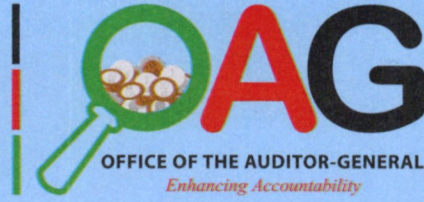


REPUBLIC OF KENYA



PARLIAMENT
OF KENYA
LIBRARY

PAPERS LAID	
DATE	27/11/25
TABLED BY	SML
COMMITTEE	—
CLERK AT THE TABLE	Ms. Nabalayo O

REPORT

OF

THE AUDITOR-GENERAL

ON

**MOSORIOT SUB-COUNTY
LEVEL 4 HOSPITAL**

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

COUNTY GOVERNMENT OF NANDI



Mosoriot Sub County
Hospital,
P.O Box 2745,
ELDORET.
Email:
mosoriotsubcountyhosp@gmail.com

MOSORIOT SUB-COUNTY Level 4 HOSPITAL **(Nandi County Government)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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



Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Table of Contents

1. Acronyms & Glossary of Terms	ii
2. Key Entity Information and Management	iii
3. The Board of Management	iv
4. Key Management Team	viii
5. Chairman’s Statement	x
6. Report of the Medical Superintendent	xi
7. Statement of Performance Against Predetermined Objectives	xiii
8. Corporate Governance Statement	xv
9. Management Discussion and Analysis	xvii
10. Environmental And Sustainability Reporting	xix
11. Report of the Board of Management	xxi
12. Statement of Board of Management’s Responsibilities	xxii
13. Report of the Independent Auditor Mosoriot Sub-County Hospital	xxiii
14. Statement of Financial Performance for The Year Ended 30 th June 2025	1
15. Statement of Financial Position As At 30 th June 2025	3
16. Statement of Changes in Net Asset for The Year Ended 30 th June 2025	5
17. Statement of Cash Flows for The Year Ended 30 th June 2025	6
18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 th Jun 2025	8
19. Notes to the Financial Statements	10
20. Appendices	55

1. Acronyms & Glossary of Terms

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
IPSAS	International Public Sector Accounting Standards.
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
SHA-	Social Health Authority
NHIF-	National Health Insurance Fund
MSCH	Mosoriot Sub-County Hospital
NCFIF	The Nandi County Facilities Improvement Fund Act 2022
PHC	Primary Health Care

2. Key Entity Information and Management

(a) Background information

Mosoriot Sub-County Hospital is a level 4 hospital established under gazette notice number 786 and is domiciled in Nandi County under the Health and Sanitation Department. The hospital is governed by a Hospital Management Board that works closely with Hospital Management Team.

(b) Principal Activities

The hospital's vision is to provide quality healthcare for every patient, every time. Aim to see healthy, satisfied patients and a thriving community. Our mission is to deliver compassionate, high-quality care that meets our patients' needs. To achieve this, we strive to offer timely, affordable, and quality healthcare services, maintain a clean, safe, and patient-friendly environment, and use resources efficiently to support continuous service improvement.

(c) Key Management

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

- County department of health
- Hospital Management Board
- Accounting Officer/ Medical Superintendent
- Hospital Management Team Management
- Sub Committees

(d) Fiduciary Management

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

No	Designation	Name
1.	Medical Superintendent	Dr. Emmanuel Kipleting
2.	Head of Finance	Stanley Rotich
3.	Head of Supply Chain	Judy Cherop
4.	Nursing Service Manager	Jackline Jepchirchir
5.	Health Administrative Officer	Obed Limo

(e) Fiduciary Oversight Arrangements

Mosoriot Sub-County Hospital operates under the leadership of the Medical Superintendent, who provides overall stewardship and strategic direction. Departmental heads, working through the Health Management Team and specialized committees, ensure effective

governance and operational oversight. The County Health Management Team provides technical supervision, while the County Department of Finance offers continuous audit support to uphold financial accountability. Overall fiduciary oversight rests with the County Assembly.

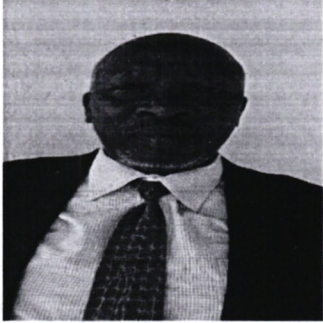


- (f) Mosoriot Sub-County Hospital,
P.O. Box 2745-30100
Eldoret
Mosoriot Eldoret Road,
Mosoriot, Kenya.
- (g) P.O. Box 2745-30100
Eldoret.
Telephone: +254782029029
E-mail: mosoriotsubcountyhosp@gmail.com
- (h) National Bank of Kenya
Po Box 33 -30300
Kapsabet Branch
Kapsabet, Kenya
- (i) **Independent Auditors**

Auditor General
Office of the Auditor General
Anniversary Towers, University 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 802-30300
Nandi County Headquarters
Kapsabet Eldoret Highway
Kapsabet, Kenya

3. The Board of Management


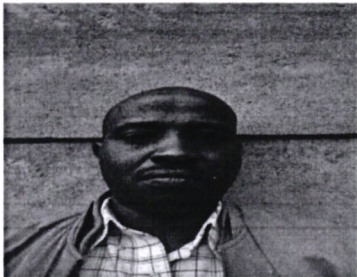

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Ref	Directors	Details
1.	<p>Cyprian Langat</p> 	<p>Mr. Langat, the esteemed Board Chairman, is a retired Public Health Officer holding a bachelor's degree in public health. At 68, he brings over 30 years of distinguished experience in hospital administration, public health policy, and strategic leadership, guiding the board with wisdom and vision</p>
2.	<p>Florence Masai</p> 	<p>Member, 55, represents the business community. With A-level education and 18 years' experience in entrepreneurship and local economic development, he contributes practical business insight and economic growth strategies to the board's work</p>
3.	<p>Peris Jeptoo Korir</p> 	<p>Peres, 65, represents community interests, especially persons with disabilities. With 35 years' experience in advocacy, social inclusion, and evangelism, she has also served on the Cheptarit Polytechnic Board, championing inclusive development and empowerment.</p>




Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

4.	<p>Eliud Kipkorir</p> 	<p>Member with a bachelor’s degree in education and over 26 years’ experience. Represents community interests, contributing valuable expertise in finance, planning, and resource mobilization as a key member of the finance subcommittee</p>
5.	<p>Abraham Tum</p> 	<p>Mr Tum is 37 years old He represents youth interests and religious teacher specifically catechist organisation in the hospital vicinity . has 8 years’ experience in youth empowerment and community health initiatives. He has A level qualification Member of the several school boards</p>
6.	<p>Robert Choge</p> 	<p>Mr. Choge, 58 years old, is an accountant with a CPA qualification and a banker. He holds a bachelor’s degree in business administration and brings over 17 years of experience in financial management. He Chairs Finance Sub Committee of the Board.</p>
7.	<p>Kipkoech Moiben</p> 	<p>Mr. Moiben, 56 years old, holds a Bachelor’s degree in Education Arts and has over 33 years of experience in the Teachers Service Commission, including roles as a manager, examiner, and unionist in educational institution management.</p>



Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

8.	<p>Emily Chepchirchir</p> 	<p>43 years old. She represents the church and clergy. Holds a bachelor’s degree in theology and has 15 years of experience in community service, faith-based health initiatives, and chaplaincy, including programs serving women. Strong advocate of accountability.</p>
9.	<p>Mr Sitienei Kimutai</p> 	<p>Ex-efficio member Holds a Bachelor’s degree in Education and has extensive experience in community engagement. Serves as the key link between the community, the hospital, and the County Executive.</p>
10.	<p>Dr Kipleting Emmanuel</p> 	<p>Medical Superintendent. Holds a Bachelor of Medicine and Surgery (MBChB) degree with over 5 years’ experience in clinical care and hospital management. Qualified Senior Manager Kenya School of Government. Provides overall technical leadership and oversees all medical operations at the hospital.</p>

4. Key Management Team

Ref	Management	Details
1.	<p>Dr Kiplating Emmanuel Medical Superintendent</p> 	<p>Medical Superintendent. Holds a Bachelor of Medicine and Surgery (MBChB) degree with over 5 years' experience in clinical care and hospital management. Qualified Senior Manager Kenya School of Government. Provides overall technical leadership and oversees all medical operations at the hospital.</p>
2.	<p>Stanley Rotich Atugah -Hospital Accountant</p> 	<p>Holds bachelor's degree in commerce finance option, a certified public accountant of Kenya (CPAK), Responsible for financial management, budgeting, and reporting, ensuring accurate accounts and compliance with financial regulations</p>
3.	<p>Judy Cherop- Supply Chain Management Officer</p> 	<p>Holds a Bachelor of Business Management – Supplies Management option. Oversees procurement, inventory management, and timely distribution of medical and non-medical supplies.</p>

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

4.	 <p>Jepchirchir Jackline- Nursing Services Manager</p>	<p>Holds a Bachelor of Science in Nursing. Responsible for nursing patient care coordination and ensuring high-quality clinical standards across all departments</p>
5.	 <p>Obed Limo Health Administrative Officer</p>	<p>Holder of a Master of Science in Global Health. Manages overall hospital operations, staff coordination, and administrative processes to ensure efficient service delivery and adherence to policies.</p>

5. Chairman’s Statement

It is my pleasure, on behalf of the Board of Management, to present the annual report and financial statements for Mosoriot Sub-County Hospital for the year under review.

The year has been one of significant milestones in our journey to deliver quality, patient-centred healthcare. Among our key successes, we proudly commissioned the hospital’s operating theatre, enabling us to expand our scope of surgical services. We recorded a notable increase in the number of clients served, embraced the Social Health Authority (SHA) model, which has led to a tremendous growth in revenue, and laid essential infrastructure for piped oxygen—further enhancing our emergency and inpatient care capacity.

While we celebrate these achievements, we continue to face notable challenges. The hospital’s asbestos roofing remains a pending safety concern, staffing levels are still below optimal in certain departments, and resource constraints limit our ability to scale services at the pace demanded by our growing community.

Looking ahead, our focus is firmly set on the future. We plan to digitize all hospital services to improve efficiency, transparency, and patient experience. In the coming year, we aim to fully operationalize the surgical theatre, expand the scope of our clinical services, and equip and open a dedicated eye department. These initiatives, alongside our ongoing commitment to prudent resource management and transparent governance, will ensure we continue to meet the health needs of our community effectively.

On behalf of the Board, I extend my sincere appreciation to our dedicated staff, supportive partners, and the community we serve. Your trust, collaboration, and commitment are the pillars on which we continue to build a healthier, more resilient Mosoriot Sub-County Hospital.

Sign.....

Mr Cyprian Langat
Chairman of the Board

6. Report of The Medical Superintendent

It is with great pride and gratitude that I present the Medical Superintendent's report for Mosoriot Sub-County Hospital for the year under review. This report provides a detailed account of our operations, achievements, challenges, and strategic direction for the coming year.

During the year, the hospital made significant progress in expanding and improving service delivery. A major highlight was the successful commissioning of our operating theatre, a long-awaited milestone that has already increased our capacity to manage surgical cases locally, reducing referrals and easing the burden on higher-level facilities. The number of clients served increased notably, reflecting both improved service efficiency and growing trust from the community. The adoption of the Social Health Authority (SHA) model has had a transformative impact on our financial performance, resulting in a tremendous increase in revenue that has allowed us to enhance service provision and address some operational needs. Another key achievement was the installation of infrastructure for piped oxygen, which has strengthened emergency preparedness and improved critical care support across departments.

Despite these gains, several challenges remain. The hospital continues to operate under the risk of asbestos roofing, which poses health and safety concerns that require urgent resolution. Staffing levels are still below optimal in key areas, placing a heavy workload on the available personnel. While SHA has significantly boosted revenue, the budgetary allocation for essential medicines is still insufficient, leading to occasional shortages that affect patient care.

Financially, the year recorded positive growth in internally generated revenue, driven by the increase in client numbers and SHA reimbursements. However, this growth alone is not enough to meet our operational and service expansion needs. To sustain and further improve service delivery, there is a pressing need for increased budgetary allocation from the County Government. Such funding would improve the availability of essential drugs, enable recruitment of additional staff, and strengthen our ability to maintain and upgrade vital equipment.

Looking ahead, our priorities include the full operationalization of the surgical theatre and expansion of surgical services, equipping and opening a dedicated eye department, and implementing a comprehensive digital hospital management system to improve efficiency, transparency, and patient experience. We also aim to strengthen community outreach programs to promote preventive healthcare and early diagnosis. Central to these efforts will be continued advocacy for increased county allocation to address drug supply and staffing needs, ensuring that

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

we remain responsive to the healthcare needs of our community and aligned with our vision of healthy, satisfied patients and a thriving community.

I wish to sincerely thank our staff for their dedication and resilience, the County Health Management Team for their guidance, and the County Department of Finance for oversight. My appreciation also goes to our partners, stakeholders, and the community we serve for their trust and support. Together, we will continue to build a stronger, more responsive, and sustainable Mosoriot Sub-County Hospital.

.....
Dr Emmanuel Kipleting
Secretary to the Board



7. Statement of Performance Against Predetermined Objectives

Mosoriot Sub-County Hospital has 6 strategic pillars/ themes/issues and objectives within the current work Plan for the FY 2024- FY 2025. These strategic issues are as follows:

1. Eliminate Communicable Conditions
2. Halt and reverse the increasing burden of non-communicable conditions
3. Reduce the burden of violence & injuries
4. Provide essential medical services
5. Minimise exposure to health risk factors
6. Strengthen collaboration with health-related sectors

The hospital develops its annual work plans based on the above pillars. The hospital achieved its performance targets set for the FY 2024 /2025 period for its strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Eliminate Communicable Conditions	Reduce and control incidence of communicable diseases	Number of reported cases; immunization coverage; TB cure rate	Expanded immunization outreach; improved disease surveillance; strengthened infection prevention measures	Achieved >95% immunization coverage; reduced TB defaulter rate by 20%
Halt and reverse the increasing burden of non-communicable conditions	Promote prevention, early detection, and management of NCDs	Number of screenings; proportion of patients on treatment; controlled blood pressure/diabetes rates	Conducted screening for hypertension and diabetes for all eligible clients ; established NCD clinic days	Screened 3,700 clients: 100% of diagnosed patients under regular follow-up
Reduce the burden of violence & injuries	Improve emergency care and injury	Number of trauma cases managed; time to emergency	Trained staff in emergency care; strengthened referral	Reduced emergency response time by 15%; managed 420

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

	prevention	response	system; community awareness campaigns	trauma cases
Provide essential medical services	Ensure accessible, quality, and timely healthcare	Outpatient and inpatient attendance; bed occupancy rate; surgical cases handled	Operationalized surgical theatre; ensured continuous drug supply; enhanced laboratory and imaging services	Increased OPD attendance by 12%; conducted 80 surgeries; improved lab turnaround time
Minimise exposure to health risk factors	Promote healthy lifestyles and safe environments	Number of health promotion sessions; community reach; risk factor prevalence	Health talks, school outreach, community sanitation campaigns	Reached 15,000 people with health promotion; improved sanitation in Primary Care Network
Strengthen collaboration with health-related sectors	Enhance multi-sectoral partnerships for better health outcomes	Number of joint initiatives; partner engagement meetings	Partnered with NGOs, schools, and local leaders on health projects	Secured partnership oxygen piping with AMREF, USAID, Open Arms and AMPATH, and Marie Stopes.

During the year under review, management pursued key strategic pillars aimed at strengthening service delivery and improving health outcomes. Under each pillar—ranging from eliminating communicable conditions to strengthening multi-sectoral collaboration—specific activities were undertaken, including expanded immunization outreach, operationalization of the surgical theatre, community health promotion, and enhanced emergency care services. These activities resulted in measurable outputs such as over 95% immunization coverage, 3,200 clients screened for non-communicable diseases, 80 surgeries performed, improved sanitation in five villages, and the establishment of partnerships for specialized services like the eye clinic.

All achievements were directly aligned with performance contract targets, ensuring that outputs contributed to the hospital’s annual service delivery commitments and reinforced accountability in line with county health priorities.

8. Corporate Governance Statement

The Board of Management of Mosoriot Sub-County Hospital is committed to maintaining high standards of corporate governance to ensure effective stewardship of hospital resources, compliance with applicable laws and regulations, and the delivery of quality healthcare to the community.

Appointment of Board Members

Board members were appointed through a transparent process that included public participation in line with the principles of inclusivity and accountability. The composition of the Board reflects the diversity of Chesumei Sub-County and Nandi County, incorporating gender balance, a range of age groups, varied religious affiliations, representation of persons living with disabilities (PLWDs), and the cosmopolitan nature of our community. This diversity enhances the Board's capacity to respond effectively to the health needs of all segments of the population.

Roles and Functions of the Board

The Hospital Management Board provides strategic leadership, policy direction, and oversight over hospital operations. Its functions include approving strategic and operational plans, reviewing and approving budgets, monitoring performance against agreed targets, ensuring compliance with applicable laws and regulations, and safeguarding the hospital's assets and reputation.

Induction, Training, and Development

Following their appointment, Board members underwent induction to familiarize themselves with the hospital's operations, governance framework, and their statutory responsibilities. This process enhanced members' understanding of the hospital's mandate and strategic priorities, ensuring they are well-equipped to discharge their roles effectively.

Board and Members' Performance

During the year under review, the Board held quarterly meetings to deliberate on finance, and operational matters. While the main Board meetings were well-attended, sub-committees convened less frequently, and efforts are underway to strengthen the functionality of these committees to ensure more focused oversight in specialized areas.

Board Meetings and Attendance

A total of four (4) Board meetings were held during the year under review. Attendance by members was consistent, reflecting a high level of commitment to the hospital's governance responsibilities.

Succession Planning

In accordance with governance best practice, the County has put in place a succession plan to ensure continuity of leadership. Upon the expiry of the current Board's tenure, positions will be filled through public participation to uphold transparency, inclusivity, and merit-based selection.

Policy on Conflict of Interest

The hospital maintains a strict conflict of interest policy consistent with the laws in force. Board members are required to declare any actual, potential, or perceived conflicts before deliberations, and to recuse themselves from discussions where such conflicts arise. No conflict interest occurred.

Board Remuneration

Remuneration and allowances for Board members are paid strictly in accordance with the rates approved by the Salaries and Remuneration Commission (SRC). This ensures compliance with public sector compensation policies and the prudent use of resources.

Ethics and Conduct

All Board members are bound by a Code of Conduct which promotes integrity, professionalism, transparency, and accountability in all dealings. Members are expected to uphold the highest ethical

standards, both within and outside their official duties, in order to protect and enhance the hospital's reputation.

Governance Audit

The hospital is committed to cooperate governance audits in accordance with applicable regulations to evaluate the Board's effectiveness, compliance, and adherence to best practices. This process provides a basis for continuous improvement in governance systems and processes.

Communication Policy

The hospital's communication policy is aligned with government policy, ensuring that all communication is accurate, timely, clear, and consistent. Communication through Memos and official platforms are utilised

Terms of Reference of Committees

The roles, responsibilities, and authority of each committee of the Board are clearly set out in terms of reference established under the Nandi County Facility Improvement Fund (FIF) Act and its accompanying regulations. These provide the framework within which committees operate to support the Board's oversight mandate.

Policy on Related Party Transactions

All hospital related transactions are conducted in a manner that is transparent, fair, and in the best interest of the hospital. All such transactions are disclosed in accordance with the relevant laws and accounting standards.

Conclusion

The Board of Management remains committed to continuous improvement in corporate governance to ensure that Mosoriot Sub-County Hospital remains a trusted, efficient, and responsive institution. Through adherence to governance principles, the Board seeks to ensure that the hospital delivers on its mandate while maintaining the confidence of the community, partners, and other stakeholders.

9. Management Discussion and Analysis

During the reporting period, the hospital continued to strengthen its operational and financial performance while implementing key projects to enhance service delivery. Notably, the hospital commissioned a fully functional operating theatre and deployed two(2) medical officers, three(3) anaesthetists, and three(3) theatre nurses to support surgical services. In addition, oxygen piping was successfully installed to improve critical care readiness.

In line with the government's roll-out of the Social Health Authority (SHA), the hospital embraced the initiative by investing in the necessary infrastructure, including procurement of computers and installation of high-speed internet to support digital health services. Furthermore, with the enactment of the Data Protection Act, the hospital initiated the process of registering as a data handler and processor, underscoring our commitment to compliance and safeguarding patient data.

On the financial front, the hospital recorded steady revenue growth, driven largely by expansion of clinical services and improved efficiency in billing and collections. These gains have supported our journey towards digitization, with phased adoption of electronic medical records and integration of financial systems, which are expected to enhance accountability, reduce leakages, and improve patient experience.

Clinical/operational performance

The hospital has a bed capacity of 50 and recorded a total patient attendance of 47,481 during the year, comprising 339 inpatients and 47,142 outpatients. Accident and Emergency services accounted for 13% of all patient visits, while 180 patients were seen in specialized clinics. The average length of stay for inpatients was three days, with a bed occupancy rate of 94%. The mortality rate stood at 8.5%. In the surgical theatre, a total of 93 operations were performed during the reporting period.

Financial performance that includes: -

Our main sources of revenue include in-patient services, maternity, laboratory, radiology, rehabilitation, theatre, dental, registration, mental health, pharmacy, medical records, attachment fees, and rental income.

Funds are utilized in line with the Nandi County Facilities Improvement Fund (FIF) Act 2022, which allows us to spend 70% of the revenue collected. The major expenditure items include pharmaceuticals, non-pharmaceuticals, laboratory reagents, general expenses, food and rations, and staff support expenses.

Our revenue is drawn from two main sources: cash collections and NHIF/SHA claims and capitation. Since the introduction of the Social Health Authority (SHA), our revenue has increased significantly. This growth is attributed to the fact that, under NHIF, our contract was classified at Level 2, whereas under SHA we are currently contracted as a Level 4 hospital.

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

For the financial period ending 30th June 2025, our collections were as follows:

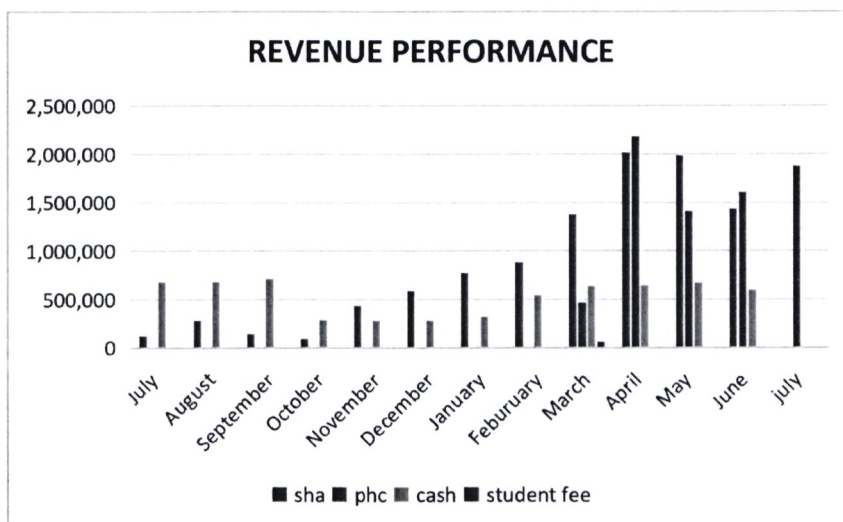
- Cash collections: Ksh. 7,360,260
- NHIF claims (July–September): Ksh. 553,450
- SHA claims (in-patient and maternity): Ksh. 11,708,786
- SHA capitation: Ksh. 5,667,856.50

This brought the total revenue for the year to Ksh. 24,736,903 out of which we still owe SHA Ksh. 4,981,446 and Ksh 553,450 for the defunct NHIF

In the absence of a hospital-specific policy on asset management, the organization adopted the National Asset and Liability Management Policy. Depreciation of all fixed assets is calculated on a reducing balance basis, with the following rates applied:

- Buildings and civil works – 40 years (2.5%)
- Plant and equipment – 12.5%
- Office equipment – 12.5%
- Furniture and fittings – 12.5%
- Motor vehicles – 25%
- Computer and related equipment – 33.3%

A full year’s depreciation is charged in the year of acquisition, while no depreciation was charged in the year of disposal.



Despite these achievements, the hospital continued to face significant challenges, particularly shortages in human resources, which remain a major constraint to service delivery. Nevertheless, management remains

committed to leveraging available resources, complying with statutory requirements, and addressing risks proactively to ensure sustained performance and improved health outcomes.

10. Environmental And Sustainability Reporting Sustainability Strategy and Profile

The hospital aligns its sustainability priorities with the Sustainable Development Goals (SDGs), focusing on quality healthcare, environmental stewardship, and social inclusion. Key macroeconomic factors such as climate change and evolving health needs influence policy and operational priorities. Guided by our sustainability policy framework, we ensure equitable service delivery and responsible resource use. During the reporting period, 40% of contracts were awarded to special groups (youth, women, and PWDs) through open tendering, in line with our service delivery charter and procurement guidelines.

Environmental Performance

We implement an environmental policy that promotes effective waste management, biodiversity conservation, and reduced ecological footprint. Waste segregation is carried out using standard colour-coded bins, with safe disposal through an incinerator and microwave system. We have reduced plastic usage, promoted paperless systems, and maintained vehicles to lower emissions. Climate-smart initiatives include energy-efficient lighting, natural ventilation, and water conservation practices.

Employee Welfare

Our hiring policy promotes diversity, gender balance, youth engagement, and inclusion of PWDs. Career growth is supported through continuous training, fair appraisals, and reward systems. We fully comply with the Occupational Safety and Health Act (2007), maintaining a safe workplace and minimising work-related injuries.

Marketplace Practices

- a) Responsible Competition – We uphold fair competition through open tendering, anti-corruption measures, and transparent service processes.

- b) Responsible Supply Chain – Procurement is competitive and transparent, contracts honoured promptly, and payments made quarterly with continuous engagement with suppliers.

c) Responsible Marketing & Engagement – Open communication ensures accurate, respectful, and inclusive outreach, empowering citizens to make informed decisions.

d) Product Stewardship & Awareness Creation – We safeguard consumer and citizen rights through adequate service information, suggestion boxes, data protection protocols, and secure password systems.

i) Corporate Social Responsibility / Community Engagements

In line with our core mandate of providing quality healthcare, the hospital prioritised CSR activities that directly promote community health and well-being. Guided by the Hospital Management Board—serving as a vital link between the community, the hospital, and the County Executive—our initiatives were designed to address local health needs while fostering strong stakeholder relationships.

During the reporting period, the hospital undertook the following CSR activities:

Free Community Screening:

Conducted non-communicable disease (NCD) screening for hypertension, diabetes, and cancer, benefiting over the residents.

Oral Health Campaigns:

Organised free dental check-ups and oral hygiene education sessions in partnership with local schools and community groups.

Public Health Sensitisation:

Carried out awareness drives on preventive health, healthy lifestyles, and early disease detection during market days and community gatherings.

Community Engagement Forums:

Participated in public participation meetings and budget-making processes to align hospital priorities with community needs.

These initiatives improved access to preventive health services, enhanced early detection of chronic conditions, and increased community awareness of healthy living. The hospital's CSR approach not only strengthened public trust but also reinforced our performance contract targets on community outreach and preventive care.

11. Report of The Board of Management

The board members submit their report together with the audited financial statements for the year that ended June 30, 2025, which show the state of the hospital's affairs.

Principal activities

The entity's core mandate remains the provision of compassionate, high-quality healthcare tailored to meet the needs of our patients. We are committed to delivering timely, affordable, and accessible services while upholding the highest standards of clinical excellence. This is achieved by maintaining a clean, safe, and patient-centred environment, fostering efficiency in resource utilisation, and driving continuous improvement in service delivery.

Results

The results of the entity for the year ended June 30th, 2025, are set out on pages 1 to 9

Board of Management

The members of the Board who served during the year are shown on pages v, vi, and vii.

Auditors

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

By Order of the Board


.....


Name Dr Emmanuel Kipleting
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 MSCH, which give a true and fair view of the state of affairs of the MSCH at the end of the financial year/period and the operating results of the MSCH for that year/period. The Board of Management is also required to ensure that the hospital maintains proper accounting records, which disclose the entity's financial position with reasonable accuracy. The management team is also responsible for safeguarding the assets of the hospital.

The Board of Management is responsible for the preparation and presentation of the MSCH financial statements, which give a true and fair view of the state of affairs of the MSCH for and as at the end of the financial year 2024/2025 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 hospital, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the MSCH; (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 MSCH's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members believe that the hospital’s financial statements give a true and fair view of the state of MSCH transactions during the financial year ended June 30, 2025, and of the hospital's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the MSCH, which have been relied upon in the preparation of the MSCH financial statements, as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the board has assessed the hospital’s ability to continue as a going concern

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

Approval of the financial statements

The Hospital’s financial statements were approved by the Board on 04/07/2025 and signed on its behalf by:

.....
Name: Cyprian Langat
Chairperson
Board of Management

.....
Name: Dr Emmanuel Kipleting
Accounting Officer



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 MOSORIOT SUB-COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF NANDI

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 Mosoriot Sub-County Level 4 Hospital – County Government of Nandi set out on pages 1 to 55, which comprise of the

Report of the Auditor-General on Mosoriot Sub-County Level 4 Hospital for the year ended 30 June, 2025 - County Government of Nandi

statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net asset, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mosoriot Sub-County Level 4 Hospital – County Government of Nandi 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

1. Undisclosed Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment of Kshs.604,469 as disclosed in Note 35 to the financial statements. However, review of the Hospital's records provided revealed that the Hospital owns several other assets including land, buildings, plant and medical equipment, motor vehicles of unknown value, software and capital work in progress. However, these assets were not incorporated in the property, plant and equipment balance of Kshs.604,469. Further, no assets register, depreciation rates and net book values were provided for review. In addition, there was no valuation report and ownership documents for the land.

In the circumstances, the accuracy and completeness and ownership of the fixed assets balance of Kshs.604,469 could not be confirmed.

2. Inventories

Statement of financial position reflects inventories of Kshs.1,217,347 as disclosed at Note 34 to the financial statements however, detailed stock take records were not provided for review. In addition, management did not confirm whether a stock take was carried out at the close of the financial year.

In the circumstances, inventories balance of Kshs.1,217,347 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.33,099,055 and Kshs.27,900,019 respectively resulting to an over-funding of Kshs.5,199,036 or 22% of the budget. Similarly, the Hospital incurred an expenditure of Kshs.21,666,992 against actual receipts of Kshs.27,900,019 resulting to an under-absorption of Kshs.6,233,027 or 33% of the actual receipts.

The under-funding and under-absorption affected the planned activities and may have impacted negatively on service delivery to the residents.

My opinion is not modified in respect of this matter.

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

The Management is responsible for the Other Information set out on pages (iii) to (xxii) which comprise of Key Entity Information and Management, The Board of Management, Key Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and Statement of Board of Management's 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. Non-Compliance with Kenya Quality Model for Health Policy Guidelines

Review of the Hospital's records and interviews during verification of services offered revealed that equipment used and medical specialists in the Hospital at the time of audit did not meet the requirements of Kenya Quality Model for Health Policy Guidelines. The guidelines requires the Hospital to have three hundred and twenty-three (323) staff as authorized in the establishment, however, the hospital staff were forty seven (47) resulting to a variance of two hundred and seventy-six (276) or 85% as summarized in the table below;

Staff Requirements	Level 4 Standard	Number in Hospital	Variance	Percentage (%)
Medical officers	50	2	48	96%
Anesthesiologists	7	2	5	71%
General Surgeons	4	0	4	100%
Gynecologists	4	0	4	100%
Pediatrics	4	2	2	50%
Radiologists	4	3	1	25%
Kenya Registered Community Health Nurses	250	38	212	85%
Total	323	47	276	85%

In addition, the hospital lacked the necessary equipment and machines outlined in the Health Policy Guidelines as summarized in the table below;

Service	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage (%)
Beds	500	46	454	91%
Resuscitative (2 in labor and 1 in theatre)	3	2	1	33%
New born unit incubators	10	8	2	20%
New born unit cots	10	2	8	80%
Functional ICU beds	12	2	10	83%
High Dependency Unit (HDU) Beds	12	0	12	100%
Renal Unit with at least 5 dialysis machines	5	0	5	100%
Two Functional Operational Theatres - Maternity and General	2	1	2	100%
Total	552	61	491	88%

These deficiencies contravene the First Schedule of Health Act, 2017 and imply that accessing the highest attainable standard of health, which includes the right to health care services, including reproductive health care as required by Article 43(1) of the Constitution of Kenya, 2010 may not be achieved.

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

2. Non-Compliance With Persons with Disabilities Act, 2017

Review of the Hospital records revealed that there was a total of one hundred and thirteen (113) employees out of which, four (4) persons or 3% of all employees, were categorized as physically or visually disabled. This was contrary to Section 13 of the Persons with Disabilities Act, 2017 which states that the Council shall endeavor to secure the reservation of five (5) per cent of all casual, emergency and contractual positions in employment in the public and private sectors for persons with disabilities. Further, Management has not put in place proper infrastructure for persons with disabilities who might be patients or staff within the Hospital.

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

3. Non-Compliance with the National Cohesion and Integration Act, 2008

Review of the payroll and human resource records of the Hospital revealed that there was a total of one hundred and thirteen (113) employees out of which one hundred and seven (107) or approximately 95% of all the employees of the Hospital were from the dominant ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 that requires all public establishments to seek to represent the diversity of the people of Kenya in employment of staff and that no public establishment shall have more than one third of its establishment from the same ethnic community.

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

4. Non-Compliance with 30% Procurement Reservation

Review of the procurement planning and processes of the Hospital revealed that it did not reserve thirty percent (30%) of its procurement opportunities for youth, women, and persons with disabilities. This was contrary to Section 157(10) of the Public Procurement and Asset Disposal Act, 2015, which requires every procuring entity to allocate at least thirty percent of its annual procurement value to these groups. The non-compliance further undermined inclusivity as provided under Article 27(6) of the Constitution on equality and non-discrimination, and contravened Article 227(1), which requires that public procurement be conducted in a fair, equitable, transparent, competitive, and cost-effective manner.

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

5. Non-Publication of Beneficial Ownership Information on Public Procurement Information Portal (PPIP)

Review of the Hospital's procurement records revealed that the procurement plan for the year under review was neither published nor publicized in the Public Procurement Information Portal (PPIP), contrary to Section 53(12) of the Public Procurement and Asset Disposal Act, 2015, which requires accounting officers to publish approved procurement plans on their websites as an invitation to treat. In addition, no procurement information was publicized in the Public Procurement Information Portal contrary to the Public Procurement Regulatory Authority Circular No. 04/2022, which requires procuring entities to continuously submit procurement reports to the Authority and publicize the information through their websites and notice boards to ensure accessibility by stakeholders.

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

6. Lack of Hospital's Commitment to Climate Change Agreements

Review of the Hospital's records and physical verification of its infrastructure revealed that the Hospital did not have a policy on climate change adaptation, had not undertaken an environmental social impact assessment and had not conducted environmental audits contrary to the requirements of the Environmental Management and Coordination Act (EMCA) CAP 387.

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

7. Delay in Gazettement of Upgrade to Level 4 Hospital

Review of the Hospital's records revealed an inconsistency in its categorization. The Hospital was licensed on 19 December, 2024 to operate as a Public Level 4 Medical Institution under Rule 5 of the Medical Practitioners and Dentists (Medical Institutions) Rules. However, Gazette Notice No.786 of 4 February, 2020 had categorized the Hospital as a Level 3A facility.

In the circumstances, the inconsistency in the Hospital's licensing and gazettelement categorization creates regulatory ambiguity, which may affect service delivery, compliance, and resource allocation.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Board of Management Sub-Committees

Review of board minutes revealed that the Board of Management had established board sub-committees. However, there was no evidence to show that the sub-committees of the Board were functional to facilitate proper management of the Hospital in accordance with Section 22 (1)(2)(3) of the Nandi County Facilities Improvement Fund Act, 2022 which requires that for the effective discharge of their functions, Hospital management boards may establish committees including the executive committee, the finance and general-purpose committee, the quality of facilities improvement committee, the commodity quality assurance committee and the special and ad hoc committee.

In the circumstances, the absence of functional Board sub-committees may hinder the Board from effectively discharging its functions.

2. Lack of an Effective Internal Audit Department

Review of the operations of the Hospital revealed that it did not have its own internal audit staff but instead relied on the internal auditors from the County Government of Nandi. However, there was no evidence that the operations of the Hospital were subjected to internal audit by the County Government's internal audit unit. This was contrary to Section 155(1)(a) of the Public Finance Management Act, 2012 which requires county government entities to put in place appropriate arrangements for conducting internal audit and Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires Accounting Officers to ensure that each county

government entity develops risk management strategies, including fraud prevention mechanisms, and establishes internal control systems that support robust business operations.

In the circumstances, the effectiveness of the internal control systems and risk management strategies of the Hospital could not be confirmed.

3. Lack of a Risk Management Policy

Review of the Hospital's records revealed that the Management had not developed a risk management policy. Further, no risk assessment was carried out during the year under review, contrary to Regulation 158(1) of the Public Finance Management (County Government) Regulations, 2015 which requires the accounting officers of county government entities to develop risk management strategies, which include fraud prevention mechanism and systems of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness of risk management system in the Hospital could not be confirmed.

4. Asbestos Roofing

Inspection of the Hospital's buildings revealed that majority of them were roofed with asbestos, which poses a serious and ongoing health hazard. Asbestos is classified as a high-risk material under the Environmental Management and Coordination Act (EMCA), CAP 387, and is listed as a restricted chemical under paragraph 1, Part I of the Sixth Schedule to the Environmental Management and Coordination (Management of Toxic and Hazardous Chemicals and Materials) Regulations, 2024. Further, Management is in contravention of guidelines published in Folio 3031 of the Kenya Gazette Vol. CXXVII—No. 119 of 5th June 2025, which require the safe removal and disposal of asbestos roofing materials in accordance with the Environmental Management and Coordination Act (EMCA), CAP 387.

In the circumstances, the continued use of asbestos roofing exposes staff, patients, and the public to serious health and environmental risks and the Hospital is also in breach of the law.

5. Inaccuracies in Financial Statements

- i. Page V of the financial statements relates to board of management. However, this page V does not have the header indicating "The Board of Management."
- ii. Page 6 and 7 to the financial statements were not printed on these pages.

In the circumstances, there was no compliance to the Public Sector Standard Board template format.

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

17 November, 2025

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025


14. Statement of financial performance for the year ended 30th June 2025


Description	Note	FY 2024	FY
		2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6		-
In-kind contributions from the County Government	7	107,441,368	-
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Transfer from non-exchange transaction FIF	10	2,932,152	
Public contributions and donations	11	-	-
Transfer from FIF	12	5,430,000	
		115,803,520	-
Revenue from exchange transactions			
Rendering of services- Medical Service Income	13	24,736,903	-
Revenue from rent of facilities	14	-	-
Finance /Interest Income	15	-	-
Miscellaneous Income	16	-	-
Revenue from exchange transactions		24,736,903	-
Total revenue		140,540,423	-
Expenses			
Medical/Clinical costs	17	13,107,364	-
Employee costs	18	105,707,936	-
Board of Management Expenses	19	185,500	-
Depreciation and amortization expense	20	173,832	-
Repairs and maintenance	21	1,572,900	-
Transfers to FIF	22	12,967,690	-
Grants and Subsidies	23	-	-
General expenses	24	1,659,282	-
Finance costs	25	-	-
Total expenses		135,374,504	-
Other gains/ (losses)			
Gain/Loss on disposal of non-current assets	26	-	-
Unrealized gain on fair value of investments	27	-	-
Medical Services Contracts Gains/Losses	28	-	-
Impairment loss	29	-	-
Gain on foreign exchange transactions		-	-
Total other gains/(losses)		-	-
Net Surplus / (Deficit) for the year		5,165,919	-


Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

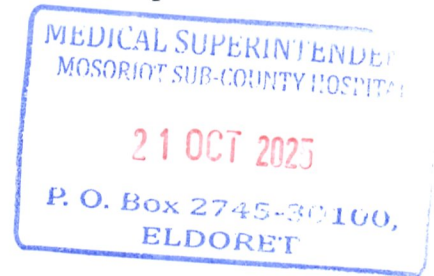
(The notes set out on pages 10 to 54 form an integral part of this Annual Financial Statement.)

The Hospital's financial statements were approved by the Board on 04/07/2025 and signed on its behalf by:


.....
Cyprian Langat
Chairman
Board of Management


.....
Stanley Atugah Rotich
Head of Finance
ICPAK No: 21632


.....
Dr. Emmanuel Kipleting
Medical Superintendent



Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

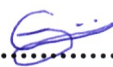
Description	Note	FY	FY
		2024/2025	2023/2024
		KSh	KSh
Assets			
Current assets			
Cash and cash equivalents	30	6,234,317	-
Prepayments	31		
Receivables from exchange transactions	32	5,534,896	-
Receivables from non-exchange transactions	33		-
Inventories	34	1,217,347	-
Total Current Assets		12,986,560	-
Non-current assets			
Property, plant, and equipment	35	604,469	-
Intangible assets	36	-	-
Investment property	37	-	-
Biological Assets	38	-	-
Total Non-current Assets		604,469	-
Total assets (A)		13,591,029	-
Liabilities			
Current liabilities			
Trade and other payables	39	8,425,109	-
Refundable deposits from Patients/Prepayments	40	-	-
Provisions	41	-	-
Finance lease obligation	42	-	-
Current portion of deferred income	43	-	-
Current portion of borrowings	44	-	-
Total Current Liabilities		8,425,109	-
Non-current liabilities			
Provisions	41	-	-
Non-Current Finance lease obligation	42	-	-
Non-Current portion of deferred income	43	-	-
Non - Current portion of borrowings	44	-	-
Service concession Arrangements	45	-	-
Total non-current liabilities		-	-

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025


Total Liabilities (B)		8,425,109	-
Net assets (A-B)		5,165,920	-
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		5,165,919	-
Capital Fund			-
Net Assets		5,165,919	-

(The notes on pages 10 to 54 form an integral part of the Annual Financial Statements.)

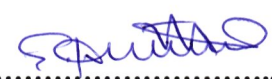
The Hospital's financial statements were approved by the Board on 4/07/2025 and signed on its behalf by:



Cyprian Langat
Chairman
Board of Management



Stanley Atugah Rotich
Head of Finance
ICPAK No: 21632



Dr. Emmanuel Kipleting
Medical Superintendent

MEDICAL SUPERINTENDENT
 MOSORIOT SUB-COUNTY HOSPITAL
 21 OCT 2025
 P. O. Box 2745-30100,
 ELDORET

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023(previous year)	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Capital/Development grants	-	-	-	-
As at June 30, 2024 (previous year)	-	-	-	-
At July 1, 2024 (current year)	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	5,165,919	-	5,165,919
Capital/Development grants	-	-	-	-
At June 30, 2025 (current year)	-	5,165,919	-	5,165,919

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	-	-
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
transfer from non-exchange transaction FIF	10	2,932,152	
Public contributions and donations	11	-	-
Transfer from FIF	12	5,430,000	
Rendering of services- Medical Service Income	13	19,537,867	-
Revenue from rent of facilities	14	-	-
Finance / interest income	15	-	-
Miscellaneous receipts(<i>specify</i>)	16	-	-
Total Receipts		27,900,019	-
Payments			
Medical/Clinical costs	17	5,500,570	-
Employee costs	18	917,000	-
Board of Management Expenses	19	185,500	-
Repairs and maintenance	21	786,400	-
Grants and subsidies		-	-
General expenses	24	920,832	-
Finance costs		-	-
Transfer to FIF	22	12,967,690	
Refunds paid out		-	-
Total Payments		21,277,992	-
Net cash flows from operating activities	46	6,622,027	-
Cash flows from investing activities			
Purchase of property, plant, equipment	35	(389,000)	-
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
Net cash flows used in investing activities		(389,000)	-

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-
Net cash flows used in financing activities		-	-
Net increase/decrease in cash and cash equivalents		6,233,027	-
Cash and cash equivalents as at 1 st July 2024	30	1,290	-
Cash and cash equivalents as at 30th June 2025	30	6,234,317	-

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Percentage of actual
	a	b	c=(a+b)	d	e=(c-d)	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-	-	-	-	-	%
Receipts						
Transfers from the County Government	-	-	-	-	-	%
Grants from donors and development partners	-	-	-	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
transfer from non-exchange transaction FIF	0	0	2,932,152	2,932,152		
Transfer from FIF			5,430,000	5,430,000	-	
Public contributions and donations	-	-	-	-		%
Rendering of services- Medical Service Income	15,012,072	7,487,738	24,736,903	19,537,867	5,199,036	79
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Miscellaneous receipts (<i>specify</i>)	-	-	-	-	-	%
Total receipts	15,012,072	7,487,738	33,099,055	27,900,019	5,199,036	84
Payments						
Medical/Clinical costs	7,996,850	1,004,859	9,001,709	5,650,570	3,351,139	63
Employee costs	284,000	633,000	917,000	917,000	0	100
Remuneration of directors	176,000	66,500	185,500	185,500	0	100
Repairs and maintenance	889,600	946,400	1,572,900	925,400	647,500	59
Transfer to FIF	4,503,622	625,642	12,967,690	12,967,690	0	100

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

General expenses	1,162,000	768,557	1,659,282	1,020,832	497,282	62
Finance costs	-	-	-	-	-	%
Refunds	-	-	-	-	-	%
Total Operational Expenditure paid	15,012,072	-	26,304,081	21,666,992	4,637,089	82
Capital Expenditure paid	-	-	-	-	-	%
Surplus	-	-	6,794,974	6,233,027	561,947	92

:
Budget Reconciliation

Description of Particulars		
	Actual Surplus Amounts as per the statement of Budget	6,233,027
1	Opening balance	1,290
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	6,234,317

19. Notes to the Financial Statements

1. General Information

The Mosoriot Sub-County Hospital is established by and derives its authority and accountability from the Nandi County Facilities Improvement Fund Act 2022 and the Public Finance Management (PFM) Act, 2012. The entity is wholly owned by the County Government of Nandi and is domiciled in Nandi County, Kenya. The hospital's principal activity is the provision of accessible, affordable, and quality healthcare services to the community in line with national and county health policies

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the hospital's accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the hospital. The financial statements have been prepared in accordance with the PFM Act, 2012, 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

When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025

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

Standard	Effective date and impact
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>Not Applicable</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>NOT APPLICABLE</i></p>
IPSAS 45-	<p><i>Applicable 1st January 2025</i></p>

Property Plant and Equipment	<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 recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>NOT APPLICABLE</p>
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Not applicable</p>
IPSAS 47- Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and</p>

Standard	Effective Date
	cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and 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> <p><i>Not applicable</i></p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>Not applicable</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>Not relevant</i></p>

iii) Early adoption of standard. The Entity did not early-adopt any new or amended standards in the financial year

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to MSCH 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.

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2024-2025 was approved by the Board on 4th July 2024. Subsequent revisions or additional appropriations were made to the approved budget by 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, MSCH recorded additional appropriations of Kshs 7,208,737.90 on a quarterly basis the FY 2024-2025 budget following the Board's approval. The MSCH 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 the 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 use change.

e. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Biological Assets

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

i. Research and development costs

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

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

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

j. Financial instruments

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

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 recorded no loss.

Financial liabilities

Classification

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

k. Inventories

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

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

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

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

l. Provisions

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

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

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

Notes to the Financial Statements (Continued)

m. Social Benefits

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

n. Contingent liabilities

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

o. Contingent assets

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

p. Nature and purpose of reserves

MSCH does not maintain reserves in terms of any specific requirements.

q. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

r. Employee benefits

Retirement benefit plans

The MSCH mandate is limited to the provision of medical services. Employee benefits are handled by the County Human Resources headquarters.

s. Foreign currency transactions

The Hospital does not undertake any foreign currency transactions. All receipts, payments, assets, and liabilities are denominated and settled in Kenya Shillings.

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. This does not apply to MSCH.

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 not considered . Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	FY	FY
	2024/2025	2023/2024
	KShs	KShs
Unconditional grants		
Operational grant	-	-
Level 4/5 grants	-	-
Unconditional development grants	-	-
Other grants (<i>specify</i>)	-	-
Conditional grants		
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Total government grants and subsidies	-	-

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. KShs	Total grant income during the year	Comparative Period
				KShs	KShs
Nandi County Government	-	-	-	-	-
Total	-	-	-	-	-

Notes to Financial Statements Continued

7. In-Kind Contributions from The County Government

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Salaries and wages	104,790,936	-
Medical supplies-Drawings Rights (KEMSA)	2,650,432	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	-
Utility bills	-	-
Total grants in kind	107,441,368	-

8. Grants From Donors and Development Partners

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

The hospital did not receive any grants

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

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

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from xxx National Hospital	-	-
Transfer from xxx Institute	-	-
Total Transfers	-	-

10. Transfers From Non-exchange transaction facilities improvement fund

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Transfer from FIF non-exchange transaction	2,932,152	-
	-	-
	-	-
Total Transfers	2,932,152	-

11. Public Contributions and Donations

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

There were no donations and sponsorships

11 (a) Reconciliations of amortised grants

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

Notes to Financial Statements Continued

12. Transfer from facilities improvement fund

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Receipts from FIF	5,430,000	-
	-	-
Totals	5,430,000	-

13. Rendering of Services-Medical Service Income

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Pharmaceuticals	7,360,260	-
Non-Pharmaceuticals	-	-
Laboratory	-	-
Radiology	-	-
Orthopedic and Trauma Technology	-	-
Theatre	-	-
Accident and Emergency Service	-	-
Anesthesia Service	-	-
Ear Nose and Throat service	-	-
Nutrition service	-	-
Cancer centre service	-	-
Dental services	-	-
Reproductive health	-	-
Paediatrics services	-	-
Farewell home services	-	-
PHC fund SHA	5,667,857	-
maternity/in-patient SHA/NHIF	11,708,786	-
Total revenue from the rendering of services	24,736,903	-

The system utilised could not offer more description into each revenue stream

Notes to the Financial Statements (Continued)

14. Revenue From Rent of Facilities

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

15. Finance /Interest Income

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

No income from interest

16. Miscellaneous Income

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Sale of goods (water, publications, containers etc)	-	-
Write backs (Deposits, payments in advance etc)	-	-
Bad debts recovered	-	-
<i>Others (Specify)</i>	-	-
Total Miscellaneous income	-	-

Notes to the Financial Statements (Continued)

17. Medical/ Clinical Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Dental costs/ materials	716,604	-
Laboratory chemicals and reagents	1,784,794	-
Public health activities	-	-
Food and Ration	1,808,143	-
Uniform, clothing, and linen	527,640	-
Dressing and non-pharmaceuticals	1,983,382	-
Pharmaceutical supplies	5,153,252	-
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	712,749	-
Purchase of Medical gases	-	-
X-Ray/Radiology supplies	149,500	-
Other medical related clinical costs	271,300	-
Total medical/ clinical costs	13,107,364	-

18. Employee Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	917,000	-
Contributions to pension schemes	-	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs (<i>donations</i>)	104,790,936	-
Employee costs	105,707,936	-

Notes to the Financial Statements (Continued)

19. Board of Management Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	185,500	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	185,500	-

20. Depreciation and Amortization Expense

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Property, plant and equipment	173,832	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	173,832	-

21. Repairs And Maintenance

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property- Buildings	920,400	-
Medical equipment	-	-
Office equipment	-	-
Furniture and fittings	-	-
Computers and accessories	652,500	-
Motor vehicle expenses	-	-
Maintenance of civil works	-	-
Total repairs and maintenance	1,572,900	-

Notes to the Financial Statements (Continued)

22. Transfers to facilities improvement fund

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Transfer to FIF	12,967,690	-
Total	12,967,690	-

23.Grants And Subsidies

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Community development and social work	-	-
Education initiatives and programs	-	-
Free/ subsidised medical camp	-	-
Disability programs	-	-
Free cancer screening	-	-
Social benefit expenses	-	-
Other grants and subsidies(<i>specify</i>)	-	-
Total grants and subsidies	-	-

24.General Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Advertising and publicity expenses	52,000	-
Catering expenses	53,800	-
Waste management expenses	-	-
Insecticides and rodenticides	10,000	-
Audit fees	-	-
Bank charges	7,742	-
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	-	-
Electricity expenses	-	-
Fuel and Lubricants/ firwood	301,000	-
Insurance	-	-

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Research and development expenses	-	-
Travel and accommodation allowance	151,300	-
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-
Printing and stationery	760,240	-
Refund	32,000	-
Rent expenses	-	-
Water and sewerage costs	-	-
Skills development levies	-	-
Telephone and mobile phone services	122,000	-
Internet expenses	100,000	-
Staff training and development	69,200	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
Total General Expenses	1,659,282	-

25.Finance Costs

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

26. Gain/Loss on Disposal of Non-Current Assets

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

27. Unrealized Gain on Fair Value Investments

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Investments at fair value	-	-
Total gain	-	-

Notes to the Financial Statements (Continued)

28. Medical Services Contracts Gains /Losses

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

29. Impairment Loss

Description	FY 2024/2025 KShs	FY 2023/2024 KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Investments	-	-
Total impairment loss	-	-

30. Cash And Cash Equivalents

Description	Account number	FY 2024/2025 KShs	FY 2023/2024 KShs
a) Current account			
National bank	01071255221700	6,234,317	-
National Bank	7718395707	-	-
National bank	7700601429	-	-
Sub- total		6,234,317	-
b) On - call deposits			
Kenya Commercial bank	-	-	-
Equity Bank – etc	-	-	-
Sub- total	-	-	-
c) Fixed deposits account			
Bank Name	--	-	-
Sub- total	-	-	-
d) Others(specify)			
cash in hand	-	-	-
Mobile money- Mpesa, Airtel money	-	-	-
Sub- total	-	-	-
Grand total	-	6,234,317	-

Notes to the Financial Statements (Continued)

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

Financial Institution	Account number	KShs	KShs
a) Current account			
National bank	01071255221700	6,234,317	-
National bank	7718395707	-	-
National bank	7700601429	-	-
Sub- total	-	6,234,317	-
b) On - call deposits			
Kenya Commercial bank	-	-	-
Equity Bank – etc	-	-	-
Sub- total	-	-	-
c) Fixed deposits account			
Bank Name	-	-	-
Sub- total	-	-	-
d) Others(specify)			
cash in hand	-	-	-
Mobile money- Mpesa, Airtel money	-	-	-
Sub- total	-	-	-
Grand total	-	6,234,317	-

31. Prepayments

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

32.Receivables From Exchange Transactions

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Medical services receivables	5,534,896	-
Rent receivables	-	--
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	5,534,896	-

Analysis of Receivables From Exchange Transactions

Description	FY 2024/2025		FY 2023/2024	
	KShs	% of the total	KShs	% of the total
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	5,534,896	100%		%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	5,534,896	100%	-	%

33.Receivables From Non-Exchange Transactions

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

Analysis of Receivables From Non-Exchange Transactions

Description	FY 2024/2025		FY 2023/2024	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	-	%

34. Inventories

Description	FY 2024/2025	FY 2023/2024
	KSh	KSh
Pharmaceutical & Non-pharm supplies	1,217,347	-
Maintenance supplies	-	-
Food supplies	-	-
Linen and clothing supplies	-	-
Cleaning materials supplies	-	-
General supplies	-	-
Less: provision for impairment of stocks	-	-
Total	1,217,347	-

Detailed disclosure on inventories

Description	FY 2024/2025	FY 2023/2024
Opening balance	-	-
Additional Inventory in the year	15,793,989	-
Inventory expensed in the year	14,576,642	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	1,217,347	-

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

35. Property, Plant, and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment 12.5%	ICT Equipment 33.3%	Plant and medical equipment 12.5%	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Cost									
At 1 July 2023	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	--	-	-	-
At 30th Jun 2024	-	-	-	-	-	-	-	-	-
At 1 July 2024	-	-	-	-	-	-	-	-	-
Additions	-	-	-	139,000	368,000	271,300	-	-	778,300
Disposals	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-
At 30th Jun 2025	-	-	-	139,000	368,000	271,300	-	-	778,300
Depreciation&impairment									
At 1 July 2023	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-	-	-

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
At 30 June 2024	-	-	-	-	-	-	-	-	-
At July 2024									
Depreciation	-	-	-	17,375	122,544	33,913	-	-	173,832
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-	-
At 30th June 2025	-	-	-	17,375	122,544	33,913	-	-	-
Net book values									
At 30 th June 2024	-	-	-	-	-	-	-	-	-
At 30 th Jun 2025	-	-	-	121,625	245,456	237,388	-	-	604,469

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

36.Intangible Assets-Software

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

37.Investment Property

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

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

38. Biological Assets

Description	FY 2024/2025	FY 2023/2024
	KSh	KSh
Trees in a plantation forest	-	-
Animals: Dairy Cattle, Pigs, Sheep	-	-
Others specify	-	-
Total	-	-

39. Trade and other Payables

Description	FY 2024/2025		FY 2023/2024	
	KSh		KSh	
Trade payables	8,425,109		-	
Employee dues	-		-	
Third-party payments (e.g. unremitted payroll deductions)	-		-	
Audit fee	-		-	
Doctors' fee	-		-	
Total trade and other payables	8,425,109		-	
Ageing analysis:	FY	% of	FY	% of
	2024/2025	the	2023/2024	the
		Total		total
Under one year	8,425,109	100	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	8,425,109	100%	-	%

40. Refundable Deposits from Customers/Patients

Description	FY 2024/2025	FY 2023/2024
	KSh	KSh
Medical fees paid in advance	-	-
Credit facility deposit	-	-
Rent deposits	-	-
Others (specify)	-	-
Total deposits	-	-

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Ageing analysis:	FY 2024/2025	% of the Total	FY 2023/2024	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

41.Provisions

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

42.Finance Lease Obligation

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
Total	-	-

43.Deferred Income

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
Total	-	-

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

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

44. Borrowings

Description	FY 2024/2025	FY 2023/2024
	KSh	KSh
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
Balance at end of the period	-	-

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

Description	FY 2024/2025	FY 2023/2024
	KSh	KSh
Current Obligation	-	-
Non-Current Obligation	-	-
Total	-	-

Notes to the Financial Statements (Continued)

45. Service Concession Arrangements

Description	FY 2024/2025	FY 2023/2024
	KSh	KSh
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-
Service concession liability at end of the year	-	-

46.Cash Generated from Operations

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Surplus for the year before tax	5,165,919	-
Adjusted for:		
Depreciation	173,832	-
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets		
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working Capital adjustments		
Increase in inventory	(1,217,347)	-
Increase in receivables	(5,534,896)	-
Increase in deferred income	-	
Increase in payables	8,425,109	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	6,622,027	-

Notes to the Financial Statements (Continued)

47. 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	-	-	-	-
Total				
At 30 June 2025				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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

(ii) Liquidity risk management

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

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

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

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

a) Foreign currency risk

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

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

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting expected sales proceeds and matching the same with expected payments.

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025
Notes to the Financial Statements (Continued)

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

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	KShs	KShs	KShs
2024			
Euro	10%	-	-
USD	10%	-	-
2025			
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 endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of financial performance if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (20xx: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs xxx (20xx – KShs xxx).

iv) Capital Risk Management

The objective of the entity’s capital risk management is to safeguard the Hospital’s ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	2024/25	2023/24
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/ (<i>excess cash and cash equivalents</i>)	-	-
Gearing	-	-

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

48. 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.

Nandi County Government is the principal owner of MSCH, holding 100% of the hospital's equity interest. The National Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. The related parties include:

- i) The National Government;
- ii) The County Government;
- iii) Hospital Management Board;
- iv) Key Management

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Transactions with related parties		
Services offered to related parties		
Services to xxx	-	-
Sales of services to xxx	-	-
Total	-	-
Grants from the Government		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
Total	-	-
Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
Total	-	-
Key management compensation		
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
Total	-	-

49. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

50. Contingent Liabilities

Contingent liabilities	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
No Court case against the hospital	-	-
Bank guarantees in favour of subsidiary	-	-
Total	-	-

51. Capital Commitments

Capital Commitments	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Authorised For	-	-
Authorised And Contracted For	-	-
Total	-	-

52. Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

53. Ultimate and Holding Entity

The entity is a County Corporation/ or a Semi-Autonomous Government Agency under the Department of Health and Sanitation, the County Government of Nandi.

54. Currency

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

20. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

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

Guidance Notes:

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

.....
Accounting Officer



Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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 the financial statements (Yes/No)
1						
2						

There were no projects funded by development partners in the reporting period.

Status of Projects completion

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

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity.....

Name of Beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Entity:
 Name Sign Date

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

The hospital did not receive any amounts from any entity.

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Appendix IV Reporting of Climate Relevant Expenditures

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

The hospital did not incur any climate-related expenditure.

Mosoriot Sub-County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

The hospital did not incur any disaster expenditure since there was no disaster.