

REPUBLIC OF KENYA



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**REPORT**  
**OF**  
**THE AUDITOR-GENERAL**  
**ON**  
**THE FINANCIAL STATEMENTS OF**  
**MOI TEACHING AND REFERRAL HOSPITAL**  
**FOR THE YEAR ENDED**  
**30 JUNE 2013**





ISO 9001:2008 CERTIFIED HOSPITAL



KENYA NATIONAL AUDIT OFFICE  
P. O. Box 30084 - 00100, NAIROBI.

11 JUN 2014

RECEIVED

# MOI TEACHING AND REFERRAL HOSPITAL

## ANNUAL REPORT

### AND

## FINANCIAL STATEMENTS FOR THE YEAR

### ENDED 30<sup>TH</sup> JUNE 2013

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## **INSTITUTIONAL DETAILS**

### **Incorporation/Establishment**

Moi Teaching and Referral Hospital (MTRH) is a body Corporate established under the provisions of the State Corporations Act (Cap 446) of the laws of Kenya under the Ministry of Health.

### **REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS**

Nandi Road

P.O Box 3 -30100

Tel: 053-2033471/2/3/4

FAX 053-2061749

### **ELDORET.**

Email: [director@mtrh.or.ke](mailto:director@mtrh.or.ke)

Website: [www.mtrh.or.ke](http://www.mtrh.or.ke)

### **BANKERS**

Kenya Commercial Bank Ltd

Uganda Road Branch- Eldoret

P.O Box 5197 -30100

### **ELDORET.**

### **INDEPENDENT AUDITORS**

The Auditor General

Anniversary Towers, University way

P.O Box 30084-001000

### **NAIROBI.**

### **CORE BUSINESS OF THE HOSPITAL**

The functions of the institution are stipulated in the Legal Notice No. 78 of 1998 under the State Corporations Act ( Cap 446) and include provision of accessible specialized quality healthcare services and provision of teaching facilities through research, training, capacity building, innovation and participation in National Health planning.

### **VISION**

To be an excellent Teaching and Referral Centre in Healthcare.

### **MISSION**

To provide accessible, specialized quality healthcare services and teaching facilities through Research, Training, Capacity building, Innovation and Participation in National Health Planning.

### **CORE VALUES**

All officers in the Hospital shall be guided by professionalism in all interaction with the public and amongst themselves. We commit ourselves to observe the laid down values as follows:

- We exercise our profession to the best of our knowledge and ability for the safety and welfare of all persons entrusted to our care.
- We shall not knowingly or intentionally do anything or administer anything to the persons under our care to hurt or prejudice.
- We shall not divulge anything that we have learnt in our professional capacities.
- We shall not employ any secret method of treatment or keep secret any method, which may be beneficial to patients.
- The Hospital shall not be advertised for undue commercial gains
- We shall conduct ourselves honourably.

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## Board Members

1. Prof. Abdulghafur H.S El-Busaidy - Chairperson
2. Dr. Nelly Yatich - Member
3. Mrs. Norah C. Talam Langat - Member
4. Mr. Winston Orege - Member
5. Ms. Eunice W. Wambugu - Member
6. Mr. Katwa Kigen - Member
7. Mr. Elkana Ongu'ti - Alternate; PS Ministry of Health
8. Ms Anne Mworja - Alternate; PS, Ministry of Higher Education Science &

### Technology

9. Mrs. Margaret Onyimbo - Alternate; PS, National Treasury
10. Dr. Francis Kimani - Director of Medical Services
11. Mr. Evan Mwai - Chairperson, Moi University Council
12. Prof. R. K. Mibey - Vice Chancellor, Moi University
13. Dr. John C. Kibosia - Director/Secretary

## BOARD COMMITTEES

The Board has four principal committees which operate within defined terms of reference laid down by the Board. The four committees are as follows:

- Audit and Risk Committee
- Finance and General Purposes Committee
- Establishment Committee
- Standards, Quality Assurance and Research Committee

**PRINCIPAL OFFICERS**

- |                       |  |
|-----------------------|--|
| 1. Dr. John Kibosia   | Director/ CEO  |
| 2. Dr. Wilson Aruasa  | Deputy Director, Clinical Services   |
| 3. Mr. Agunda Ochanda | Deputy Director, Administration & Finance                                  |
| 4. Dr. Francis Ogaro  | Ag. Asst. Deputy Director, Clinical Services                               |
| 5. Ms. Lily Koros     | Asst. Deputy Director, Administration & Finance (Upto<br>September 2012)   |
| 6. Mr. Mathews Birgen | Ag. Asst. Deputy Director, Administration & Finance<br>(From October 2012) |
| 7. Mr. Titus Tarus    | Chief Nurse  |
| 8. Mr. Thomas Ngetich | Ag. Finance Manager  |

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## **CHAIRMAN'S REPORT.**

### **Introduction**

It gives me great pleasure to present the Hospital's Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June, 2013.

As stipulated in the Legal Notice No. 78 of 1998 under the State Corporations Act (Cap 446), the functions of the Hospital include provision of accessible specialized quality healthcare services, teaching facilities, research, training, capacity building, innovation and participation in National Health Planning.

The Financial Year 2012/2013 was a success to the Hospital with various initiatives being implemented and unrelenting focus on improvement of all segments that facilitate the Hospital's operations. Our objective was always optimization of the Hospital's potential despite operational challenges experienced during the period.

### **Corporate Governance**

The responsibility for good corporate governance of the Hospital is vested on the Board. The Board ensures that the Hospital complies with the Law and the highest standards of corporate governance principles and work ethics. The Board has been at the forefront in ensuring that the Hospital is run in a professional manner through proper management structures and continues to inculcate generally accepted corporate governance principles in the management of Hospital operations.

### **Results for the Financial Year 2012/2013**

The Hospital realized an increase in income from Kshs 3.1 billion during the 2011/2012 Financial Year to Kshs 3.9 billion in the period under review. The period saw an increase in income from government attributable to additional approved allowances for staff i.e Commuter, Extraneous and Emergency Call allowance. The Hospital further realized an increase in operating income (Cost Sharing Income) by 26.9% as compared to 9% in the 2011/2012 period. The decline in income growth over the two periods is attributable to industrial unrest during the first quarter of the Financial Year. The Hospital reported a positive growth of 3.5% in revenues despite industrial unrest experienced in the first quarter of the Financial Year.

### **REVIEW OF ACTIVITIES TO ACHIEVE OBJECTIVES**

#### **Performance Contracting**

The Hospital's commitment towards Performance Contracting is demonstrated through the Hospital Board's involvement in all activities pertaining to it. The Board defended performance for the Financial Year 2011/2012 and signed the 9<sup>th</sup> cycle of performance contracting. Performance by the Hospital during the exercise was outstanding largely attributed to the inculcation of performance contracting in daily operations.

Continued participation in performance contracting shall ensure that service delivery is improved.

### **ISO Certification**

The Hospital has maintained certification for the ISO 9001:2008 QMS (recently re-certified) and acquired certification for ISO 13485:2003, Medical Devices Standard. It is also in the process of acquiring accreditation of Laboratory Services in line with Government directive on accreditation of Laboratories in all public Hospitals. The Hospital is seeking certification for medical laboratories Standard 15189:2007.

### **Corporate Social Responsibility**

The Hospital Board is cognizant of the importance of giving back to the community and it is for this reason that regular engagement with the local community is encouraged. During the period under review, the Hospital participated in the following activities among many others:

- Participation in tree planting exercise at Bethel School, Eldoret
- Participation in the Ng'arisha initiative clean-up exercise in Eldoret Town
- Reconstructive surgery for a victim of post-election violence (Joyce Chepkemoi)

### **Collaborations**

The Hospital continues to collaborate with various stakeholders to improve healthcare delivery.

- The Hospital's partnership with Moi University School of Medicine and Indiana University School of Medicine in the US saw the signing of the USAID/AMPATH-Plus Grant for 5 years with the Hospital being the Prime Recipient. This grant provides intervention programs in HIV prevention and care.
- The Hospital in Partnership with AAR Insurance established a Community Based Healthcare Plan on a Public-Private Partnership arrangement which is a medical insurance scheme tailored for a rural farming community that both promote economic prosperity while at the same time providing affordable insurance cover. {Scheme name is Tanykina Community Healthcare plan (TCHP)}. This is a scheme worth replication by other service providers throughout the country.

### **Milestones & Developments**

As part of infrastructural expansion and equipping towards improved service delivery, the Hospital undertook the following projects;

- Alcohol and Drug Abuse Unit (ADA)- funded by NACADA- Construction complete
- Ultra-Modern Out Patient Unit in Private Wing II - Construction nearing completion
- Chronic Disease Management Centre for Cancer and other chronic diseases - Construction is on-going
- Shoe4Africa Childrens Hospital – Construction is on-going

In furtherance of the objectives under the Hospital's Strategic Plan 2012/2017 the projects to be initiated include:

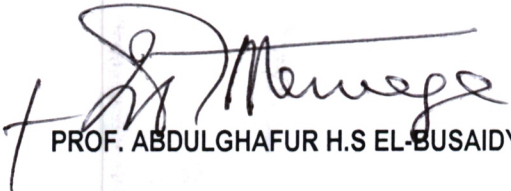
- Construction of Reproductive Health Centre of Excellence
- Expansion of MTRH Second Phase.

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It is to be noted however that, the Hospital as currently established doesn't have adequate facilities in terms of space and equipment and therefore require enhanced Government support in order to fully attain its status as a Referral Hospital.

**Appreciation**

I wish to recognize the role of my fellow Board members, Management, the Government of Kenya and development partners for their contribution in making the year 2012/2013 a particularly successful year. I would also wish to recognize the immense contribution of the Hospital staff and would like to personally thank them for their efforts, which have contributed to achievement of objectives



PROF. ABDULGHAFUR H.S EL-BUSAIDY

**CHAIRMAN**

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## **CHIEF EXECUTIVE OFFICERS' REPORT**

### **INTRODUCTION**

It is with great pleasure that I present this annual report and financial statements for the financial year 2012/2013.

Moi Teaching & Referral Hospital remains dedicated to its mission of providing accessible, specialized, quality healthcare services and teaching facilities through Research, Training, Capacity building, Innovation and Participation in National Health Planning.

### **OVERVIEW OF THE KENYAN HEALTH SECTOR**

The Health Sector is undergoing tremendous changes due to the implementation of Kenya Constitution 2010. The devolution of healthcare to the Counties with an exception of the two national referral hospitals (Moi Teaching & Referral Hospital and Kenyatta National Hospital) is expected to improve access to Primary Health Care through infrastructural upgrading hence resulting to decongestion of the two referral hospitals. The Hospital is in dialogue with the neighboring Counties on capacity building by sending Consultants to mentor their personnel so as to ensure a proper referral system. Additionally, the Hospital is collaborating with the Counties in identifying priority areas in equipping the County Hospitals.

While allocation of funds to the Health Sector still fall below the 15% annual budget threshold as set out in the Abuja Declaration, the health sector (MTRH included) continue bearing the burden of continued provision of health care services under already overstretched resources.

The government policy on free maternity services has been implemented and positively received by clientele and has seen an increase in deliveries at the hospital. While the National Hospital Insurance Fund (NHIF) Comprehensive Medical Insurance Cover for Civil servants, now in its second year of operation, is fully operational and most of the teething problems attributable to its formative stage have now been overcome, there is an urgent need to consider Universal Insurance for the whole citizenry. It goes without saying that universal access Quality Health Care shall improve the productivity of Kenyans and by extension the quality of life.

### **THE OPERATING ENVIRONMENT**

During the period under review, the Hospital continued to receive patients with conditions that could otherwise be managed at primary facilities. This situation is as a result of poor state of health facilities both in personnel and equipment in the Western Region of Kenya.

Despite the aggressive enrolment campaign by the Hospital and NHIF, membership to the scheme has not yet reached the level that shall assure access to Quality Health care to the citizenry. Low penetration by NHIF implies a high level of population who cannot afford the cost of healthcare thereby seeking waivers of their hospital bills. This has resulted to the Hospital incurring a huge debt burden left by those patients that are unable to pay.

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The recent launch of free maternity health care by the Government has enhanced access to Quality Health Care by Mothers though at the same time, it has resulted to an overstretch of available resources namely personnel and infrastructure.

The socio-economic status of the population in the western region still remains low with evidence of less than 30% NHIF enrollment. This thereby implies high level of indigent patients leaving large unpaid hospital bills. During the period under review, debts secured on ID cards grew from Kshs.327 million to Kshs. 373 million, an increase of Kshs. 46 million. A total of Kshs. 63.4 million was waived while another Kshs. 5.0 million was exempted. This situation portrays a worrying trend in provision of healthcare and calls for elaborate government and other stakeholder support in appropriate healthcare financing options.

### **STATUTORY COMPLIANCE**

The Hospital has continually complied with all statutory requirements as directed by the Government of Kenya.

### **HUMAN RESOURCES**

Kenya has an average of 16 Doctors and 153 Nurses per 100,000 population compared to WHO recommended minimum staffing of 36 and 356 Doctors and Nurses respectively per 100,000 population. While the Hospital has defined its optimal staff establishment, it has not been able to employ due to budgetary constraints. This problem has been compounded by industrial action recently witnessed among the healthcare professionals agitating for increment of salaries and allowances and better equipment and work environment. Most staff also exited opting for institutions with better reward plans.

The MTRH Board and Hospital Management value the role played by staff in the attainment of set objectives. It is for this reason that staff members are continuously trained in their respective fields and emphasis placed on conducive work environment and improved remuneration as a motivating factor.

During the period under review, there was industrial action by Doctors and Nurses whose immediate impact was disruption of services in the Hospital. This is demonstrated by the reduced number of patients attended that reduced from 250,000 to 199,810 and 40,000 to 37,973 for outpatients and inpatients respectively.

### **MTRH STAFF ESTABLISHMENT**

During the period under review, the Hospital's staff establishment stood at a total of three thousand, four hundred and three (3,403) being two hundred and eighty nine (289) on Locum and three thousand, one hundred and fourteen (3,114) on permanent and pensionable terms. It is important to note that twenty five (25) members of staff took unpaid leave while fifty (51) were on paid study leave.

### **SURGICAL CAMPS**

Besides routine surgeries, the Hospital successfully conducted surgical camps in the following areas in order to utilize highly skilled expertise from visiting surgeons from collaborating institutions;

- Operation Ear Drop
- Head and Neck

**APPRECIATION**

I take this opportunity to thank the Government of Kenya, Hospital Board, Management, Staff, Development partners, Moi University College of Health Sciences and other stakeholders for the success of 2012/2013 financial year.



**DR. JOHN KIBOSIA**

**DIRECTOR/ CHIEF EXECUTIVE OFFICER**

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## FUNCTIONS AND RESPONSIBILITIES OF THE BOARD

The primary responsibilities of the Board of Moi Teaching & Referral Hospital include the following:

- Establish long-term goals of the Hospital and ensure that the Strategic objectives and plans are established to achieve those goals.
- Ensure that the Management structures are in place to achieve those objectives.
- Guide the implementation of strategic decisions and actions as appropriate.
- Review, adopt and monitor the implementation of the Hospital's annual budgets.
- Ensure preparation of annual financial statements, communication and disclosures of to stakeholders.
- Establish policies for Risk Management and implementation of sound internal controls and compliance as set out in accounting and auditing standards.
- Ensure that the Hospital remains viable, sustainable and competitive while maintaining and increasing Hospital's net worth.

## CORPORATE GOVERNANCE STATEMENT

MTRH Board is a body corporate established under the provisions of the State Corporations Act (Cap 446) of the laws of Kenya under the Ministry of Medical Services.

The objective of the corporate governance policies adopted by the Board is to attain the highest levels of transparency, accountability and integrity. This objective extends not merely to comply with statutory requirements but also to go beyond them by putting into place procedures and systems which are in accordance with the best practice of governance.

The Board's corporate governance policies and practices focus on the following principles:

1. To recognize the respective roles and responsibilities of the Board and Management.
2. To achieve the highest degree of transparency by maintaining a high degree of disclosure levels.
3. To ensure and maintain high ethical standards in its functions.
4. To ensure a sound system of risk management and internal controls
5. To ensure that all hospital employees subscribe to the corporate values and apply them in their conduct.
6. To ensure that the decision making process is fair and transparent.
7. To ensure that the Hospital follows globally recognized corporate governance practices.

The Board is responsible for setting policy, agreeing strategy and approving major commitments based on advice from Hospital's Senior Management, as well as appointment of Chief Executive Officer. Day to day operational matters are delegated by the Board to the Chief Executive Officer who leads the Hospital's management team.

In compliance with the corporate governance principles, the board has ensured that:

- The number of directors on the Board is thirteen.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE  
2013

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- The Board is composed of non executive directors; including the Chairman.
- All directors possess a broad range of skills, qualifications and experience and are persons of integrity
- The Board meets at least four times a year.
- Directors are provided with all information in respect to items to be discussed in all meetings of the Board prior to the meeting and not later than one week before the meetings.
- All directors are required to declare any conflict of interest for recording in the minutes and to abstain from voting in any matter where their personal interest would conflict with the interests of the Hospital.
- All directors have unlimited access to any hospital information and are provided with all the information needed to carry out their duties and responsibilities fully and effectively

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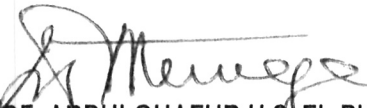
**STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES.**

The Board Members are required to prepare financial statements which give a true and fair view of the state of affairs of the corporation as at the end of each financial year and of its surplus or deficit for that year. The Board Members are required to ensure that the Corporation maintains proper accounting records, which disclose, with reasonable accuracy, the financial position of the Corporation. They are also responsible for safeguarding the assets of the Corporation.

The Board Members accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, consistent with previous years, and in conformity with International Financial Reporting Standards and International Accounting Standards. The Board Members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Corporation as at 30<sup>th</sup> June 2013 and of its surplus for the year then ended. The Board Members further confirm the accuracy and completeness of the accounting records maintained by the Institution which has been relied upon in the preparation of the financial statements, as well as on the adequacy of the internal financial controls.

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

The Board Members approve this statement and it is signed on their behalf by:

  
PROF. ABDULGHAFUR H.S. EL-BUSAIDY

BOARD CHAIRMAN

Date..15/4/2014.

  
DR. JOHN KIBOSIA

DIRECTOR/ CEO

Date..15/4/2014

# REPUBLIC OF KENYA

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Website: www.kenao.go.ke

P.O. Box 30084-00100  
NAIROBI



## KENYA NATIONAL AUDIT OFFICE

### **REPORT OF THE AUDITOR-GENERAL ON MOI TEACHING AND REFERRAL HOSPITAL FOR THE YEAR ENDED 30 JUNE 2013**

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Moi Teaching and Referral Hospital set out on pages 14 to 34, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. 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.

#### **Board Members' Responsibility for the Financial Statements**

Board members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

#### **Auditor-General's Responsibility**

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15 of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

#### **1. Non-Current Assets**

##### **(i) Project costs**

The statement of financial position for the year ended 30 June, 2013 reflects a non-current assets figure of Kshs.1,191,332,889 which includes project costs of Kshs.78,315,207 in respect of actual payments for ongoing construction projects which are at various levels of completion. Information available shows that the value of completed and certified works as at 30 June 2013 stood at Kshs.99,508,384. The project cost of Kshs.78,315,207 was understated in the financial statement by over Kshs.7,800,000 in respect of 10% retention monies.

Further, although the 10% retention money was deducted from the amounts due to the contractors, the Hospital did not maintain a deposits cashbook and a separate bank account to account for the money. Consequently, the hospital may not be able to refund the retention money as and when it falls due for payment.

##### **(ii) Land**

The non-current assets figure of Kshs.1,191,332,889 includes Kshs.101,577,820 relating to land. However, as reported in the previous year, ownership of Uasin Gishu Memorial Hospital land valued at Kshs.71,037,687 is a subject of a court case between the Hospital and former directors of Uasin Gishu Memorial Hospital. Although the management has explained that the Constitutional Court to which the case was referred ruled in favour of Moi Teaching and Referral Hospital on 10 March 2010, the former directors appealed against the judgement. Consequently, until the appeal is heard and determined, the ownership of the land valued at Kshs.71,037,687 included in the property, plant and equipment figure of Kshs.1,113,017,687 cannot be confirmed.

### **(iii) Construction of Supplies Warehouse**

In addition, the non-current assets figure of Kshs.1,191,332,889 also includes Kshs.685,787,714 relating to buildings. The buildings figure includes the net book value of the supplies store. However, as reported in the previous year, the hospital entered into a contract with a contractor for the construction of the supplies store at a contract price of Kshs.12,807,835. At the end of the works, a total of Kshs.29,902,202 was paid to the contractor resulting in a variation of Kshs.17,094,367( or 133%) of the contract sum. Although the hospital explained that all the variation cost of Kshs.17,094,367 was paid by the donor and therefore was not subject to procurement regulations under Section 7(i) of the Public Procurement and Disposal Act, 2005, other projects funded by the same donor had been subjected to the same Procurement Act. The hospital was therefore in breach of the Public Procurement and Disposal Act, 2005 and Public Procurement Regulations of 2006.

### **(iv) CT Scan**

Further, the non-current assets figure of Kshs.1,191,332,889 includes Kshs.24,031,350 relating to a CT Scan. As reported in the previous year, the CT scan was directly procured due to what the management considered to be emergency measures in order to replace an old CT scan commissioned in May 2006. The CT scan was meant to have a lifespan of five years as per the comprehensive maintenance contract signed with the supplier but it broke down in May 2009, three years after commissioning, and the supplier was unable to repair it. The hospital filed a case against the supplier for breach of contract which was later withdrawn for an out-of-court settlement. However, the matter has not been settled to date.

Under the circumstances the value of non-current assets of Kshs.1,191,332,889 stated in these accounts cannot be confirmed.

## **2. Erection to Completion of Outpatient Unit**

The hospital contracted a construction company to construct to completion an outpatient unit at a cost of Kshs.52,970,358 which was later varied to capture an additional floor and to replace the roof at an additional cost of Kshs.3,248,570 bringing the cost to Kshs.56,218,928. However, the land on which the building has been constructed is a subject of court case reference HCC MISC Case No.12 of 2006 (O.S) UGMH LTD VS MTRH. No reason has been given for putting up a building on the disputed land for which the Hospital has no title.

## **3. Trade and Other Receivables**

Trade and other receivables increased to Kshs.851,548,662 as at 30 June 2013 as compared to Kshs.567,967,418 as at 30 June 2012. Provision for bad and doubtful

debts also increased from Kshs.220,098,813 in 2011/2012 to Kshs.261,776,061 in 2012/2013. The following unsatisfactory matters were however, noted:

- (i) The Hospital has not developed a policy on provision for bad debts. During the year under review, a provision of 24% of the total receivables secured against identity cards and commitment letters was provided as compared to 99% in 2011/2012. No reason or disclosure has been given for the inconsistency in the accounting policies.
- (ii) The statement also shows a figure of Kshs.17,756,467 in respect of debtors proposed for write off. Although the figure has remained the same as in the previous year, the analysis and basis of identification of the same has not been provided for audit review.
- (iii) The receivables balances also includes a figure of Kshs.43,299,641 described as AMPATH for which no analysis or documentation was provided in support of the same.

Consequently, the adequacy and accuracy of the provision for bad debts balance of Kshs.261,776,061, debtors proposed for write off of Kshs.17,756,467, and accuracy and recoverability of the trade and other receivables net balance of Kshs.851,548,662 as at 30 June 2013 could not be confirmed.

### **Qualified Opinion**

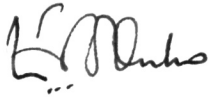
In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Moi Teaching and Referral Hospital as at June 30, 2013, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

### **Report on Other Legal and Regulatory Requirements**

As required by the Public Audit Act 2003 Section 24(2), I report to you, based on my audit, that:

- i. 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;
- ii. In my opinion, proper books of account have been kept by the hospital, so far as appears from examination of those books; and

- iii. The hospital's statement of financial position and statement of comprehensive income are in agreement with the books of account and comply with the Moi Teaching and Referral Hospital Board Order, 1998.



**Edward R.O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**09 October 2014**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE  
2013

**STATEMENT OF FINANCIAL POSITION**

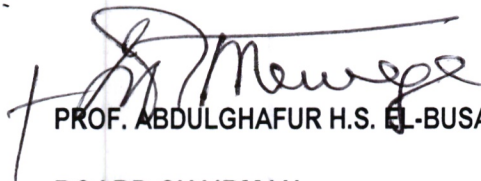
**AS AT 30 TH JUNE 2013**

		2013	2012
<b>Non Current Assets</b>	<b>Notes</b>	<b>KSHS.</b>	<b>KSHS.</b>
Property, Plant and Equipment	9.1	1,113,017,683	1,096,071,729
Project cost		78,315,207	6,177,825
		<b>1,191,332,889</b>	<b>1,102,249,554</b>
<b>CURRENT ASSETS</b>			
Cash and Bank Balance	5.1	24,724,842	23,293,550
Trade and Other Receivables	5.3	851,548,662	567,967,418
Inventories	5.4	129,042,517	137,002,264
		<b>1,005,316,021</b>	<b>728,263,232</b>
<b>CURRENT LIABILITIES</b>			
Bank Overdraft	5.2	21,387,688	36,497,746
Trade and Other Payables	6.1	155,557,981	123,234,005
Prepaid Fees	6.2	515,621	374,562
Unpaid Deductions	6.3	247,713,262	53,384
		<b>425,174,551</b>	<b>160,159,697</b>
<b>NET CURRENT ASSETS</b>		<b>580,141,470</b>	<b>568,103,535</b>
<b>TOTAL</b>		<b>1,771,474,359</b>	<b>1,670,353,089</b>
<b>FINANCED BY</b>			
Capital Reserves		1,809,371,990	1,563,124,835
Revenue Reserves		<b>(37,897,631)</b>	107,228,254
<b>TOTAL</b>		<b>1,771,474,359</b>	<b>1,670,353,089</b>

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE  
2013

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The financial statements on pages 14 to 18 were approved by the Board of Management and signed on their behalf by:

  
PROF. ABDULGHAFUR H.S. EL-BUSAIDY

BOARD CHAIRMAN

Date 15/4/2014



DR. JOHN KIBOSIA

DIRECTOR

Date 15/4/2014

The notes set out on page 20 to 33 form an integral part of these financial statements.

**STATEMENT OF COMPREHENSIVE INCOME AND OTHER INCOME**  
**FOR THE PERIOD ENDING 30 TH JUNE 2013**

<b>INCOME</b>	<b>Notes</b>	<b>2013 KSHS</b>	<b>2012 KSHS</b>
Government grant	2.1	2,728,903,286	1,993,900,330
Cost Sharing	2.2	616,529,294	474,607,592
Income Generating Unit	2.3	539,615,276	504,692,319
Other Income	2.4	72,633,043	136,219,092
		<b>3,957,680,899</b>	<b>3,109,419,333</b>
<b>Direct costs</b>			
Opening inventories	5.4	137,002,264	46,594,037
Add: Direct costs	3.1	531,547,792	332,782,600
Closing inventories	5.4	(129,042,517)	(137,002,264)
<b>Net direct costs</b>		<b>539,507,539</b>	<b>242,374,373</b>
<b>Gross revenue</b>		<b>3,418,173,360</b>	<b>2,867,044,960</b>
<b>EXPENDITURE</b>			
Personal Emoluments	4.1	2,903,897,820	2,037,258,572
Administrative cost	4.2	151,043,542	86,858,961
Operational cost	4.3	319,989,589	230,210,962
Board Expenses	4.4	7,686,074	6,284,827
Provision for doubtful debts	4.5	41,677,248	45,953,701
Depreciation	4.6	73,608,968	64,661,350
Waivers	4.7	64,076,005	24,509,072
Provision for Audit fee	4.8	1,320,000	1,000,000
<b>Total Costs</b>		<b>3,563,299,245</b>	<b>2,496,737,445</b>
Net Surplus/ (Loss)		(145,125,885)	370,307,515
Revenue reserves b/f		107,228,254	(263,079,086)
<b>Revenue reserves c/f</b>		<b>(37,897,631)</b>	<b>107,228,254</b>

**Cash Flow Statement for The Year Ended 30th June 2013**

<b>1. CASH FLOW FROM OPERATING ACTIVITIES.</b>	<b>2013</b>	<b>2012</b>
	<b>KSHS.</b>	<b>KSHS.</b>
<b>Surplus/Deficit</b>	(145,125,885)	402,108,192
<b>Add:</b>		
Obsolete Equipments		11,904,033
Depreciation of Assets	73,608,968	64,661,350
	<b>73,608,968</b>	<b>76,565,384</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>(71,516,917)</b>	<b>478,673,576</b>
<b>Working capital changes:</b>		
Change in Stock	7,959,747	(90,408,227)
Change in Trade and other Receivables	(283,581,244)	(213,409,669)
Change in trade and other Payables	32,323,976	(109,033,911)
Unpaid Deduction	247,659,878	(88,118,344)
Prepaid fees	141,055	(421,383)
Bank Overdraft	(15,110,058)	36,497,746
	<b>(10,606,646)</b>	<b>(464,893,789)</b>
<b>Net Cash In/Outflow from Operating Activities.</b>	<b>(82,123,563)</b>	<b>13,779,787</b>
<b>2. CASH FLOW FROM INVESTING ACTIVITIES.</b>		
Purchase of Fixed Assets	(162,692,304)	(76,242,616)
<b>Net Cash used in investing activities</b>	<b>(162,692,304)</b>	<b>(76,242,616)</b>
<b>3. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Donation	3,247,155	-
Government Grants- Capital	243,000,000	70,000,000
	<b>246,247,155</b>	<b>70,000,000</b>
<b>Change in Cash and Cash Equivalent.</b>	<b>1,431,288</b>	<b>7,537,171</b>
Cash and Cash Equivalent a the beginning of the year (i)	23,293,554	15,756,383
<b>Change in cash and cash equivalent (ii-i)</b>	<b>24,724,842</b>	<b>23,293,554</b>

**STATEMENT OF CHANGES IN RESERVES**

<b><u>FOR THE YEAR ENDED 30TH</u></b>	<b><u>JUNE 2013</u></b>		
	<b><u>CAPITAL RESERVE</u></b>	<b><u>REVENUE RESERVE</u></b>	<b><u>TOTAL</u></b>
	KSHS	KSHS	KSHS
<b>Balance as at 30th June 2011</b>	<b>1,493,124,835</b>	<b>(263,079,260)</b>	<b>1,230,045,575</b>
Capital grants for the period	70,000,000		70,000,000
Surplus ( Deficit) for the Period	-	370,307,514	370,307,514
<b>BALANCE AS AT 30TH JUNE 2012</b>	<b>1,563,124,835</b>	<b>107,228,254</b>	<b>1,670,353,089</b>
<b>Balance as at 30th June 2012</b>	<b>1,563,124,835</b>	<b>107,228,254</b>	<b>1,670,353,089</b>
Capital grants for the period	243,000,000	-	243,000,000
Donations	3,247,155	-	3,247,155
Surplus ( Deficit) for the Period		(145,125,885)	(145,125,885)
<b>BALANCE AS AT 30TH JUNE 2013</b>	<b>1,809,371,990</b>	<b>(37,897,631)</b>	<b>1,771,474,359</b>

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## NOTES TO THE FINANCIAL STATEMENTS

### 1. Summary of significant accounting Policies

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

#### a. Basis of preparation

The financial statements are prepared under the historical cost convention and are in compliance with International Financial Reporting Standards (IFRS).

#### b. Revenue recognition

Income from patients is recognized in the year in which patients are discharged from the Hospital.

Rental income and other income are recognized in the period in which it is earned

#### c. Property plant and equipment

All property, plant and equipment are initially recorded at cost and thereafter stated at the historical cost less depreciation. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Hospital and the cost can be reliably measured. The carrying amount of replaced parts is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated on a reducing balance basis to write down the cost of each asset to its residual value over its estimated useful life using the following rates;

Buildings	2.5%
Computers	30%
Plant, equipments & furniture	12.5%
Motor vehicles	25%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount.

**d. Inventories**

Inventories are stated at cost as determined by the first-in-first-out (FIFO) method.

**e. Cash and cash equivalents**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and reconciled bank balance as at the end of the financial year.

**f. Use of estimates and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

**g. Comparatives**

Where necessary, comparative figures have been adjusted to conform to any changes in presentation in the current year.

**h. Basis for Provision**

The rationale for provision for doubtful debts is the payment pattern for debts secured by agreement with corporate clients, Tittles Deeds, Log books, Identity Cards and Commitment Letters since the financial period 2001/2002 to 2012/2013. Analysis of the same shows a negligible repayment for debts more than one year old. It is for this reason that the Hospital has made a general provision for doubtful debts of 23.52% total outstanding on debts.

**Accounting for Government Grants**

A government grant is recognized only when there is reasonable assurance that the entity will comply with any conditions attached to the grant and the grant will be received. [IAS 20.7]. The grant is recognized as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis. [IAS 20.12]

**j) Related party transactions**

In accordance with IAS 24 the following terms are used with the meanings specified

**Related party:** A party is related to an entity if:

- (i) Directly, or indirectly through one or more intermediaries, the party:
- Controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);

- Has an interest in the entity that gives it significant influence over the entity; or
- Has joint control over the entity;

(ii) The party is an associate (as defined in IAS 28 Investments in Associates) of the entity;

(iii) The party is a joint venture in which the entity is a venture (see IAS 31 Interests in Joint Ventures);

(iv) The party is a member of the key management personnel of the entity or its parent;

(v) The party is a close member of the family of any individual referred to in (a) or

(vi) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

(vii) The party is a post-employment benefit plan for the benefit of employees of the entity,

or of any entity that is a related party of the entity.

Given the definitions as provided in the standard, AMPATH does not qualify for disclosure as a related party.

K) Currency

These financial statements are presented in Kenya shillings (Kshs) and rounded off to the nearest shilling

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE  
2013

<b>Notes to the accounts</b>	<b>2013</b>	<b>2012</b>
	<b>KSHS</b>	<b>KSHS</b>
<b>2.1 Grants</b>		
Recurrent Grants	2,728,903,286	1,993,900,330
<b>Total</b>	<b>2,728,903,286</b>	<b>1,993,900,330</b>
<b>2.2 Cost Sharing</b>		
Out Patient Department	79,024,226	49,846,543
Surgical Wards	269,626,635	243,418,148
Nyayo Wards	175,492,460	104,474,637
Pharmacy	61,961,903	48,864,261
X-Ray	15,782,526	14,996,460
Dental	2,779,587	2,959,101
Cafeteria	11,861,957	10,048,442
<b>Total</b>	<b>616,529,294</b>	<b>474,607,592</b>
<b>2.3 Income Generating Unit</b>		
Mortuary Revenue	29,984,710	23,949,000
Amenity Revenue	224,476,794	213,725,000
Memorial Revenue	255,633,114	239,240,371
Training Centre	29,520,658	27,777,948
<b>Total</b>	<b>539,615,276</b>	<b>504,692,319</b>
<b>2.4 Other Income</b>		
Internet Surfing Fee	-	2,900
Training Levy	2,413,067	1,348,531
Vaccine Recovery	269,700	178,560

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE  
2013

Surcharge	305,792	506,611
Water Charges	300	43,810
Small Business Unit	366,600	-
Rental Income	5,218,125	4,397,898
Attachment Fees	1,294,360	2,547,145
Transport Services Charges	920,220	435,717
AMPATH Salary Reimbursement	55,823,196	120,363,958
Salary Recovery	1,132,860	564,856
Pledges	282,750	273,040
Administrative fees	3,103,889	2,120,462
Tender Fees	515,000	2,236,400
Library Service	-	1,315
Medical Report	11,122	-
Professional Services Centre for Assault and Recovery of Eldoret	- 177,910	92,376
Service Bond	-	620,000
Others Income	798,153	485,512
<b>Total</b>	<b>72,633,043</b>	<b>136,219,091</b>
<b>3.0 Purchases</b>		
<b>3.1 Direct costs</b>		
Drugs	204,358,389	127,780,027
Food and Ration	77,464,951	55,697,724
Fuel And Gas	11,603,202	10,038,316

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE  
2013

Lab Reagents	24,198,834	17,552,025
Dressings	111,926,551	74,199,478
Materials for Specialized Units	4,793,279	882,505
Mortuary supplies	3,012,486	1,238,970
Cafeteria Supplies	20,219,230	9,367,289
Supplies for Production	13,702,819	7,246,643
X-Ray Supplies	11,070,708	7,065,885
Oxygen	42,978,343	15,412,288
Admission Packs	6,219,000	6,301,450
<b>Total</b>	<b>531,547,792</b>	<b>332,782,600</b>
<b>Expenditures</b>		
<b>4.1 Personnel Emoluments</b>		
Basic Pay	1,287,575,243	1,065,873,160
House Allowance	365,986,996	299,809,318
Call Allowances	47,790,161	23,959,000
Risk Allowances	91,463,492	90,743,069
Private Wing Executive Committee	10,269,931	8,779,914
Private Wing Administrative Committee	462,837	-
Training Centre Allowance	6,068,885	6,036,138
Tender Committee Allowances	748,500	2,213,121
Non Practice Allowance	67,290,133	65,956,267
Extraneous Allowance	453,343,137	76,373,370
Mortuary Allowance	8,907,680	5,302,941

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE  
2013

Locum Allowance	7,594,041	3,004,545
Uniform Allowance	8,230,000	7,270,000
Outreach Allowance	-	40,918
Responsibility Allowance	2,129,843	1,994,390
Interview Allowances	166,781	-
Car Allowance	-	81,000
Entertainment Allowance	234,600	283,900
Acting Allowance	1,979,282	2,193,079
Telephone Allowance	338,600	535,764
Special Duty Allowance	678,941	450,286
Medical Board Allowances	720,000	-
Remunerative Allowance	46,164	602,200
Security Allowance	47,578	25,944
Institutional Research Executive Allowances	-	80,000
Commuter Allowances	177,028,679	111,131,979
Amenity Allowance	14,226,242	8,642,101
Memorial Allowance	11,240,034	7,228,063
Salary Refund	278,733	51,797
Salary Arrears	137,022,629	76,851,783
Deduction (Gesellschaft Grants)	-	630,000
Top up Allowances	-	140,000
Annual Leave Allowance	13,550,460	12,630,630
NSSF company	8,043,788	7,911,643
Pension Company	168,725,042	143,510,592

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE  
2013

Gratuity	7,837,831	3,636,877
Facility Allowance (Income Generating Unit)	3,871,557	<u>3,284,782</u>
<b>Total</b>	<b>2,903,897,820</b>	<b><u>2,037,258,571</u></b>
<b>4.2 Administrative Costs</b>		
Transport Operating Expenses	9,248,131	6,637,836
Patient Travelling Expenses	17,150	27,450
Fees, Commission and Honoraria	183,048	370,068
Advertising and Publicity	12,448,815	6,429,426
Staff Development	11,630,421	4,563,873
Continuous Professional Development	13,200	-
Travelling and Accommodation	22,276,862	14,323,384
External Travelling	408,823	-
Centre for Assault Recovery of Eldoret	715,121	501,487
Corporate Social Responsibility Expenses	394,695	410,150
Group Personal Accident Cover	-	2,885,908
Comprehensive Group Life Insurance Cover	5,813,309	2,568,122
Cafeteria Meals	5,774,549	4,269,150
Comprehensive Staff Medical Scheme	64,050,156	42,684,345
ISO	2,761,107	1,187,760
Group Life Insurance	11,784,216	-
Gender Mainstreaming	225,310	-
Occupational Health and Safety	2,590,290	-
Disability Mainstreaming	708,340	-
<b>Total</b>	<b>151,043,542</b>	<b><u>86,858,959</u></b>

**4.3 Operational Costs**

Maintenance of Building & Stations	20,351,136	11,504,768
Cleansing Materials	28,438,306	18,295,953
Stationery	11,960,828	8,863,685
Telephone Expenses	3,284,486	1,824,470
Electricity	35,223,486	40,554,290
Medical Records	10,251,655	7,319,074
Water and Conservancy	14,354,052	20,185,399
Computerization	9,744,289	10,388,927
Internet Expenses	982,877	-
Postal and Telegram	1,731,598	56,868
Library Services	1,114,187	3,933,730
Doctors Fees	101,029,509	56,378,319
Patient Refunds	7,052,502	8,136,845
Course Admin & Subscription Fee	4,704,316	1,164,263
Maintenance of Plant & Equipment	21,765,447	13,793,909
Rent and Rates	1,012,473	140,282
Staff Uniforms	6,343,512	387,250
Hospital Linen	17,805,758	4,249,150
Cash in Transit	980,200	769,230
Finance Cost	1,844,206	-
Bank Charges	1,590,010	5,341,849
Contracted Professional Services	10,669,742	448,108
Patients Uniforms	2,109,560	2,956,380

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE  
2013

Dental Health Education	2,800	-
Institutional Research Expenses	1,048,750	610,472
Plant and Equipment Insurance	86,200	-
Insurance Expenses	4,507,702	1,003,973
Loss on Assets Disposed	-	11,904,033
<b>Total</b>	<b>319,989,589</b>	<b>230,210,962</b>
<b>4.4 Board Expenses</b>		
Board Sitting Allowances	6,569,074	5,646,494
Honoraria	1,040,000	589,333
Board Tel Expenses	77,000	49,000
<b>Total</b>	<b>7,686,074</b>	<b>6,284,827</b>
<b>4.5 Provision For Doubtful Debts</b>		
Accumulated Provision. B/F	220,098,813	174,145,112
Accumulated Provision. C/F	261,776,061	220,098,813
<b>Increase / Decrease in Provision</b>	<b>41,677,248</b>	<b>45,953,701</b>
<b>4.6 Depreciation</b>	<b>73,608,968</b>	<b>64,661,350</b>
<b>4.7 Waivers</b>	<b>64,076,005</b>	<b>24,509,072</b>
<b>Total</b>	<b>64,076,005</b>	<b>24,509,072</b>
<b>4.8 Provision for Audit fees</b>	<b>1,320,000</b>	<b>1,000,000</b>

**5.0 CURRENT ASSETS**

**5.1 Cash and Bank Balance**

**Cash at Hand**

Main Account	2,270,788	1,519,865
Private Wing	1,211,029	1,022,688
Mortuary Account	200,800	114,200
Petty Cash	300,000	300,000
<b>Total</b>	<b>3,982,617</b>	<b>2,956,753</b>

**Cash at Bank**

Mortuary Account	8,373,378	1,033,664
Private Wing	12,368,847	19,303,133
<b>Total</b>	<b>20,742,225</b>	<b>20,336,797</b>

<b>Grand Total</b>	<b>24,724,842</b>	<b>23,293,550</b>
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**5.2 Bank Overdraft**

Main account	21,387,688	36,497,746
<b>Total</b>	<b>21,387,688</b>	<b>36,497,746</b>

**5.3 Trade and Other Receivables**

**Institutions**

NHIF	58,237,800	47,842,100
Corporate Clients	406,326,912	328,588,704
AMPATH	43,299,641	35,999,058
MOH Grant	175,503,769	
<b>Sub Totals</b>	<b>683,368,123</b>	<b>412,429,862</b>

**Individuals**

Individual Clients	388,548,854	327,215,826
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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE  
2013

Training Centre	7,132,679	8,231,820
Staff Guarantors	2,948,447	3,018,926
Salary Advance	3,420,980	2,457,467
Imprests	7,986,000	8,271,971
Hospital Wide Benevolent Fund	530,000	
Cafeteria	144,360	51,568
Mortuary	295,300	625,700
Rent	1,193,512	302,220
Prepayments	-	7,704,404
Proposed for Write off	17,756,467	17,756,467
<b>Sub Total</b>	<b>429,956,601</b>	<b>375,636,369</b>
<b>Grand Total</b>	<b>1,113,324,723</b>	<b>788,066,231</b>
Less; Accumulated Provision	261,776,061	220,098,813
<b>Trade and other payables</b>	<b>851,548,662</b>	<b>567,967,418</b>
<b>5.5 Inventories</b>		
Drugs	43,523,717	81,722,472
Dressings And Sutures	59,175,120	20,255,472
Lab Reagents And X-Ray Supplies	2,702,809	7,282,547
Food And Ration	2,146,096	9,672,356
Cleansing	16,753,512	7,479,722
Maintenance	580,315	1,678,154
Inventory	1,603,140	1,720,094
Stationery	1,125,630	5,348,201
Supplies For production	1,429,203	1,843,246
<b>Total</b>	<b>129,042,517</b>	<b>137,002,264</b>

<b>CURRENT LIABILITIES</b>		
<b>6.1 Trade and other payables</b>		
Trade and other Payables	153,237,981	122,234,005
Kenya Audit	2,320,000	1,000,000
<b>Total</b>	<b>155,557,981</b>	<b>123,234,005</b>
<b>6.2 Prepaid fees</b>	<b>515,621</b>	<b>374,562</b>
<b>6.3 Salaries and other Un Paid Deduction</b>		
PAYE	44,972,598	-
NSSF	1,359,112	-
NHIF	1,082,698	-
Saccos	13,489,415	-
Nancy Kaari Samuel	3,500	-
Lomo R.K & Company	5,000	-
Josephine Wanza	10,000	-
MTRH Pension Contribution M/s Gumbo & Associates Advocates	24,048,573 11,622	-
Moi University School Fees	10,000	-
Union Dues	923,260	-
Mades	377,950	-
Finance	44,242	-
Laboratory Staff S.H.G	118,721	-
Sub Staff	159,551	-

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE  
2013

Health Records Information System	418,821	-
Nutrition	112,631	-
Supplies	14,400	-
Radiology	58,875	-
Nurses	1,322,399	-
Occupational Therapy	136,550	-
Medical Social Work	71,580	-
ELD. Clinical	170,814	-
Central Services	89,755	-
Catering	40,900	-
Secretaries	31,704	-
Transport	47,460	-
Pharmacy	121,189	-
Dental Welfare	45,000	-
Physiotherapy Welfare	20,000	-
Sanpre Welfare	55,096	-
ICT Welfare	28,796	-
MTRH Benevolent	519,650	-
HELB Loan	500,245	-
Save as You Earn	19,000	-
Senior Principle Magistrate Kabarnet	3,000	-
RHCOE	331,859	-
Barclay Loan	3,923,834	-

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE  
2013

Administrator Civil servant	54,978	-
KCB Loan	6,426,939	-
Housing Finance	29,823	-
CFC Loan	1,354,051	-
Platinum Credit	305,710	53,384
Family Finance	1,857,064	-
NBK Loan	1,928,019	-
Equity Loan	802,711	-
STD Loan	4,964,786	-
Insurance	1,885,021	-
Hire Purchase	492,360	-
Faulu Loan	6,109,083	-
Cooperative Loan	26,377,555	-
Old Mutual	48,500	-
Self Help Group	133,700	-
Net Pay	100,243,163	-
<b>Total</b>	<b>247,713,262</b>	<b>53,384</b>
<b>7.1 Reserves</b>		
<b>Capital Reserves</b>		
Opening Balances	1,563,124,835	1,493,124,835
Capital Grants	243,000,000	70,000,000
Donations	3,247,155	-
Balance Carried Forward	<b>1,809,371,990</b>	<b>1,563,124,835</b>
<b>Revenue Reserves</b>		
Opening Balance	107,228,254	(263,079,260)
Surplus/ Deficit for the period	(145,125,885)	370,307,514
<b>Balance Carried forward</b>	<b>(37,897,631)</b>	<b>107,228,254</b>

REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE  
2013

**PROPERTY PLANT & EQUIPMENT MOVEMENT SCHEDULE  
FOR THE PERIOD ENDING 30TH JUNE 2013**

Land	Buildings	Plant, Equipments, Furniture & Fittings	Computers, Telephones & TV's	Motor Vehicles	Project Cost	TOTAL	
0.00%	2.50%	12.50%	30.00%	25.00%	0.00%		
101,577,820	874,761,045	535,826,068	66,285,927	24,488,911	6,177,825	1,609,117,596	
-	-	55,253,235	15,491,117	19,810,570	72,137,382	162,692,304	
-	-	-	-	-	-	-	
101,577,820	874,761,045	591,079,303	81,777,044	44,299,481	78,315,207	1,771,809,900	
-	171,389,031	264,032,244	52,050,120	19,396,647	-	506,868,042	
e	17,584,300	40,880,882	8,918,077	6,225,709	-	73,608,968	
-	188,973,331	304,913,126	60,968,197	25,622,356	-	580,477,010	
101,577,820	685,787,714	286,166,177	20,808,847	18,677,126	78,315,207	1,191,332,889	
d 2	101,577,820	703,372,014	271,793,824	14,235,807	5,092,264	6,177,825	1,102,249,554

included in the assets amount are assets that were taken over from the former UGMH amounting to Ksh 71,037,687.