



Kiguru & Associates

Certified Public Accountants

AIC KIJABE HOSPITAL

FINANCIAL STATEMENTS

31ST DECEMBER 2011

AIC KIJABE HOSPITAL

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2011

CONTENTS	Pages
Directors and Professional Advisors	2
Report of the board of governors	3
Statement of board of governors' responsibilities	4
Report of the independent auditor	5
<u>FINANCIAL STATEMENTS</u>	
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Cash flows	8
Notes to the financial statements	9 – 16
<u>OTHERS</u>	
Detailed statement of income	17– 18

AIC KIJABE HOSPITAL

DIRECTORS AND PROFESSIONAL ADVISORS

DIRECTORS:

Rev. Simon K. Muhota - Chairman
Dr. B.N. Waitara - Vice Chairman
Mrs. Mary N. Muchendu - Secretary
Mr. John Nyamu - Treasurer
Mr. K.J.Mbugua - Member
Rev. Willy Gicharu - Member
Mr.Evans Mutua - Member
Dr.Ivan Stewart - Member
Mr. Joseph Wario - Member
Mr. Joshua Tonui -Member
Dr. Steve Letchford -Member
Mrs. Grace M.Maina -Member
Mr. Patrick Kundu -Member
Mr. Jack Muthui -Member
Dr. Eric Hansen -Member
Mr. Oscar Ogwang -Member

AUDITORS:

Kiguru & Associates.
Lower hill Duplex Apt, Suite 15
Upper hill Road
P.O BOX 41532 – 00100
NAIROBI.

REGISTERED OFFICE:

AIC Kijabe Hospital
Nairobi – Naivasha Road
P.O BOX 20 – 00200
KIJABE

PRINCIPAL PLACE OF BUSINESS:

AIC Kijabe Hospital
Nairobi –Naivasha Road
P.O BOX 20 – 00200
KIJABE

BANKERS:

Kenya Commercial Bank
Limuru Branch
P.O BOX 933 – 00217
LIMURU, KENYA.

Citi Bank N.A
Citibank House, Upper hill Road
P.O BOX 30711 -00100
NAIROBI, KENYA.

AIM Finance
P.O BOX 21010 – 00505
NAIROBI, KENYA.

Equity Bank Limited
Kimende Branch
P.O.Box 75104
MATATHIA

AIC KIJABE HOSPITAL

REPORT OF THE BOARD OF GOVERNORS

The Board of Governors submits their report together with the audited financial statements for the year ended 31st December 2011.

PRINCIPAL ACTIVITIES

To continue the healing ministry of our Lord Jesus Christ by minimizing suffering, restoring and maintaining health and promoting professional excellence and Christian commitment in order to provide quality, affordable and accessible health care.

RESULTS

	2011 Kshs	2010 Kshs
Surplus for the year	10,265,957	8,875,874
	<u>10,265,957</u>	<u>8,875,874</u>

AUDITORS

Kiguru & Associates were reappointed during the year 2011 and have expressed their willingness to continue in office.

Nairobi, Kenya

By order of the Board

26th July, 2012

Date



Chairman



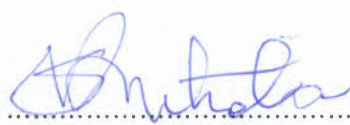
AIC KIJABE HOSPITAL

STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES

The Board of Governors is required to prepare financial statements, which give a true and fair view of the state of affairs of the hospital as at the end of the financial year ended 31st December 2011 and of the operating results of the hospital for that year. The board is also required to ensure the hospital keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the hospital. They are also responsible for safeguarding the assets of the hospital.

The Board of Governors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards. The Board of Governors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the hospital and of its operating results. The Board of Governors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

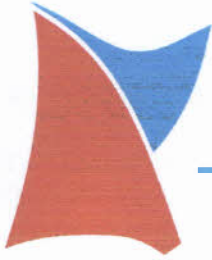
Chairman 

Date 26TH JULY, 2012

Executive Director 

Date 26TH JULY, 2012





Kiguru & Associates

Certified Public Accountants

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF AIC KIJABE HOSPITAL

We have audited the accompanying financial statements of AIC Kijabe Hospital, which comprise the statement of financial position as at 31st December 2011 and the statement of income and statement of cash flows, for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Boards' Responsibility for the Financial Statements

The Board of Governors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium – sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the hospital's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the hospital's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the hospital officials, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of AIC Kijabe Hospital as at 31st December 2011 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium – sized Entities.

Nairobi, Kenya

26th July 2012

Kiguru & Associates
Kiguru & Associates
Certified Public Accountants

Lowerhill Duplex Apt, Suite 15, Upperhill Road | P. O. Box 41532 - 00100, GPO,
Tel: (+254) 020 271 2086 -7 / Fax: 020 2733 443
Email: audit@kiguru.com / URL: www.kiguru.com

PIN: A002242091K/ VAT: 0126517S

AIC KIJABE HOSPITAL

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2011

	Notes	2011 Kshs	2010 Kshs
INCOME			
Patients Revenue	3	620,585,781	512,659,696
Donated Staff Services Income	4	103,085,421	101,492,465
Other Income	5	33,195,845	27,693,779
		<hr/>	<hr/>
Total Income		756,867,047	641,845,940
		<hr/>	<hr/>
EXPENDITURE			
Staff Costs	Appendix I	(293,648,594)	(233,111,289)
Supplies	Appendix II	(169,675,868)	(158,796,548)
Donated Staff Services costs	Appendix III	(103,085,421)	(101,492,465)
Administrative expense	Appendix IV	(67,992,149)	(46,232,911)
Establishment expenses	Appendix V	(54,064,099)	(37,152,059)
Other Operating expenses	Appendix II	(58,134,959)	(56,184,794)
		<hr/>	<hr/>
		(746,601,090)	(632,970,066)
		<hr/>	<hr/>
Surplus for the year		10,265,957	8,875,874
		=====	=====

AIC KIJABE HOSPITAL


STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER 2011

	Notes	2011 Kshs	2010 Kshs
NON-CURRENT ASSETS			
Property, plant and equipment	6	606,327,624	585,015,580
Work-in-progress	7	10,933,598	-
Equity Investments	8	8,721,188	9,126,315
		<u>625,982,410</u>	<u>594,141,895</u>
CURRENT ASSETS			
Inventories	9	29,120,605	20,151,265
Trade receivables	10	41,806,936	31,205,070
Other receivables	11	30,392,012	35,008,118
Cash and cash equivalents	12	54,895,767	39,318,830
		<u>156,215,320</u>	<u>125,683,283</u>
TOTAL ASSETS		<u><u>782,197,730</u></u>	<u><u>719,825,178</u></u>
FUND BALANCES			
Property & Equipment Fund	14	617,261,222	585,015,580
Reserves	15	13,199,383	7,927,947
Designated funds	16	43,184,872	38,763,570
		<u>673,645,477</u>	<u>631,707,097</u>
CURRENT LIABILITIES			
Trade and other payables	13	108,552,253	88,118,081
		<u>108,552,253</u>	<u>88,118,081</u>
TOTAL FUNDS & LIABILITIES		<u><u>782,197,730</u></u>	<u><u>719,825,178</u></u>

The financial statements were approved by the board of directors and were signed on its behalf by:

Chairman 

Date 26TH JULY 2012

Executive Director 

Date 26TH JULY 2012



AIC KIJABE HOSPITAL

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2011

	2011	2010
	Kshs	Kshs
CASHFLOWS FROM OPERATING ACTIVITIES		
Surplus for the year transferred to reserves	10,265,957	8,875,874
Depreciation	30,399,810	24,258,023
Loss on Asset disposal	975,165	-
Exchange Gain/ (Loss)	(2,324,945)	178,607
Interest income	(460,069)	(205,811)
Investment Loss	405,126	(723,894)
Transfer to designated funds	(4,996,734)	(16,966,512)
	<u>34,264,310</u>	<u>15,416,287</u>
Cash flow before working capital changes		
(Increase) in inventories	(8,969,340)	(8,928,783)
(Increase) in trade receivables	(10,601,866)	(803,938)
Decrease/ (increase) in other receivables	4,616,106	(8,606,968)
Increase in payables	20,434,172	22,848,726
Prior year item	16,317,521	(9,979,520)
	<u>56,060,904</u>	<u>9,945,804</u>
Net cash generated from operating activities		
CASHFLOWS FROM INVESTING ACTIVITIES		
Purchase of property & equipment	(46,715,118)	(8,884,670)
	<u>(46,715,118)</u>	<u>(8,884,670)</u>
Net cash (used in) investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Exchange (loss)/gain	2,324,945	(178,607)
Interest income	460,069	205,811
Loss on Asset disposal	(975,165)	-
(Decrease)/increase in designated funds	4,421,302	(964,838)
	<u>6,231,151</u>	<u>(937,634)</u>
Net cash (used in) financing activities		
Net increase in cash and cash equivalents	15,576,937	123,500
Cash and cash equivalent at the beginning of the year	39,318,830	39,195,330
	<u>54,895,767</u>	<u>39,318,830</u>
Cash and cash equivalent at the end of the year (note 11)	<u>54,895,767</u>	<u>39,318,830</u>

AIC KIJABE HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011

1. GENERAL INFORMATION

AIC Kijabe Hospital is registered under the Medical Practitioners and Dentists Act as a private medical institution and is domiciled in Kenya. The address of its registered office and principal place of business is set out on page 2. The principal activity of the Hospital is shown on page 3.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the period presented, unless otherwise stated.

(a) **Basis of preparation**

These financial statements are prepared in accordance with the 'IFRS for Small and Medium-sized Entities' issued by the International Accounting Standards Board under the historical cost convention.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Hospital's accounting policies.

The Hospital makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(b) **Income recognition**

Donations and gifts are recognized when received.

(c) **Transactions in foreign currencies**

Transactions in foreign currency are converted into Kenya Shillings at the rate of exchange ruling on the date of the transactions. Assets and liabilities at the Statement of Financial position date, which are expressed in foreign currency, are translated into Kenya shillings at the rate of exchange ruling at that date.

(d) **Property and equipment**

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual value using the straight line method. The following annual rates are used for depreciation of property and equipment:

Buildings	2.5%
Equipment	12.5%
Motor vehicles	25%
Computers	30%

(e) **Cash and cash equivalents**

For the purpose of the Statement of Cash flows, cash equivalents include cash at hand and in the bank.

AIC KIJABE HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2011 (Cont')

(f) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost and net realizable value is the estimate of the selling price in the ordinary course of business less the selling expense. Weighted average method for valuation was used.

(g) Retirement benefit obligations

The Hospital operates a defined contribution staff retirement benefit scheme for its employees. The scheme is administered by CFC Life Assurance Hospital Limited and is funded by contributions from both the institution and employees. The Hospital contributions to the defined contribution retirement benefit scheme are charged to the income and expenditure account in the year to which they relate.

The Hospital also contributes to a statutory defined contribution pension scheme, the National Social Security Fund. The contributions are determined by Kenyan statutes and are currently limited to Kshs. 200 per employee per month. The hospital's contributions to the above scheme are charged to the income and expenditure account in the year to which they relate.

(h) Impairment

At each Statement of Financial position date, the AIC Kijabe Hospital reviews the carrying amounts of its financial assets, tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognized in the Statement of Income whenever the carrying amount of the asset exceeds its recoverable amount.

3. REVENUE

	2011 Kshs	2010 Kshs
Patient Care	566,575,001	464,515,564
Marira Clinic Income	7,258,549	7,884,598
Naivasha Clinic Income	16,587,151	7,886,015
School of Nursing fees	30,165,080	32,373,519
	<u>620,585,781</u>	<u>512,659,696</u>
	=====	=====

4. DONATED STAFF SERVICES.

Donated Services	67,146,695	61,042,450
AIDS Relief Donor Funding	35,938,726	40,450,015
	<u>103,085,421</u>	<u>101,492,465</u>
	=====	=====

AIC KIJABE HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2011 (Cont')

5. OTHER INCOME	2011 Kshs	2010 Kshs
Exchange gain	2,324,945	-
Bad Debt recovered	2,577,527	502,034
Gain in Value of Investments	-	723,893
Donations	916,416	736,985
Other income	7,936,051	10,951,893
Interest income	460,069	205,811
Housing Income	7,836,175	9,591,379
Transport Income	11,144,662	4,981,784
	<u>33,195,845</u>	<u>27,693,779</u>
	=====	=====

AIC KIJABE HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2011 (Cont')

6. PROPERTY AND EQUIPMENT

	Freehold Land Kshs. Nil	Buildings Kshs. 2.5%	Equipment Kshs. 12.5%	Motor Vehicles Kshs. 25%	Computers Kshs 30%	Total Kshs
Cost/Valuation						
At 01-01-10	6,370,000	513,422,676	27,449,477	5,431,200	3,429,348	556,102,701
Additions	-	78,867,731	7,906,110	8,069,566	978,560	95,821,967
Disposal	-	13,350,025	-	-	-	13,350,025
At 31-12-10	6,370,000	605,640,432	35,355,587	13,500,766	4,407,908	665,274,693
Depreciation						
At 01-01-10	-	40,672,169	10,052,173	2,871,780	2,404,968	56,001,090
Charge for the year	-	15,141,011	4,419,448	3,375,192	1,322,372	24,258,023
At 31-12-10	-	55,813,180	14,471,621	6,246,972	3,727,340	80,259,113
Net Book Value						
At 31-12-10	6,370,000	549,827,252	20,883,966	7,253,794	680,568	585,015,580
At 31-12-09	6,370,000	472,750,507	17,397,304	2,559,420	1,024,380	500,101,611
Cost/Valuation						
At 01-01-11	6,370,000	605,640,432	35,355,587	13,500,766	4,407,908	665,274,693
Additions	-	4,996,734	44,120,109	-	4,112,360	53,229,203
Disposal	-	-	(1,517,351)	-	-	(1,517,351)
At 31-12-11	6,370,000	610,637,166	77,958,345	13,500,766	8,520,268	716,986,545
Depreciation						
At 01-01-11	-	55,813,180	14,471,621	6,246,972	3,727,340	80,259,113
Charge for the year	-	15,265,929	9,744,793	3,375,192	2,556,080	30,941,994
On disposal	-	-	(542,186)	-	-	(542,186)
At 31-12-11	-	71,079,109	23,674,228	9,622,164	6,283,420	110,658,921
Net Book Value						
At 31-12-11	6,370,000	539,558,057	54,284,117	3,878,602	2,236,848	606,327,624
At 31-12-10	6,370,000	549,827,252	20,883,966	7,253,794	680,568	585,015,580

AIC KIJABE HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2011 (Cont')

The land on which the staff and missionary houses and hospital buildings stand belongs to the Africa Inland Church

The staff and missionary houses were professionally valued in November 2006 by independent valuers on the basis of open market value. Equipment in the houses have been capitalised in the financial statements at management valuation.

The main hospital buildings were also professionally valued in December 2007 by independent valuers on the basis of open market value.

Freehold land relates to the Marira and Naivasha health centre land.

7. WORK IN PROGRESS

	2011 Kshs	2010 Kshs
Balance at 1 st January	-	13,350,025
Transfer from designated fund	10,933,598	-
Transfer to property and equipment	-	(13,350,025)
	<u>10,933,598</u>	<u>-</u>
	=====	=====

Work in progress relates to New Palliative and MCH/CT Scanner Buildings which were under construction.

8. EQUITY INVESTMENTS

	2011 Kshs	2010 Kshs
Eveready Co. Ltd. (1,700 shares @ Kshs. 9.50)	16,150	16,150
Africa Alliance managed fund	5,705,038	6,110,165
KenGen Bonds – Dyer and Briar	3,000,000	3,000,000
	<u>8,721,188</u>	<u>9,126,315</u>
	=====	=====

Equity held for sale at fair market value.

9. INVENTORIES

	2011 Kshs	2010 Kshs
Medical	20,437,331	17,254,985
Construction	6,960,317	1,831,732
Others	1,722,957	1,064,548
	<u>29,120,605</u>	<u>20,151,265</u>
	=====	=====

10. TRADE RECEIVABLES

	2011 Kshs	2010 Kshs
Individuals	36,662,188	32,546,427
Companies	46,868,127	29,805,375
	<u>83,530,315</u>	<u>62,351,802</u>
Allowance for doubtful debts	(36,719,580)	(22,719,927)
Bad debts written off	(5,003,799)	(8,426,805)
	<u>41,806,936</u>	<u>31,205,070</u>
	=====	=====

AIC KIJABE HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2011 (Cont')

11. OTHER RECEIVABLES

	2011	2010
	Kshs	Kshs
Insurance claims	-	-
Kijabe School of Nursing students	15,852,089	15,913,836
Missionaries account	3,727,862	4,281,573
Staff account	779,256	958,775
Bethany Kids at Kijabe Hospital (BKKH) A/C	7,357,626	9,405,839
Sundry receivables	2,266,999	4,448,095
Salaries	408,180	-
	<u>30,392,012</u>	<u>35,008,118</u>
	=====	=====

12. CASH AND CASH EQUIVALENTS

	2011	2010
	Kshs	Kshs
Current accounts	23,910,000	17,734,907
Savings account	2,450,796	3,402,104
Pension account	468,638	470,138
Designated funds accounts	26,729,360	17,511,751
Cash in hand	1,336,973	199,930
	<u>54,895,767</u>	<u>39,318,830</u>
	=====	=====

13. TRADE AND OTHER PAYABLES

	2011	2010
	Kshs	Kshs
Trade payables	12,496,476	23,172,078
Salaries	30,861	3,810
Pension	468,638	470,138
Provision for accrued gratuity	13,997,495	13,067,580
KSN accrued fees	10,847,800	5,415,250
Missionary accounts	1,004,419	1,220,654
Staff accounts	473,258	561,632
Sundry payables	51,067,527	26,566,728
KSN students	8,177,286	10,042,627
Bethany Kids at Kijabe Hospital	9,988,493	7,597,584
	<u>108,552,253</u>	<u>88,118,081</u>
	=====	=====

AIC KIJABE HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2011 (Cont')

14. DESIGNATED FUNDS

	<u>Opening Balance</u> Kshs	<u>Receipts</u> Kshs	<u>Payments</u> Kshs	<u>Closing Balance</u> Kshs
Capital	926,490	3,268,400	(503,524)	3,691,366
Housing	9,743,152	-	-	9,743,152
Medical staff	9,387,302	1,746,390	(1,408,718)	9,724,974
Chaplaincy	425,069	377,223	(426,630)	375,662
Theatre	-	3,569,621	(3,569,621)	-
KSN	5,078,622	2,958,059	(1,885,978)	6,150,703
External funds	13,202,935	3,259,578	(2,963,498)	13,499,015
	<u>38,763,570</u>	<u>15,179,271</u>	<u>(10,757,969)</u>	<u>43,184,872</u>

Designated funds are used for the restricted purposes shown above.

15. PROPERTY AND EQUIPMENT FUND

	2011 Kshs	2010 Kshs
Balance as at 1 st January	585,015,580	513,451,636
Transfer from general fund	46,715,118	8,884,670
Transfer from designated fund	4,996,734	86,937,297
Transfer to general fund	(30,399,808)	(24,258,023)
Work in progress	10,933,598	-
Balance as at 31 st December	<u>617,261,222</u>	<u>585,015,580</u>

Property and equipment fund represents funds invested in the net book value of property and equipment and are therefore not available for any other use.

AIC KIJABE HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2011 (Cont')

16. RESERVES

	Contingent <u>Fund</u> Kshs	General <u>Fund</u> Kshs	<u>Total</u> Kshs
Balance as at 1 st January 2010	9,950,000	674,752	10,624,752
Prior year item	-	(9,979,520)	(9,979,520)
Surplus for the year	-	8,875,874	8,875,874
Transfer to property & equipment fund	-	(8,884,670)	(8,884,670)
Transfer from property & equipment fund	-	24,258,023	24,258,023
Transfer to designated funds	-	(16,966,512)	(16,966,512)
	-	-	-
Balance as at 31 st December 2010	<u>9,950,000</u>	<u>(2,022,053)</u>	<u>7,927,947</u>
	=====	=====	=====
Balance as at 1 st January 2011	9,950,000	(2,022,053)	7,927,947
Prior year item	-	16,317,521	16,317,521
Surplus for the year	-	10,265,957	10,265,957
Transfer to property & equipment fund	-	(46,715,118)	(46,715,118)
Transfer from property & equipment fund	-	30,399,810	30,399,810
Transfer to designated funds	-	(4,996,734)	(4,996,734)
	-	-	-
Balance as at 31 st December 2011	<u>9,950,000</u>	<u>3,249,383</u>	<u>13,199,383</u>
	=====	=====	=====

The contingent fund represents funds set aside for contingency purposes while general fund represents cumulative results realized from general operations.

17. TAX

The hospital is exempt from income tax under Section 13(2) of the Income Tax Act.

AIC KIJABE HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2011 (Cont')

	2011 Kshs	2010 Kshs	
STAFF COSTS EXPENSES			Appendix I
KH Wages and benefits	260,074,809	206,805,333	
Provision for accrued gratuity	3,520,388	3,088,059	
Training	1,920,097	2,420,040	
KSN Staff Wages and benefits	9,180,344	10,568,088	
NMC Staff Wages and benefits	9,533,560	3,281,115	
MMC Staff Wages and benefits	3,689,067	2,848,027	
Transport Staff Wages and benefits	2,495,472	2,050,828	
Housing Staff Wages and benefits	3,234,857	2,049,799	
Total Staff Costs Expenses.	<u>293,648,594</u>	<u>233,111,289</u>	
SUPPLIES EXPENSES			Appendix II
KH Medical Supplies	157,604,650	147,589,032	
Freight and travel	1,438,243	1,158,570	
MMC Medical Supplies expense	1,767,468	1,425,005	
NMC Medical Supplies expense	4,184,292	4,313,300	
Transport Supplies expenses	440	2,055,009	
Housing Supplies expenses	4,680,775	2,255,632	
Total Medical Supplies Expenses.	<u>169,675,868</u>	<u>158,796,548</u>	
DONATED STAFF EXPENSES.			Appendix II
Donated Staff services expenses	67,146,695	61,042,450	
AIDS Relief donor expenses	35,938,726	40,450,015	
Total Donated expenses	<u>103,085,421</u>	<u>101,492,465</u>	
ADMINISTRATIVE EXPENSES			Appendix IV
KH Administration expenses	32,238,062	31,149,022	
MMC Administrative expense	608,263	471,910	
NMC Administrative expense	5,547,534	2,645,570	
Transport Admin expenses	6,603,902	1,263,260	
Housing Admin expenses	3,081,135	3,060,267	
KSN Admin office expense	2,450,809	2,978,999	
KSN Room and boarding at away	15,012,475	2,820,790	
KSN Student travel	588,862	850,270	
KSN Student book purchases	585,588	186,870	
KSN Supplies	1,275,519	805,953	
	<u>67,992,149</u>	<u>46,232,911</u>	

AIC KIJABE HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2011 (Cont')

	2011 Kshs	2010 Kshs	
ESTABLISHMENT EXPENSES			Appendix V
KSN Equipment expenses	15,270	148,800	
KSN Repairs and maintenance	32,288	-	
KH Repairs and maintenance	8,870,393	6,567,863	
KH Equipment expenses	3,151,502	3,373,115	
Depreciation	30,941,994	24,258,023	
MMC Repairs and maintenance	176,612	28,935	
MMC Equipment expenses	17,700	66,073	
NMC Repairs and maintenance	349,693	360,835	
NMC Equipment expenses	798,086	713,845	
Housing Repairs and maintenance	1,202,313	351,518	
Housing Equipment expenses	2,500	-	
Transport Repairs and maintenance	2,431,463	1,283,052	
Transport Equipment expenses	6,074,285	-	
Total establishment expenses	54,064,099	37,152,059	
 OTHER OPERATING EXPENSES			 Appendix VI
Diminution in value of Investments	405,126	-	
IDP expense	632,525	1,654,962	
Exchange Loss	-	178,607	
Utilities	35,056,450	30,220,654	
Bad debts and charitable write-offs	7,066,040	15,596,359	
Provision for doubtful debts	13,999,653	8,534,212	
 Loss on Asset disposal	 975,165	 -	
Total Other Operating expenses	58,134,959	56,184,794	