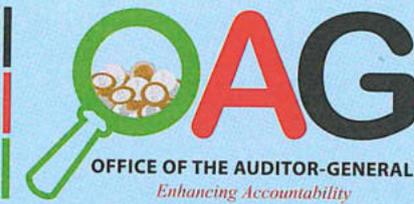


REPUBLIC OF KENYA



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**NJENGA LEVEL 4 HOSPITAL**

**FOR THE YEAR ENDED  
30 JUNE, 2025**

**NAIROBI CITY  
COUNTY GOVERNMENT**



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



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## **NJENGA LEVEL 4 HOSPITAL (Nairobi City County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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



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## **1. Acronyms & Glossary of Terms**

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
HFMC	Health Facility Management committee
COHOS	Community Oral Health Officers
SOPS	Standard operations System
EMR	Electronic Medical Reports
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

## 2. Key Entity Information and Management

### (a) Background information

Njenga Hospital is a level 4 hospital and is domiciled in Nairobi City County under the Health Department. It is the only public level 4 hospital in Embakasi South constituency. The hospital is governed by Health Facility Management committee. The county, however, is in the process of appointing board of management.

### (b) Principal Activities

The principal mandate of the hospital is to deliver high quality standards of care to all clients visiting the facility.

### (c) Key Management

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

- County department of health
- Health facility management committee
- Medical Superintendent

### (d) Fiduciary Management

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

No	Designation	Name
1.	Medical Superintendent	<b>Dr. Carl Oyoo</b>
2.	Hospital Administrator	<b>Charles Mwangi</b>
3.	Nursing Officer In charge	<b>Fridah Muturi</b>

### (e) Fiduciary Oversight Arrangements

The Health Facility Management Committee provide oversight on Hospital Financial Management. The Sub County and County Health Committee oversees budget preparation and implementation. Currently the facility has no board of management and therefore the following sub committees are not in place:

- Clinical Research and Standards Committee.
- Finance and general purpose committee
- Audit committee
- Risk Committee
- Board Executive Expenditure Committee

The county, however, has initiated the process of establishing the board of management

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

**(f) Entity Headquarters**

P.O. Box 34349-00100 Nairobi  
PLOT NO-OUR LADY OF NAZARETH PRIMARY COMPOUND  
MKURU KWA NJENGA SLUMS  
NAIROBI, KENYA

**(g) Entity Contacts**

Telephone: (+254) 707244860  
E-mail: Njenga.hospital@gmail.com

**(h) Entity Bankers**

Co-operative Bank of 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**

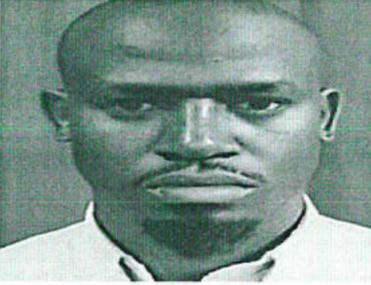
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**(k) County Attorney**

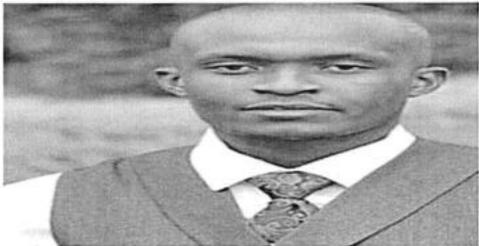
P.O. Box.30075-00100  
City Hall, Kenya

**3. The Board of Management**

Ref	Directors	Details
1.	 Martin Muriithi Gitonga Committee Chairman	Has over ten years of experienced in a wide varying set of management areas. Chairs the committee
2.	 Easter Wangui Vice Chair Person	Has over ten years of experience in a wide range of administrative roles and mobilization. And she is renowned business lady.,chairs finance and general purpose committee.

<p>3.</p>	 <p><b>Edith Vusha Uside</b> Member</p>	<p>She has over eight years' experience in leadership and management and a holder of Bsc.in leadership &amp; management, a Diploma in Purchasing and Supply Chain Management. Chairs the Communication and Branding Committee.</p>
<p>4.</p>	 <p>Stephen Okoth Member</p>	<p>Has over ten years of experienced in a wide varying set of management areas. Chairs the Audit Committee.</p>
<p>5.</p>	 <p>Dr. Carl Owuor Oyoo Medical Superintendent</p>	<p>Dr. Carl Owuor Oyoo is 32 years of age with a Bachelor of Medicine and Bachelor of Surgery with IT degree from Maseno University(2019)</p>

#### 4. Key Management Team

Ref	Management	Details
1.	 Dr. Carl Oyoo Medical Superintendent	Responsible for managing the hospital's clinical services, ensuring high standards of patient care, maintaining compliance with medical regulations, and fostering an efficient, ethical, and professional medical environment.
2.	 Charles Mwangi Hospital Administrator	Responsible for managing the hospitals non-clinical functions, including operations, finances, human resources, facilities, and patient services. This role is essential to ensuring that the hospital operates smoothly, enabling the medical team to focus on delivering quality patient care.
3.	 Fridah Muturi Nursing Officer In-Charge	Ensures that nursing services are delivered effectively, staff are supported, and patients receive high-quality care within a structured and compliant healthcare environment.

## **5. Chairman's Statement**

As the chairperson of the hospital committee, I am delighted to share the key highlights and activities of Njenga Hospital, a level 4 facility, for the financial year 2024/2025. This period has witnessed significant advancements, including the enhancement of our health information system, alongside a steadfast dedication to providing quality healthcare, even while navigating various operational challenges. Our mortality rate, currently at 6%, remains a critical area of concern, and we are resolutely focused on enhancing clinical outcomes through targeted interventions and ongoing monitoring. Despite our achievements in service delivery, we continue to encounter considerable staffing challenges. Our total staff complement consists of 43 individuals, which includes 6 medical officers, 1 dental officer, 2 COHOs, 1 pharmacist, 1 pharmacy technician, 5 clinical officers, 17 nurses, 2 public officers, 2 health record personnel, 2 laboratory technicians, 1 administrator, 2 nutritionists, and 1 social worker.

The financial performance has been limited by the restricted funding available; however, through careful financial management and cost-saving strategies, we have succeeded in maintaining essential services. The inaccessibility of the facility due to inadequate road infrastructure has made it difficult for patients to reach the facility. This has been observed multiple times, particularly when critical patients are transported to the facility using motorcycles, especially during the rainy season. There are constraints related to limited space, security, and the availability of equipment and supplies. For example, our laboratory experiences periodic shortages of reagents. Additionally, ultrasound and x-ray services are occasionally interrupted due to equipment malfunctions. While we take pride in our accomplishments, the year has also presented its share of challenges.

Despite these challenges, our emphasis will be on consolidating the progress we have made while proactively tackling the significant challenges that persist. Our strategic priorities will focus on enhancing our service delivery, particularly through digital health innovations and patient-centered care models. We are also dedicated to investing in our workforce, improving professional development opportunities, and creating a supportive work environment that empowers our teams to uphold and advance the highest standards of care. I am confident that, with the unwavering commitment of our team and the steadfast support of our stakeholders, Njenga Hospital, a level 4 hospital, is well-positioned to achieve its vision of becoming a leader in world-class healthcare delivery.



.....  
**Name**     **Martin Muriithi Gitonga**  
**Chairman to the Board**



## 6. Report of the Medical Superintendent

It is my privilege to present this year's operational and performance report for Njenga Hospital, reflecting on our key activities, achievements, ongoing challenges, and the way forward.

We have a total of 43 staff which includes;6 Medical officers,1 Dental officer,2 COHO,1 Pharmacist,1 pharmtech,5 clinical officers,17 Nurses,2 Public officers,2 health records,2 lab technicians,1 Administrator,2 Nutrition, 1 social worker.

### i. Overview of Service Delivery

As a Level 4 facility located in the heart of one of Nairobi's most densely populated informal settlements, Njenga Hospital continues to serve a vital role in providing accessible, affordable, and quality healthcare. The table below represents the patients turn over for various services offered at the facility for the financial year 2024-2025.

		July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
Under 5		756	684	775	1013	606	213	144	118	119	115	206	273	5022
Over 5		1362	1551	1952	1854	1341	613	544	533	344	489	699	734	12021
TB Patients	New	6	6	9	11	4	4	3	3	4	3	4	3	60
	Revisit	7	19	34	40	36	44	40	37	29	40	36	38	400
CCC	New	5	10	7	13	4	4	4	6	6	8	11	10	88
	TX CURR	176	179	185	198	194	196	196	195	203	204	206	209	2341
OBS/GYN		54	52	80	58	51	25	35	18	20	22	0	0	415
NUTRITION		26	31	17	39	36	21	57	115	106	103	87	526	1164
NCD		28	37	29	31	26	32	57	55	19	46	33	29	422
CIUC		1002	1042	1004	1209	1064	749	1058	878	824	837	695	458	10820
ANC		561	640	628	684	629	286	406	404	357	368	429	380	5772
PNC		164	78	102	111	120	84	94	78	69	172	78	42	1192
FP		575	453	465	417	606	186	141	258	180	236	234	190	3941
DENTAL		0	0	210	117	255	71	64	63	68	71	136	366	1421
MATERNITY		84	79	95	117	98	51	71	56	66	62	47	57	883
SOCIALWORK		21	29	32	27	30	26	39	46	35	55	107	44	491
LAB	SPECIAL	0	0	0	0	0	0	36	48	27	12	13	5	141
	ROUTINE	348	2170	1224	2311	1133	937	1123	1133	787	1221	1328	1265	14980

These numbers reflect growing community trust, but also increased demand that stretches our current capacity.

### ii. Health Information System Upgrade

We transitioned to a semi-digital health records system in critical departments (maternity, outpatient, and pharmacy), improving patient tracking, reporting, and billing efficiency

### **3. Challenges**

#### **A. Funds**

Financial performance has been constrained by the limited funding available however, through prudent financial management and cost saving measures we have managed to maintain essential services.

#### **B. Inaccessibility**

Due to poor road infrastructures, patients have difficulties reaching the facility. This has been witnessed severally where critical patients are ferried in the facility using motorcycles especially during rainy seasons.

#### **C. Limited space**

The facility has a limited space that hinders expansion of the services, wards and offices due to high patient turnover. These has resulted to congestion of wards and offices affecting the facility operations.

#### **D. Security**

The facility has no perimeter wall to prevent unauthorized entry and trespassing. This is also important in protecting vulnerable patients e.g. Psychiatric or children as the wall acts as a barrier between the hospital and busy roads.

#### **E. Human Resources**

We continue to operate with only 63% of our approved staffing levels. Nurse-to-patient ratios remain unacceptably high in wards, especially during night shifts.

#### **F. Equipment and Supplies**

Our laboratory faces periodic reagent stock-outs. Ultrasound and x-ray services are intermittently disrupted due to equipment breakdowns.

#### 4. Financial Performance (High-Level Summary)

Metric	Recent Trend / Figure	Time Period	Context & Details
Operating Margin	Median: 4.9% (avg. for year); High: 7.6% (in Dec.)	Full Year 2024	Margins have stabilized but are still considered "historically slim" for many, with 40% of hospitals operating at a loss.
Outpatient Revenue Growth	Outpaced inpatient growth at 6.3% year-over-year	As of mid-2025	A key trend, with hospitals focusing on outpatient revenue
Labor Expense Growth	Increased 16.6.6% year-over-year	As of mid-2025	Expenses are rising across the board, putting pressure on margins
Non-Labor Expense Growth	Increased 5.7% year-over-year	As of mid-2025	Includes costs for supplies and purchased services, rising faster than labor costs
Operational growth	Rose 12.4% year-over-year	As of mid-2025	Patient volumes showed mixed results, with a shift towards outpatient care evident

SHA reimbursements have improved services at the facility.

#### 5. Way Forward

- **Infrastructure & Equipment:** Seek capital investment from county and partners for radiology
- **Maternity theater**
- -operational of maternity theater
- **Human Resource Expansion:** Advocate for additional staff positions and create internship opportunities to ease pressure.
- **Health Financing:** Improve claims processing to increase SHIF income and pursue grants from development partners from intergovernmental transfer

## **Conclusion**

Despite the many challenges faced, I remain proud of our team's dedication and the progress we have made in service delivery and community impact. I would like to extend my heartfelt gratitude to our staff, Patients and community partners. Our goal remains clear: to continue growing Njenga Hospital into a model of resilient, inclusive urban healthcare. With the right support and strategic investments, we are confident in achieving even greater impact in the coming year.

**Thank you.**

.....  
Name : **DR. CARL OWUOR OYOO**  
Secretary to the Board



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

Njenga level 4 Hospital has 2 main strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2024/ 2025. These strategic pillars/ themes/ issues are as

Pillar /theme/issue 1: Service Delivery System

Pillar/theme/issue 2: Innovation and Technology

The hospital develops its annual work plans based on the above 2 pillars/Themes/Issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Health Facility Management Committee achieved its performance targets set for the FY 2024/2025 period for its 2 strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar/Theme/Issues</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
1.Service Delivery System	Ensuring care is effective, timely, and free from preventable harms	Feedback from clients	SOPS at service delivery points	Increase in satisfaction rate
2.Innovation and Technology	To fully digitalize the facility to improve care and service delivery	Health Information systems	Adoption of electronic medical records	Adoption of Taifa Care and Kenya EMR

## **8. Corporate Governance Statement**

It is important to Note that currently the hospital is being run by hospital facility management committee and the county is in the process of appointing the Board of management. The hospital facility management committee is responsible for ensuring Njenga level 4 hospital emphasizes corporate governance through accountability, transparency, and stakeholder value, under the guidance of its committee of Management, and established policies such as the Code of Conduct & Ethics and the Anti-Corruption Policy. It adheres to the laws of Kenya, including the Leadership and Integrity Act, to ensure effective resource management, risk mitigation, and strategic alignment with its mission to providing quality healthcare.

Throughout the year, capacity building initiatives were implemented in the domains of corporate governance and leadership, as well as financial management and stewardship, aimed at improving their oversight capabilities in corporate governance. The committee operates with four distinct functions, each defined by clear terms of reference, and reports to the county health sector board on a quarterly basis. These functions encompass the finance and general purpose committee, the branding committee, and the audit and compliance committee.

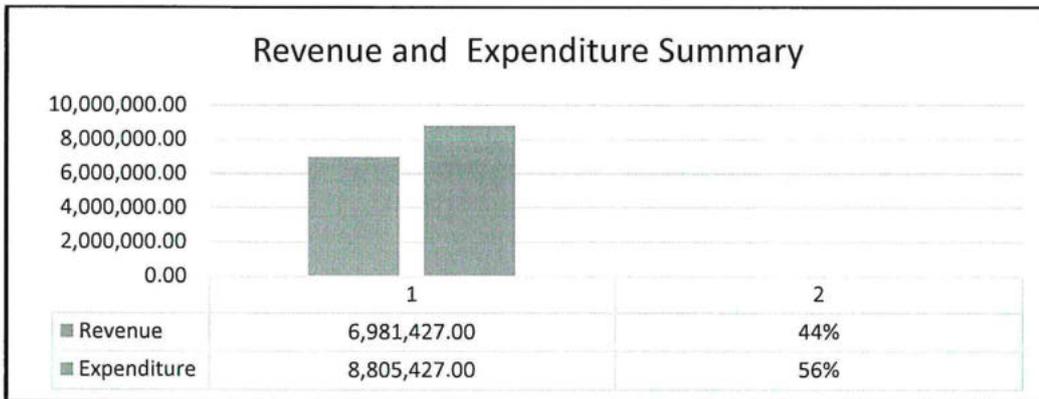
In order to effectively fulfill this role, the hospital facility management committee has complete access to the medical superintendent and pertinent hospital information. Existing regulatory frameworks also permit them to obtain independent professional advice on hospital-related issues, when necessary, at the hospital's expense. Meetings of the hospital facility management committee are scheduled to occur quarterly. Committee members are provided with sufficient notice and comprehensive reports in a timely manner to enable informed discussions and decision-making during the hospital committee meetings. The committee fosters an atmosphere of consultation, information sharing, and transparency in communication.

**9. Management Discussion and Analysis**

**Clinical/operational performance**

- Bed capacity of the hospital-24
- Overall patient attendance during the year for both inpatient and outpatient-61081
- Specialized clinic attendance-422
- Average length of stay for in patient-1day
- Bed occupancy rate-70
- Mortality rate-LESS THAN 5%
- Surgical theatre utilization-N/A
- Sponsorships and partnerships-N/A

**Financial performance that includes: -**



**Clinical Quality & Patient Safety**

- Patient Satisfaction Score: Improved from 88% to 91%.
- Hospital-Acquired Infection (HAI) Rate: Reduced from 2.1% to 1.7% through stringent hygiene protocols.
- Mortality Rate: The crude mortality rate was 1.2%, consistent with the previous year despite higher acuity patients.

**Revenue & Expense Analysis**

- Revenue: Growth was primarily volume-driven. The hospital is exploring service line optimization to improve revenue mix.
- Expenses:
  - Pharmaceuticals: Costs increased by 22% due to new, high-cost drugs and general inflation.
  - Staff Costs: Increased by 12%, largely due to locum, mandated salary adjustments and overtime.
  - Supplies & Consumables: Increased by 18%, aligned with the higher volume of procedures.\

## **Strategic Priorities**

1. Operational Excellence:
  - Fully implement an EMR across all departments.
  - Offer continuous training to staff to ensure efficiency, accountability and team work.
2. Financial Sustainability:
  - Renegotiate contracts with key suppliers to curb supply cost growth.
  - Implement a new revenue cycle management system to reduce claim denials.

## **Challenges & Risks**

1. Rising Drug & Supply Costs: This is the single biggest threat to profitability.
2. Collections Efficiency: The rising A/R days indicate potential issues with claims submission or follow-up.
3. Payor Mix Pressures: Over-reliance on government reimbursements, which may not keep pace with actual cost inflation.

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

### ***i) Environmental performance***

The health care waste management strategic plan 2015-2020 guides the waste management in Njenga hospital. Waste is collected at a holding point and taken for incineration at intervals

### **ii) Employee welfare**

Employee welfare is managed by the Nairobi County public service Board. The organization is managed in accordance with the policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

### **iii) Market place practices-**

- The organization should outline its efforts to:
  - **Responsible competition practice.**
  - The hospital adheres to the principles of fair competition.
  - **Responsible Supply chain and supplier relations**
  - The facility endeavors to honors supplier contracts with funding availability.
  - **Product stewardship or Awareness Creation**
  - Patient's rights are clearly displayed at every point of service.

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

The facility participates in free medical outreaches to the surrounding community

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

No board of management during financial year 2024/2025. The county, however, has begun the process of establishing one. The hospital is run by hospital facility management committee

### **Principal activities**

The principal activities of the entity is to offer the residents of Mukuru kwa Njenga and its environ the highest attainable quality services of healthcare.

### **Results**

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

### **Board of Management**

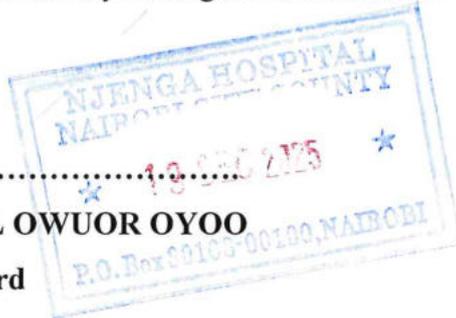
No board of management during financial year 2024/2025. The county, however, has begun the process of establishing one.

### **Auditors**

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

By Order of the Hospital Facility Management Committee

.....  
Name **DR. CARL OWUOR OYOO**  
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 Njenga Level 4 Hospital which give a true and fair view of the state of affairs of Njenga Level 4 Hospital at the end of the financial year/period and the operating results of the entity for that year/period. The Board of Management is also required to ensure that Njenga Hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of Njenga Level Hospital. The council members are also responsible for safeguarding the assets of the entity.

The Board of Management is responsible for the preparation and presentation of Njenga Level 4 Hospital financial statements, which give a true and fair view of the state of affairs of Njenga Level 4 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 Njenga Level 4 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 Njenga Level 4 Hospital 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). The Board members are of the opinion that Njenga Level 4 Hospital financial statements give a true and fair view of the state of Njenga Hospital transactions during the financial year ended June 30, 2025, and of Njenga Level 4 Hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Njenga Level 4 Hospital, which have been relied upon in the preparation of Njenga Hospital financial statements as well as the adequacy of the systems of internal financial control.

**Approval of the financial statements**

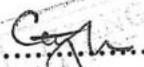
The Hospital's financial statements were approved by the Board on 15<sup>th</sup> October 2025 and signed on its behalf by

  
.....

**Name: Martin Muriithi Gitonga**

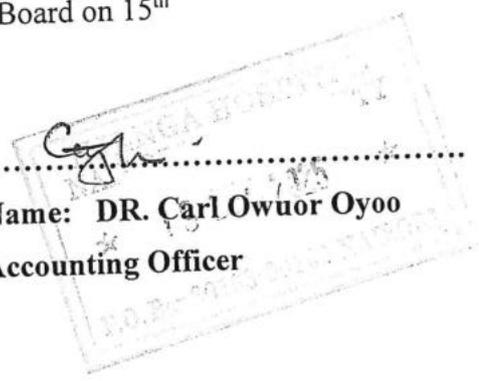
**Chairperson**

**Health Facility Committee**

  
.....

**Name: DR. Carl Owuor Oyoo**

**Accounting Officer**





# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON NJENGA LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - NAIROBI CITY COUNTY GOVERNMENT**

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Njenga Level 4 Hospital - Nairobi City County Government set out on pages 1 to 57, 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Njenga Level 4 Hospital - Nairobi City County Government 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, the County Governments Act, 2012 and the Health Act, 2017.

### **Basis for Qualified Opinion**

#### **Undisclosed Property, Plant and Equipment**

The statement of financial position reflects a Nil balance of property, plant and equipment. However, Management did not disclose the value of various assets which include land and buildings, furniture, computers and other equipment owned by the Hospital. Further, the title deed for the land where the Hospital is built was not provided for audit review and the assets register was incomplete since it lacked critical information such as the date of procurement, cost of the asset, depreciation charged, location of items, serial numbers and net book value.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment Nil balance could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Njenga Level 4 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 Information**

Management is responsible for the Other Information set out on pages iii to xxi 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 Board of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Late Submission of Financial Statements**

The financial statements for Kwa Njenga Level 4 Hospital for the year ended 30 June, 2025 were submitted to the Auditor-General on 13 October, 2025. This is contrary to Paragraph 1.8 of The National Treasury Circular Ref.No:AG.3/88 Vol. VII (41) on Annual Financial Statements Reporting Date Submission Guidelines for all Public Sector Entities which directed that in line with the Public Finance Management Act, all public sector entities, for both National and County Governments, prepare and submit annual financial statements by 31 August, 2025.

In the circumstances, Management was in breach of The National Treasury Circular.

#### **2. Deficiencies in Implementation of Universal Health Coverage**

Review of the Hospital's records and interviews on verification of services offered, equipment used and medical specialists in the Hospital as 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 of fourteen (14) or approximately 70% of the authorized establishment.

Staff Requirements	Level 4 Standard	Number in Hospital	Variance	Percentage %
Medical Officers	16	6	10	63
Anaesthesiologists	2	0	2	100
Radiologists	2	0	2	100
<b>Total</b>	<b>20</b>	<b>6</b>	<b>14</b>	<b>70</b>

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

Service	Level Hospital Standard	Actuals in the Hospital	Variance	Percentage %
Beds	150	24	126	84
Functional ICU Beds	6	0	6	100
High Dependency Unit (HDU) Beds	6	0	6	100
Renal Unit with at least 5 Dialysis Machines	5	0	5	100
Two Functional Operational Theatres-Maternity & General	2	0	1	50

The deficiencies contravene the First Schedule of the 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, the Hospital Management will not be able to deliver on its mandate.

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 effects of the matter 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**

### **Lack of Hospital Management Board**

During the year under review the Hospital did not have a Board of Management in place that is supposed to direct the Hospital in achieving its strategic objectives. In addition, the financial statements of the Hospital were not signed by the Chairman of the Board.

In circumstances, the Hospital will not be able to achieve its strategic objectives.

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**

**22 December, 2025**

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

Description	Note	2024/2025	2023 /2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>		-	-
Transfers from the County Government	6	-	-
In- kind contributions from the County Government	7	1,252,142.00	-
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	330,600.00	-
Public contributions and donations	10	-	-
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	11	5,473,326.00	-
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
<b>Revenue from exchange transactions</b>		<b>5,473,326.00</b>	
<b>Total revenue</b>		<b>7,056,068.00</b>	-
<b>Expenses</b>			
Medical/Clinical costs	15	3,922,385.00	-
Employee costs	16	920,000.00	-
Board of Management Expenses	17	162,000.00	-
Depreciation and amortization expense	18	-	-
Repairs and maintenance	19	400,000.00	-
Grants and subsidies	20	-	-
General expenses	21	1,783,370.00	-
Finance costs	22	-	-
<b>Total expenses</b>		<b>7,187,755.00</b>	-
<b>Other gains/(losses)</b>			

**Njenga level 4 Hospital (Nairobi County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

Description	Note	2024/2025	2023 /2024
		Kshs	Kshs
Gain/Loss on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	-
Impairment loss	26	-	-
Gain on foreign exchange transactions		-	-
<b>Total other gains/(losses)</b>		-	-
<b>Net Surplus / (Deficit) for the year</b>		<b>-131,687.00</b>	-

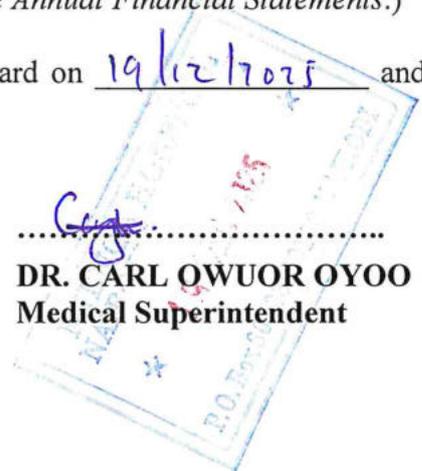
*(The notes set out on pages 10 to 59 form an integral part of the Annual Financial Statements.)*

The Hospital's financial statements were approved by the Board on 19/12/2025 and signed on its behalf by:

  
 .....  
**Chairman Martin Muriithi**  
**Gitonga**  
**Board of Management**

  
 .....  
**Head of Finance**  
**ICPAK No: 20566**

  
 .....  
**DR. CARL OWUOR OYOO**  
**Medical Superintendent**



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

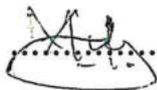
Description	Note	2024 /2025	2023 /2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27	1,725,027.00	-
Prepayments	28	-	-
Receivables from exchange transactions	29	4,794,838.00	-
Receivables from non-exchange transactions	30	-	-
Inventories	31	2,530,162.00	-
<b>Total Current Assets</b>		<b>9,050,027.00</b>	<b>--</b>
<b>Non-current assets</b>			
Property, plant, and equipment	32	-	-
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
<b>Total Non-current Assets</b>		<b>-</b>	<b>-</b>
<b>Total assets (A)</b>		<b>9,050,027.00</b>	<b>-</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	36	2,173,596.00	-
Refundable deposits from Patients/Prepayments	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
<b>Total Current Liabilities</b>		<b>2,173,596.00</b>	<b>-</b>
<b>Non-current liabilities</b>			
Provisions	38	-	-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-
Non - Current portion of borrowings	41	-	-

**Njenga level 4 Hospital (Nairobi County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

Description	Note	2024 /2025	2023 /2024
		Kshs	Kshs
Service concession Arrangements	42	-	-
<b>Total non-current liabilities</b>		-	-
<b>Total Liabilities (B)</b>		<b>2,173,596.00</b>	-
<b>Net assets (A-B)</b>		<b>6,876,431.00</b>	-
<b>Represented by:</b>			
Revaluation reserve		-	-
Accumulated surplus/Deficit		(131,687.00)	-
Capital Fund		7,008,118.00	-
<b>Net Assets</b>		<b>6,876,431.00</b>	-

(The notes on pages 10 to 59 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 19/12/2025 and signed on its behalf by:

 .....

**Chairman Martin Muriithi  
Gitonga**

**Board of Management**

 .....

**Head of Finance**

**ICPAK No: 20566**

 .....

**DR. CARL OWUOR OYOO  
Medical Superintendent**



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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
<b>As at July 1, 2023</b>	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Cash and Cash Equivalents		-		
Capital/Development grants	-	-	-	-
<b>As at June 30, 2024</b>	-	-	<b>7,008,118</b>	<b>7,008,118</b>
		-		
<b>At July 1, 2024</b>	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	<b>(131,687.00)</b>	-	<b>(131,687.00)</b>
Capital/Development grants	-	-		-
<b>At June 30, 2025</b>	-	<b>(131,687.00)</b>	<b>7,008,118</b>	<b>6,876,431</b>

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

Description	Note	FY2024/2025	FY 2023/2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government		-	-
Grants from donors and development partners		-	-
Transfers from other government entities		330,600.00	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		5,473,326.00	-
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts( <i>specify</i> )		-	-
<b>Total Receipts</b>		<b>5,803,926.00</b>	-
<b>Payments</b>			
Medical/Clinical costs		3,922,385.00	-
Employee costs		920,000.00	-
Board of Management Expenses		162,000.00	-
Repairs and maintenance		400,000.00	-
Grants and subsidies		-	-
General expenses		1,783,370.00	-
Finance costs		-	-
Refunds paid out		-	-
<b>Total Payments</b>		<b>7,187,755.00</b>	-
<b>Net cash flows from operating activities</b>	43	<b>(1,383,829.00)</b>	
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment		-	-
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
<b>Net cash flows used in investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-

*Njenga level 4 Hospital (Nairobi County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

Repayment of borrowings		-	-
Capital grants received		-	-
<b>Net cash flows used in financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,383,829.00)</b>	-
Cash and cash equivalents as at 1 July 2024	27	-	-
<b>Cash and cash equivalents as at 30 June 2025</b>	27	<b>(1,383,829.00)</b>	-

**Njenga Level 4 Hospital (Nairobi City County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

**18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2025**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	A	B	c=(a+b)	D	e=(c-d)	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-	-	-	-	-	-
<b>Receipts</b>						
Transfers from the County Government	-	-	-	-	-	-
Grants from donors and development partners	-	-	-	-	-	-
Transfers from other Government entities	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- Medical Service						
Income	14,000,000.00	-	14,000,000.00	5,473,326.00	8,526,674.00	39%
Revenue from rent of facilities	-	-	-	-	-	-
Finance / interest income	-	-	-	-	-	-
Miscellaneous receipts ( <i>specify</i> )	-	-	-	-	-	-
<b>Total receipts</b>	<b>14,000,000.00</b>		<b>14,000,000.00</b>	<b>5,473,326.00</b>	<b>8,526,674.00</b>	<b>39%</b>
<b>Payments</b>						
Medical/Clinical costs	10,089,700.00	-	10,089,700.00	3,922,385.00	6,167,315.00	39%
Employee costs	1,760,000.00	-	1,760,000.00	920,000.00	840,000.00	52%
Remuneration of directors	486,000.00	-	486,000.00	162,000.00	324,000.00	33%
Repairs and maintenance	1,738,000.00	-	1,738,000.00	400,000.00	1,338,000.00	23%
Grants and subsidies	-	-	-	-	-	-
General expenses	3,622,012.00	-	3,622,012.00	1,783,370.00	1,838,642.00	49%
Finance costs	-	-	-	-	-	-
Refunds	-	-	-	-	-	-
<b>Total Operational Expenditure paid</b>	<b>17,695,712.00</b>		<b>17,695,712.00</b>	<b>7,187,755.00</b>	<b>10,507,957.00</b>	<b>42%</b>
<b>Capital Expenditure paid</b>						
<b>Surplus/</b>	<b>-3,695,712.00</b>		<b>-3,695,712.00</b>	<b>1,285,571.00</b>	<b>(1,981,283.00)</b>	<b>-35%</b>

**Njenga level 4 Hospital (Nairobi County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

**Budget Reconciliation**

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

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

### **1. General Information**

Njenga Level 4 Hospital derives its authority and accountability from Public Financial Management Act 2012. The entity is wholly owned by the Nairobi County Government and is domiciled in Nairobi County in Kenya. The entity's principal activity is to provide curative, preventive, and rehabilitative health care 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 Njenga Level 4 Hospital accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Njenga Hospital. 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 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, 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 1<sup>st</sup> 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>

Standard	Effective date and impact:
<p>IPSAS 45- Property Plant and Equipment</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized 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><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users</p>

Standard	Effective date and impact:
	of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1<sup>st</sup> January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li data-bbox="432 1189 1378 1279">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li data-bbox="432 1301 1378 1447">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li data-bbox="432 1469 1378 1715">iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol>

*iii) Early adoption of standards*

*Notes to the Financial Statements (Continued)*

**4. Summary of Significant Accounting Policies**

**a. Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other Government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

### **Rental income**

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

### **b. Budget information**

The original budget for FY 2024/2025 was approved by Board on *xxxx*. 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 *xxxx* on the FY *xxx* 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 a  
vailable 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 ,

## **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 f

**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 recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

**n. Contingent liabilities**

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

**o. Contingent assets**

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

**p. Nature and purpose of reserves**

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

**q. Changes in accounting policies and estimates**

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

*Notes to the Financial Statements (Continued)*

**r. Employee benefits**

**Retirement benefit plans**

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

**s. Foreign currency transactions**

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

**t. Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or

constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**u. Related parties**

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

**v. Service concession arrangements**

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

**w. Cash and cash equivalents**

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

**x. Comparative figures**

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

**y. Subsequent events**

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

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

**Useful lives and residual values**

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

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

### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions 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	2024/ 2025	FY 2023/ 2024
	KShs	KShs
<b>Unconditional grants</b>	-	-
Operational grant	-	-
Level 4/5 grants	-	-
Unconditional development grants	-	-
Other grants ( <i>specify</i> )	-	-
	-	-
<b>Conditional grants</b>		
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
<b>Total government grants and subsidies</b>	-	-

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
Nairobi County Government	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Notes to Financial Statements Continued**

**7. In Kind Contributions from The County Government**

Description	2024 - 2025	2023-2024
	KShs	KShs
Salaries and wages	-	-
Medical supplies-Drawings Rights (KEMSA)	1,252,142.00	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)		
Utility bills		
<b>Total grants in kind</b>	<b>1,252,142.00</b>	<b>-</b>

**8. Grants From Donors and Development Partners**

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

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

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

**Notes to Financial Statements Continued**

**9. Transfers From Other Government Entities**

Description	2024/2025	2023 / 2024
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from National Hospital	-	-
Transfer from State department of Youth Affairs	330,300.00	-
<b>Total Transfers</b>	<b>330,300.00</b>	<b>-</b>

**10. Public Contributions and Donations**

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

*(Provide brief explanation for this revenue)*

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

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

**Notes to Financial Statements Continued**

**11. Rendering of Services-Medical Service Income**

Description	2024 / 2025	2023 / 2024
	Kshs	Kshs
NHIF	2,060,070.00	-
SHA	3,413,256.00	-
Other medical services income ( <i>specify</i> )	-	-
<b>Total revenue from the rendering of services</b>	<b>5,473,326.00</b>	<b>-</b>

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

**12. Revenue From Rent of Facilities**

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

**13. Finance /Interest Income**

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

**14. Miscellaneous Income**

Description	2024 /2-025	2023 / 2024
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Sale of goods (water, publications, containers etc)	-	-
Write backs (Deposits, payments in advance etc)	-	-
Bad debts recovered	-	-
<i>Others (Specify)</i>	-	-
<b>Total Miscellaneous income</b>	-	-

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	2024 / 2025	2023 / 2024
	Kshs	Kshs
Dental costs/ materials		-
Laboratory chemicals and reagents	911,985.00	-
Public health activities	155,500.00	-
Food and Ration	1,049,400.00	-
Uniform, clothing, and linen	-	-
Dressing and Non-Pharmaceuticals	745,000.00	-
Pharmaceutical supplies	950,000.00	-
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	110,500.00	-
Purchase of Medical gases	-	-
X-Ray/Radiology supplies	-	-
Other medical related clinical costs ( <i>specify</i> )		-
<b>Total medical/ clinical costs</b>	<b>3,922,385.00</b>	<b>-</b>

16. Employee Costs

Description	2024 / 2025	2023 / 2024
	Kshs	Kshs
Salaries, wages, and allowances	920,000.00	-
Contributions to pension schemes	-	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs ( <i>specify</i> )	-	-
<b>Employee costs</b>	<b>920,000.00</b>	<b>-</b>

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

**17. Board of Management Expenses**

Description	2024 / 2025	2023 / 2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	162,000.00	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
<b>Total</b>	<b>162,000.00</b>	<b>-</b>

**18. Depreciation and Amortization Expense**

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

**19. Repairs And Maintenance**

Description	2024 / 2025	2023 / 2024
	Kshs	Kshs
Property- Buildings	100,000.00	-
Medical equipment	210,000.00	-
Office equipment	-	-
Furniture and fittings	-	-
Computers and accessories	60,000.00	-
Motor vehicle expenses	-	-
Maintenance of civil works	30,000.00	-
<b>Total repairs and maintenance</b>	<b>400,000.00</b>	<b>-</b>

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	2024 / 2025	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( <i>specify</i> )	-	-
<b>Total grants and subsidies</b>	-	-

21. General Expenses

Description	2024/2025	2023 /2024
	Kshs	Kshs
Advertising and publicity expenses	-	-
Casual wages	-	-
Waste management expenses	-	-
Insecticides and rodenticides	87,500.00	-
Audit fees	-	-
Bank charges	16,770.00	-
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	1,060,000.00	-
Electricity expenses	-	-
Fuel and Lubricants	280,000.00	-
Computer accessories	-	-
Research and development expenses	-	-
Insurance	-	-
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-
Printing and stationery	236,000.00	-
Hire charges	-	-

Description	2024/2025	2023 /2024
	Kshs	Kshs
Rent expenses	-	-
Water and sewerage costs	-	-
Skills development levies	-	-
Telephone and mobile phone services	58,000.00	-
Internet expenses	45,100.00	-
Staff training and development	-	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
<b>Total General Expenses</b>	<b>1,783,370.00</b>	<b>-</b>

## 22. Finance Costs

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

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

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

## 24. Unrealized Gain On Fair Value Investments

Description	2024 /2025	2023 /2024
	KShs	KShs
Investments at fair value	-	-
<b>Total gain</b>	<b>-</b>	<b>-</b>

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

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

26. Impairment Loss

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Investments	-	-
<b>Total impairment loss</b>	-	-

27. Cash And Cash Equivalentents

Description	2024 /2025	2023 /2024
	KShs	KShs
Current accounts	1,725,027.00	-
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others( <i>specify</i> )- Mobile money	-	-
<b>Total cash and cash equivalentents</b>	<b>1,725,027.00</b>	-

Notes to the Financial Statements (Continued)

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

Description		2024 /2025	2023 /2024
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank		-	-
Co-Operative Bank		1,725,027.00	-
<b>Sub- total</b>		-	-
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
<b>Sub- total</b>		-	-
<b>c) Fixed deposits account</b>			
Co-Operative bank		-	-
<b>Sub- total</b>		-	-
<b>d) Others(specify)</b>			
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
<b>Sub- total</b>		-	-
<b>Grand total</b>		<b>1,725,027.00</b>	-

Provide disclosure on any restricted cash that the entity is holding.

28. Prepayments

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

**29. Receivables From Exchange Transactions**

Description	2024 /2025	2023 /2024
	KShs	KShs
Medical services receivables	4,794,838.00	-
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
<b>Total receivables</b>	<b>4,794,838.00</b>	<b>-</b>

**Analysis of Receivables From Exchange Transactions**

Description	2024 /2025		2023 /2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	4,794,838.00	100%		
Between 1- 2 years				
Between 2-3 years				
Over 3 years				
<b>Total (a+b)</b>	<b>4,794,838.00</b>			

**30. Receivables From Non-Exchange Transactions**

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

**Analysis of Receivables From Non-Exchange Transactions**

Description	2024 /2025		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	-	%	-	%
<b>Total (a+b)</b>	-	%	-	%

**31. Inventories**

Description	2024 /2025	2023 /2024
	KShs	KShs
Pharmaceutical supplies	1,261,955.00	-
Non-Pharmaceutical	1,116,440.00	-
Laboratory supplies	151,767.00	-
Maintenance supplies	-	-
Food supplies	-	-
Linen and clothing supplies	-	-
Cleaning materials supplies	-	-
General supplies	-	-
Less: provision for impairment of stocks	-	-
<b>Total</b>	<b>2,530,162.00</b>	-

**Detailed disclosure on inventories**

	2024 /2025	2023 /2024
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	<b>2,530,162.00</b>	-



Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

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

34. Investment Property

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

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Notes to the Financial Statements (Continued)

**35. Biological Assets**

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

**36. Trade and other Payables**

Description	2024 /2025	2023 /2024		
	KShs	KShs		
Trade payables	1,963,596.00	-		
Employee dues	210,000.00	-		
Third-party payments ( <i>e.g. unremitted payroll deductions</i> )	-	-		
Audit fee	-	-		
Doctors' fee	-	-		
<b>Total trade and other payables</b>	<b>2,173,596.00</b>			
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Compa rative FY</b>	<b>% of the total</b>
Under one year	2,173,596.00	100%	-	%
1-2 years	-	-	-	%
2-3 years	-	-	-	%
Over 3 years	-	-	-	%
<b>Total</b>	<b>2,173,596.00</b>	<b>100%</b>	<b>-</b>	<b>%</b>

**37. Refundable Deposits from Customers/Patients**

Description	2024 /2025	2023 /20254
	KShs	KShs
Medical fees paid in advance	-	-
Credit facility deposit	-	-
Rent deposits	-	-
Others ( <i>specify</i> )	-	-
<b>Total deposits</b>	-	-

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

**38. Provisions**

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

**39. Finance Lease Obligation**

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

**40. Deferred Income**

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

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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
<b>Balance b/f</b>	-	-	-	-
Additions during the year	-	-	-	-
Transfers to Capital fund				-
Transfers to statement of financial performance	-	-	-	-
Other transfers ( <i>Specify</i> )	-	-	-	-
<b>Balance C/F</b>	-	-	-	-

**41. Borrowings**

Description	2024 /2025	2023 /2024
	KShs	KShs
<b>Balance at beginning of the period</b>	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
<b>Balance at end of the period</b>	-	-

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

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

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

**42. Service Concession Arrangements**

Description	2024 /2025	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	2023 /2024
	KShs	KShs
Surplus for the year before tax	-	-
<b>Adjusted for:</b>		
Depreciation	-	-
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
<b>Working Capital adjustments</b>		-
Increase in inventory	-	-
Increase in receivables	-	-
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	-	-

**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				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
At 30 June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-

**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
<b>At 30 June 2024</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2025</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-

**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
<b>At 30 June 20xx</b>			
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
<b>At 30 June 20xx</b>			
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 currency rate	Effect on Profit before tax	Effect on Equity
	Kshs	Kshs	Kshs
<b>20XX (previous year)</b>			
Euro	10%	-	-
USD	10%	-	-
<b>20XX (current year)</b>			
Euro	10%	-	-
USD	10%	-	-

**b) Interest rate risk**

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

**Management of interest rate risk**

To manage the interest rate risk, management has endeavored to bank with institutions that offer favorable 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 (2025: KShs ). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs (2025 – KShs).

**iii) 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 /2024
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve	-	-
<b>Total funds</b>	-	-
		-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/ ( <i>excess cash and cash equivalents</i> )	-	-
<b>Gearing</b>	-	-

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

**45. Related Party Balances**

**Nature of related party relationships**

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

Nairobi County Government is the principal shareholder of Njenga Hospital, holding 100% of the 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	2024 /2025	2023 /2024
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		
Services to	-	-
Sales of services to	-	-
<b>Total</b>	-	-
<b>b) Grants from the Government</b>		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
<b>Total</b>	-	-
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for employees	-	-
Payments for goods and services for	-	-

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Description	2024 /2025	2023 /2024
	Kshs	Kshs
<b>Total</b>	-	-
<b>d) Key management compensation</b>		
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
<b>Total</b>	-	-

**46. Segment Information**

(Where an organization 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	-	-
<b>Total</b>	-	-

*(Give details)*

**48. Capital Commitments**

Capital Commitments	2024/2025	2023 /2024
	Kshs	Kshs
Authorised For	-	-
Authorised And Contracted For	-	-
<b>Total</b>	-	-

(

**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 Government Agency under the Department of health. Its ultimate parent is the County Government of Nairobi City.

**51. Currency**

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

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**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** 2025 ★  


***Njenga Level 4 Hospital (Nairobi County Government)  
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**Appendix II: Projects Implemented by The Entity**

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

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

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

Name of Transferring entity.....

Name of Beneficiary entity.....

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

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		

2025

**XX Hospital (XX County Government)  
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**Appendix V: Disaster Expenditure Reporting Template**

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

