Other operating expenses	52,803,333	36,010,246
Total	106,496,079	79,274,682

Note:

Other Operating Expenses comprises expenses incurred on Inspection activities, Workshop/Conferences, Board Examination, Association of Medical Councils of Africa (AMCOA), Official Entertainment, Professional Conduct Committee, Security Costs, Land Rates, & tender meetings.

5. Depreciation of property, plant and equipment	6,830,495	1,264,289
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6. BOARD EXPENSES

Sitting Allowance	2,560,000	2,720,000
Night Outs	120,000	165,000
Travelling	128,000	768,000
Work Sessions	1,602,000	5,347,000
Lunches	276,000	272,000
Direct Costs	1,567,951	2,267,321
Elections	-	9,663,045
Honoraria	1,920,000	1,864,000
Total	8,173,951	23,066,366

7. FINANCE COST

	2016	2015
Bank charges	167,380	574,416
(These are commissions paid on withdrawals and taxes charged on interest)		

8. PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2016

Cost	Land	Buildings	Motor Vehicle	Furniture & Fittings	Computers	W.I.P (Building)	Totals
As At 1st July 2013	18,877,446	6,553,610	6,829,028	4,296,355	2,547,409	1,295,400	40,399,248
Additions	-	-	3,586,481	-	130,500	24,591,668	28,308,649
Disposals	-	-	-	-	-	-	-
As At 30th June 2014	18,877,446	6,553,610	10,415,509	4,296,355	2,677,909	25,887,068	68,707,897
As At 1st July 2014	18,877,446	6,553,610	10,415,509	4,296,355	2,677,909	25,887,068	68,707,897
Additions	-	-	-	-	-	125,928,115	125,928,115
Disposals	-	-	-	-	-	-	-
As At 30th June 2015	18,877,446	6,553,610	10,415,509	4,296,355	2,677,909	151,815,183	194,636,012
As At 1st July 2015	18,877,446	6,553,610	10,415,509	4,296,355	2,677,909	151,815,183	194,636,012
Additions	-	-	-	8,726,383	414,120	162,195,773	171,336,276
Disposals	-	(6,553,610)	-	-	-	-	(6,553,610)
As At 30th June 2016	18,877,446	-	10,415,509	13,022,738	3,092,029	314,010,956	359,418,678
DEPRECIATION							
As At 1st July 2013	-	1,568,600	5,955,441	2,476,747	2,166,024	-	12,166,812
Charge for the year	-	124,625	1,115,017	227,451	153,566	-	1,620,659
Disposals	-	-	-	-	-	-	-
As At 30th June 2014	-	1,693,225	7,070,458	2,704,198	2,319,590	-	13,787,471
As At 1st July 2014	-	1,693,225	7,070,458	2,704,198	2,319,590	-	13,787,471
Charge for the year	-	121,510	836,263	199,020	107,496	-	1,264,289
Disposals	-	-	-	-	-	-	-
As At 30th June 2015	-	1,814,735	7,906,721	2,903,218	2,427,086	-	15,051,760
As At 1st July 2015	-	1,814,735	7,906,721	2,903,218	2,427,086	-	15,051,760
Charge for the year	-	4,738,875	627,197	1,264,940	199,483	-	6,830,945
Disposals	-	(1,814,735)	-	-	-	-	(1,814,735)
As At 30th June 2016	-	-	8,533,918	4,168,158	2,626,569	-	20,067,520
NET BOOK VALUE							
As At 30th June 2016	18,877,446	-	1,881,591	8,854,580	465,460	314,010,956	339,351,158
As At 30th June 2015	18,877,446	4,738,875	2,508,788	1,393,137	250,823	151,815,183	179,584,252

Note:

-The old building costing Kshs.6,553,610.00 was demolished during the year under review to pave way for the completion of the construction works of the new office block.

-Work in progress (W.I.P) relates to the on-going construction of professional office block for the Medical Practitioners and Dentists Board.

9. TRADE AND OTHER RECEIVABLES	2016	2015
Return to drawer cheques	155,000	281,500
Prepayments	1,057,931	1,317,761
Accrued interest income	-	5,222
Celtel	243,750	310,365
Protas Marwa	-	80,000
Total	1,456,681	1,994,848

10. CASH AND CASH EQUIVALENTS

	2016	2015
i. Short term deposits	7,241	60,504,210

(The short-term deposits relate to 3-months call deposit with Barclays Bank, and the average rate of interest was 4% p.a. This was done to ensure that the funds are available to pay for the construction expenses as and when needed)

ii. BANK AND CASH BALANCES

	2016	2015
KCB Current a/c - 1103158643	210,585	65,827
KCB Savings a/c - 1102032154	169,226	1,284,831
Barclays Bank a/c -2022670517	28,707	184,055
Barclays Bank a/c -2036182671	2,378	-
Cooperative Bank a/c -011000062541500	150,270	1,843,433
Cash at Hand	800,918	143,956
Total	1,362,083	3,522,102
Total Cash and Cash Equivalents	1,369,325	64,026,312

11. SURPLUS

The surplus represents amounts available for investments. The reserve known as Surplus is utilised to finance the Board's capital activities i.e the on-going construction of office block.

12. TRADE AND OTHER PAYABLES

	2016	2015
Trade payables	39,488,007	15,741,562
Audit fees	500,000	310,000
Total	39,988,007	16,051,562

13. NOTES TO THE STATEMENT OF CASH FLOWS

	2016	2015
Receipts	169,539,911	160,006,104
(Increase)/decrease in trade and other receivables	538,167	(319,431)
	170,078,078	159,686,673
Payments	(106,765,200)	(102,915,464)
Increase/ (decrease) in trade and other payables	23,936,445	13,218,190
Net Cash flow from Operating Activities	87,249,323	69,989,399

14. RELATED PARTY DISCLOSURES

(a) Government of Kenya

The Board is a regulatory body under the Ministry of Health.

There were no other Board transactions involving the Government of Kenya.

(b) Board Members & Employees

Board Members and senior employees have been disclosed as related parties.

15. CAPITAL COMMITMENTS

	2016	2015
Amounts authorized and contracted for	188,357,371	314,285,486
Less: Amounts incurred and included in work-in-progress	(162,195,773)	(125,928,115)
	26,161,598	188,357,371

Note: The capital commitment is in regard to the construction of office block for the Medical Practitioners and Dentists Board.

16. INCORPORATION

The Medical Practitioners and Dentists Board was incorporated in Kenya under the Cap 253 Laws of Kenya and is domiciled in Kenya.

17. FINANCIAL RISK MANAGEMENT

In the tough economic environment, the Board's management remained closely involved in important risk management initiatives, which have focused particularly on preserving appropriate levels of liquidity, and effectively managing the risk. Responsibility and accountability for risk management resides at all levels within the Board, from the Board down through the organisation to each officer. Risks are controlled at the level of individual exposures and at all levels, as well as in aggregate across all operations and risk types.

Strategies to manage threats (uncertainties with negative consequences) typically include avoiding the threat, reducing the negative effect or probability of the threat, transferring all or part of the threat to another party, and even retaining some or all of the potential or actual consequences of a particular threat, and the opposites for opportunities

Effective risk management is fundamental to the operational activities of the Board. While we remain committed to increasing efficiency by developing and growing our operations within our Board determined risk appetite, we are mindful of achieving this objective in line with the interests of all stakeholders.

We seek to achieve an appropriate balance between risk and reward in our operations, and continue to build and enhance the risk management capabilities that assist in delivering our service delivery plans in a controlled environment. Risk management is at the core of the operating structure of the Board. We seek to limit adverse variations in liquidity by managing risk exposures within agreed levels of risk appetite. Our risk management approach includes minimising undue concentrations of exposure, limiting potential losses from stress events and ensuring the continued adequacy of all our financial resources.

Our risk management processes have continued to prove effective throughout the financial year 2015-2016. Management is primarily responsible for risk management. This process includes foreseeing risks, identifying issues and taking remedial action where required.

18. CONTINGENT LIABILITIES/ASSETS

The Board did not have any contingent liabilities or contingent assets as at the end of the financial year 30 June 2016.

19. TAXATION

The Board is a regulatory body under the Ministry of Health and does not engage in income generating activities thus is not liable to pay taxes on its income.

20. BANK LOAN

The Board borrowed Kshs.40 Million term loan facility from Barclays Bank of Kenya during the year, at an interest rate of 15% p.a, repayable in three years to aid in the completion of the construction of the new office complex. The terms are such that the amounts are drawn down as per the certificate issued. A drawdown of Kshs. 24,763,301 was done as at 30 June 2016.

