

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

Paper laid
By the Hon. James
Kamau on
Tuesday 24/11/2015
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REPORT

OF

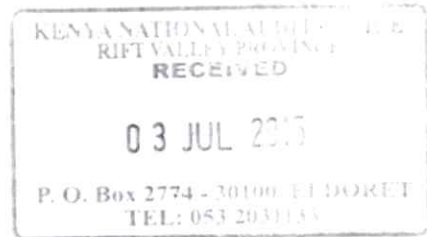
THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
MOI TEACHING AND REFERRAL HOSPITAL**

**FOR THE YEAR ENDED
30 JUNE 2014**





MOI TEACHING AND REFERRAL HOSPITAL
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE, 2014

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

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INSTITUTIONAL DETAILS

INCORPORATION/ESTABLISHMENT

Moi Teaching and Referral Hospital (MTRH) is a body Corporate established under the provisions of the State Corporations Act (Cap 446) of the laws of Kenya, represented by the board of directors who are responsible for the general policy and strategic direction of the Hospital under the Ministry of Health.

CORE PURPOSE

The functions of the Hospital as enumerated in the Legal Notice No. 78 of 12th June, 1998 of the State Corporations Act (Cap 446) are:-

- To receive patients on referral from other Hospitals or institutions within or outside Kenya for specialized health care;
- To provide facilities for medical education for Moi University and for Research either directly or through other co-operating health institutions;
- To provide facilities for education and training in nursing and other health and allied professions;
- To participate as a national referral Hospital in national health Planning.

VISION STATEMENT

'A world class referral and teaching Hospital'

MISSION STATEMENT

'To provide specialized quality health care services, teaching, research, training, and participate in national health planning'

ORGANIZATIONAL VALUES

- To advance and protect the public image of the Hospital at all times;
- To be sensitive, discerning and attentive in serving our clients;
- To observe and maintain high standards at all times;
- To uphold teamwork at all times;
- To respect and uphold the rights and dignity of our clients;
- To uphold integrity, accountability and transparency in our dealings;
- To adhere and respect the Constitution of Kenya 2010 in the provision of specialized healthcare services

PROFESSIONAL VALUES

- We exercise our professionalism to the best of our knowledge and ability for the safety and welfare of all persons entrusted to our care;
- We shall not knowingly or intentionally do anything or administer anything to the persons under our care to hurt or prejudice;
- We shall maintain confidentiality of information that we have learnt in our professional capacities;

- We shall not employ any secret method of treatment or keep secret any method, which may be beneficial to patients;
- The Hospital shall not be advertised for undue commercial gains;
- We shall conduct ourselves honourably.

(c) BOARD MEMBERS

1. Mr. Adan Abdirhaman Hassan - Chairperson (From 1st May 2014)
2. Prof. Abdulghafur H.S. El Busaidy - Chairperson (Upto 30th April 2014)
3. Prof. Nelly Yatich - Member
4. Dr. Norah C. T. Langat - Member
5. Mr. Winston Orege - Member
6. Ms. Eunice W. Wambugu - Member
7. Mr. Katwa Kigen - Member
8. Dr. Simon Kibias - Alternate; PS Ministry of Health
9. Ms Anne Mworira - Alternate; PS, Ministry of Education
Science & Technology
10. Mrs. Margaret W. Onyimbo - Alternate; PS, The National Treasury
11. Dr. Nicholas Muraguri - Director of Medical Services
12. Prof. Richard K.Mibey - Vice Chancellor, Moi University
13. Prof. Jenesio Ikindu Kinyamario - Chair, Moi University Council
14. Dr. John C. Kibosia - Director/Secretary to the Board

(d) BOARD COMMITTEES

The Board has four principal committees which operate within defined terms of reference laid down by the board. The four committees include:-

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

(e) PRINCIPAL OFFICERS

NO	NAME	DESIGNATION
1	Dr. John Kibosia	Director/CEO
2	Dr. Wilson Aruasa	Deputy Director, Clinical Services
3	Mr. Agunda Ochanda	Deputy Director, Administration & Finance
4	Dr. Francis Ogaro	Ag. Asst. Deputy Director, Clinical Services
5	Mr. Mathews Birgen	Ag. Asst. Deputy Director, Administration & Finance
6	Mr. Titus Tarus	Chief Nurse
7	Mr. Thomas Ngetich	Ag. Finance Manager

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Nandi Road
P.O Box 3 - 30100
Tel: 053-2033471/2/3/4
FAX 053-2061749
ELDORET.
Email: director@mtrh.or.ke
Website: www.mtrh.or.ke

(c) BANKERS

Kenya Commercial Bank Ltd
Uganda Road Branch - Eldoret
P.O Box 5197 -30100
ELDORET.

INDEPENDENT AUDITORS

The Auditor General
Anniversary Towers, University way
P.O Box 30084-001000
NAIROBI.

PRINCIPAL LEGAL ADVISER

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

II. CHAIRMAN'S REPORT.

Introduction

It is my pleasure to present the Hospital's Annual Report and Financial Statements for the Year ended 30th June, 2014.

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

The 2013/2014 Financial Year was a success for the Hospital with various initiatives being implemented with the unrelenting focus on improvement of all segments that facilitate the Hospital's operations.

Financial highlights

The Hospital realized an increase in income from Kshs 3.9 billion during the Financial Year 2012/2013 to Kshs 4.7 billion in the period under review. The government increased the grant allocation to the Hospital towards approved payments for members of staff in the common cadre for the implementation of the Collective Bargaining Agreement. The Hospital further realized an increase in operating income (Cost Sharing Income) by 24.68%. The increase is attributed to the increase in workload due to improvement of services, the government supported Free Maternity Service and Alcohol and Drug Abuse unit.

OPERATIONAL EFFICIENCY

Quality Management System

Since achieving ISO certification in the year 2008, the Hospital has continued to make quality a priority in all its undertakings. The institution has attained two ISO certifications; ISO 9001:2008 Quality Management System and ISO 13485:2003 for Medical Devices. During this financial year the institution undertook both internal and external quality audits so as to ensure customer satisfaction and continual improvement.

Performance Contracting

The Hospital's commitment towards Performance Contracting is demonstrated through the Hospital Board's involvement in all activities pertaining to it. The Board defended performance for the Financial Year 2013/2014 and signed the 11th cycle of performance contracting. Performance by the Hospital during the exercise was outstanding largely attributed to the inculcation of performance contracting in daily operations. Continued participation in performance contracting shall ensure that service delivery is improved.

Collaborations

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

- The Hospital's partnership with Moi University School of Medicine and the Asante consortium led by Indiana University School of Medicine in the US saw the signing of the USAID/AMPATH-Plus Grant for 5 years with the Hospital being the Prime Recipient. This grant provides intervention programs in HIV prevention and care. Under this collaboration, the Hospital also received funding to construct the Cancer and Chronic Disease Management Centre whose construction shall be completed early next year.

- The partnership between the Hospital and Shoe4Africa Foundation and Toby Tanser has seen the putting up of the Children Hospital which will be completed early next year.
- The Hospital in Partnership with AAR Insurance established a Community Based Healthcare Plan on a Public-Private Partnership arrangement which is a medical insurance scheme tailored for a rural farming community that both promote economic prosperity while at the same time providing affordable insurance cover. {Scheme name is Tanykina Community Healthcare plan (TCHP)}. This is a scheme worth replication by other service providers throughout the country.

Growth highlights

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

- Alcohol and Drug Abuse Unit (ADA)- funded by NACADA- complete and operational
- Ultra-Modern Out Patient Unit in Private Wing II – Complete and operational
- Cardiac unit-complete and operational
- Mental health – complete and operational
- Chronic Disease Management Centre for Cancer and other chronic diseases - Construction is on-going
- Shoe4Africa Children's Hospital – Construction is on-going

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

- Construction of Reproductive Health Centre of Excellence
- Upgrading of the Hospital.

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

Strategy highlights

To carry out its mandate efficiently, the Hospital has established and implemented a five year Strategic Plan to harmonize its activities. Through this Plan, the Hospital seeks to provide the necessary framework to realize its core objectives. The Hospital has recast its Vision and Mission Statements that are premised on its core values and developed strategies to be translated into measurable activities and targets that chart its policy direction.

Appreciation

I wish to recognize the role of my fellow Board members, Management, the Government of Kenya and development partners for their contribution in making the year 2013/2014 a particularly successful year. I would also wish to recognize the immense contribution of the Hospital staff and would like to personally thank them for their efforts that have contributed towards greater success in this financial year. My gratitude also goes to the community we serve and our clients for their support and confidence in our services.


MR. ADAN ABDIRHAMAN HASSAN

CHAIRMAN

IN REDUCTION

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

Overview of the Kenyan Health Sector

Kenya has over the years made tremendous steps in laying a firm foundation to overcome Economic Development obstacles and improve socio-economic status of her citizens including health. The development of Kenya Health Policy Framework, launching of Vision 2030, enactment of the Constitution 2010, and fast tracking of actions to achieve the Millennium Development Goals by 2015 are some of the steps.

Vision 2030 details the long-term national development agenda- aiming to transform Kenya into a globally competitive and prosperous industrialized middle income country by 2030. Health is one of the components of delivering the Vision's Social Pillar given the key role it plays in maintaining a healthy and skilled workforce necessary to drive the economy. To realize this ambitious goal, the health sector defined priority reforms as well as flagship projects and programs including restructuring of the sector's leadership and governance mechanisms; improving procurement and availability of essential medicines and medical supplies; modernizing health information systems; accelerating health facility infrastructure development to improve access; human resource for health development and developing equitable financing mechanisms as well as establishment of social health insurance. This Policy aims to implement the priority health reforms envisaged in Vision 2030 with a view to ensure a healthy workforce capable of contributing towards the countries development agenda.

The Operating Environment

During the period under review, the Hospital continued to receive patients with conditions that could otherwise be managed at primary facilities. This situation is as a result of poor state of health facilities both in personnel and equipment in the Counties in the Western Region of Kenya. It is instructive that the County Governments should invest adequately to improve their capacity to handle healthcare in order that the referral strategy can be implemented.

Despite the aggressive enrolment campaign by the Hospital and NHIF, membership to the scheme has not yet reached the level that shall assure access to Quality Health care to the citizenry due to the low uptake by the target group. This has resulted to the Hospital incurring a huge debt burden left by those patients that are unable to pay.

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

The socio-economic status of the population in the western region still remains low with evidence of less than 30% NHIF enrollment. This thereby implies high level of indigents leaving large unpaid hospital bills. During the period under review, debts secured on ID cards grew from Kshs.373million to Kshs. 407 million, an increase of Kshs. 44 million. A total of Kshs. 88.7 million was waived while another Kshs. 5 million was exempted. This situation portrays a worrying trend in provision of

healthcare and calls for elaborate government and other stakeholder support in appropriate healthcare financing options.

FINANCIAL MANAGEMENT

The Hospital has a well established financial management system with well instituted internal controls. The internal controls provide a streamlined solution for organizing all accounting procedures and ensuring that the accounting cycle is completed consistently and successfully

The Hospital Management has also developed a credit policy to provide guidance in the management of debtors which is one of the largest assets at the disposal of the hospital. The policy is aimed at maintaining good cash flow, reducing the risk of bad debt, minimizing cost of granting credit, promoting good customer relations and ensuring prompt payment. The policy is complementary to the already existing credit management system that provides management with information on debt position and trends.

HUMAN RESOURCES

MTRH is an attractive institution to highly skilled healthcare personnel who play a critical role in providing the highest, accessible quality services and effective quality improvement hence hospital augmentation. Through the Human Resource Department the institution has developed strategies of hiring qualified staff that are treated as good partners in the hospital operations and are given opportunities for advancement. All employees are required to perform and are monitored through a performance evaluation and appraisal system. To demonstrate its devotion to ensure a better working environment for staff, the hospital spent 75% of its funds on personnel costs which include personnel emoluments, staff uniform, occupational health and safety, travelling and accommodation, group life cover, staff training and development, and staff medical scheme in the financial year 2013/2014

MTRH STAFF ESTABLISHMENT

During the period under review, the Hospital's staff establishment stood at a total of three thousand, five hundred and thirty (3,530) being three thousand and seventy seven (3,077) on Permanent and Pensionable terms and four hundred and fifty three (453) on Contract Terms.

MEDICAL CAMPS, SURGICAL CAMPS & OUTREACH ACTIVITIES

Besides routine patient care and management, the Hospital successfully conducted the following activities:

- Medical camp at SOS Children's Village Eldoret
- Medical camp at Kimngoror health centre Nandi county
- In collaboration with Doctor-to-Doctor programme, the Hospital successfully carried out two kidney transplants during the year under review.
- Weekly outreach activities to Schools to create awareness on Gender Based Violence and available medical and legal interventions.
- The Hospital hosted this year's World Cancer Day.

RESEARCH AND DEVELOPMENT

MTRH in partnership with other stakeholders is dedicated to pursue research which mainly focuses on health care management, service delivery, cost and quality with the aim of furthering the advancement of science and setting a competitive edge in healthcare management. Converting research discoveries into new ways and methods of managing patients will make our clients and other Kenyans beneficiaries of our achievements.

OUTLOOK

The Hospital has a detailed five year strategic plan which provides a guide to its operational, strategic and development agenda. Besides the strategic plan MTRH has a comprehensive restructuring plan of its facilities driven by demand for efficient and reliable healthcare services from its corporate partners. To improve and enhance these facilities the Hospital has put in place the following strategies;

- Review its physical plan for the next 15 years
- Mobilize resource to strengthen infrastructure development
- Modernize and expand Hospitals facilities
- Support the development of infrastructure initiatives and flagship projects

APPRECIATION

I take this opportunity to thank the Government of Kenya, Hospital Board, Management, Staff, Development partners, Moi University College of Health Sciences and other stakeholders for the success of 2013/2014 financial year. I also want to appreciate the fact that our achievements were realized greatly because of the support and confidence of our esteemed clients and the community we serve.



DR. JOHN KIBOSIA

DIRECTOR/ CHIEF EXECUTIVE OFFICER

IV CORPORATE GOVERNANCE

The responsibility for good corporate governance of the Hospital is vested on the Board. The Board consists of thirteen members six of whom are appointed by name and eight are representatives of Ministry of Health, Ministry of Education, Science & Technology, The National Treasury, Moi University and Inspector of State Corporations. Twelve are non executive (including the board chairman) and one is executive (the Director / Chief Executive Officer). The board members have a wealth of experiences and competencies appropriate for efficient execution of the Hospital's undertakings.

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

The board meets quarterly although special meetings may be held if necessitated by extra-ordinary circumstances. The board members are given appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational and compliance issues.

FUNCTIONS AND RESPONSIBILITIES OF THE BOARD

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

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

BOARD COMMITTEES**1 Finance and general purpose committee**

This committee is responsible for establishment and review of policies regarding financial management function of the hospital .It also reviews financial statements, budgets, user fee manuals, inventory and development projects.

Membership

I.	Ms. Eunice W. Wambugu	-	Chairperson
II.	Mr. Katwa Kigen	-	Member
III.	Dr. Norah C.T. Langat	-	Member
IV.	Mrs. Margaret W. Onyimbo	-	Member
V.	Prof. Richard Mibey	-	Member
VI.	Dr. Simon Kibias	-	Member
VII.	Dr. John Kibosia	-	Secretary

2 Established Committee

This committee is responsible for development of human resource policies, staff welfare, recruitment, staff development and training. It also oversees activities of the staff pension scheme

Membership

I.	Mr. Katwa Kigen	-	Chairperson
II.	Mr. Winstone Orege	-	Member
III.	Prof. Nelly Yatich	-	Member
IV.	Mrs. Margaret W. Onyimbo	-	Member
V.	Dr. Simon Kibias	-	Member
VI.	Dr. Nicholas Muraguri	-	Member
VII.	Prof. Richard Mibey	-	Member
VIII.	Dr. John Kibosia	-	Member

3 Standards Quality Assurance and Research Committee

This committee is responsible for establishment and implementation and review of clinical policies and protocols, ethics and research policies, quality standards and research.

Membership

I.	Dr. Norah C.T. Langat	-	Chairperson
II.	Ms. Eunice Wambugu	-	Member
III.	Mr. Katwa Kigen	-	Member
IV.	Mrs. Anne Mworira	-	Member
V.	Dr. Nicholas Muraguri	-	Member
VI.	Prof. Richard Mibey	-	Member
VII.	Dr. John Kibosia	-	Secretary

4 Audit committee

This committee is responsible for establishment, implementation and review of efficient internal controls, effective risk management framework, external auditor's queries and concerns and Public

Investments Committees' recommendation. It is through this committee that the board is able to discharge its supervisory and good governance responsibility.

Membership

I.	Mr. Winston Orege	-	Chairperson
II.	Prof. Nelly Yatich	-	Member
III.	Prof. Richard Mibey	-	Member
IV.	Mrs. Anne Mworio	-	Member
V.	Dr. Simon Kibias	-	Member
VI.	Mr. Eliud Cheres	-	Ag. Chief Internal Auditor /Secretary

V. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

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

1. Anti jigger campaign at Langas estate in August 2013.
2. Cancer and diabetic screening at Kimngoror Health Centre in August 2013
3. Medical and Dental Camp in September 2013
4. World Hospice and palliative care day in October 2013
5. Tree planting in November 2013
6. Eldoret Town Clean up in December 2013
7. Anti jigger campaign in January 2014
8. Cancer and Diabetic screening at Ziwa in February 2014
9. Health stock at schools in Uasin Gishu County in March 2014
10. Malaria campaign at Kesses in April 2014
11. HIV awareness at Kapsoya in May 2014
12. Tree planting in Eldoret in June 2014

VI REPORT OF THE HOSPITAL BOARD

The Hospital Board submits this report together with the financial statements for the year ended June 30th, 2014 which show the state of affairs of Moi Teaching & Referral Hospital.

Core mandate

The functions of the Hospital as enumerated in the Legal Notice No. 78 of 12th June, 1998 of the State Corporations Act (Cap 446) are:

- To receive patients on referral from other Hospitals or institutions within or outside Kenya for specialized health care
- To provide facilities for medical education for Moi University and for Research either directly or through other co-operating health institutions
- To provide facilities for education and training in nursing and other health and allied professions
- To participate as a national referral Hospital in national health Planning

Results

The performance of the Hospital for the year ended June 30th, 2014 is set out on page 16 to 21

Board of Directors

The members of the Board who served during the year are shown on page 4. They discharged their duties in accordance with Legal Notice Number 78.

Appointed Board Members serve three-year terms with a possibility of renewal as stipulated by the Legal Notice. For the purposes of institutional memory, Board members are appointed at different times

Auditors

The Auditor General is responsible for the statutory audit of the Hospital in accordance with Section 14, 15, 16, & 17 of the States Corporation Act.

The Auditor General shall carry out the audit of the Hospital for the year/period ended June 30th, 2014.

By Order of the Board



Dr. John Kibosia,
DIRECTOR / SECRETARY TO THE BOARD

DATE: 3/7/2015

STATEMENT OF BOARD OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14, 15, 16 &17 of the State Corporations Act, require the Board of Directors to prepare financial statements in respect of the Hospital, which give a true and fair view of the state of affairs of the Hospital at the end of the financial year and the operating results of the Hospital for that period. The Board is also required to maintain proper accounting records which disclose with reasonable accuracy the financial position of the Hospital. The Board is also responsible for safeguarding the assets of the Hospital.

The Board is responsible for the preparation and presentation of the Hospital's financial statements, which give a true and fair view of the state of affairs of the Hospital for and as at the end of the financial year ended on June 30, 2014. 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 Hospital;
- V. Selecting and applying appropriate accounting policies;
- VI. Making accounting estimates that are reasonable in the circumstances.


The Board accepts responsibility for the Hospital's financial statements, which have been prepared in accordance with the accrual basis of accounting method under international public sector accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act and the State Corporations Act. The Board further confirms the completeness of the accounting records maintained for the Hospital, which have been relied upon in the preparation of the Hospital's financial statements as well as the adequacy of the systems of internal control.

Nothing has come to the attention of the Board to indicate that the Hospital 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 3rd July 2015 and signed on its behalf by:


MR. ADAN ABDIRHAMAN HASSAN
BOARD CHAIRMAN


DR. JOHN C. KIBOSIA
DIRECTOR/ CEO

REPUBLIC OF KENYA

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NAIROBI



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON MOI TEACHING AND REFERRAL HOSPITAL FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Moi Teaching and Referral Hospital set out on pages 16 to 40, which comprise the statement of financial position as at 30 June 2014, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of

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

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

Basis for Qualified Opinion

1.0 Non-Current Assets

1.1 Land

Included in property, plant and equipment figure of Kshs.1,283,542,095 is Kshs.101,577,820 relating to land. However, as previously reported in 2012/2013, ownership of Uasin Gishu Memorial hospital land valued at Kshs.71,037,687 is subject to a court case between the hospital and the former directors of Uasin Gishu Memorial hospital. Although the management has explained that the Constitutional Court to which the case was referred ruled in favour of Moi Teaching and Referral Hospital on 10 March 2010, the former directors appealed against the judgment. Consequently, until the appeal is heard and determined, the ownership status of the land valued at Kshs.71,037,687 included in the property, plant and equipment figure of Kshs.1,283,542,095 cannot be confirmed.

1.2 Variation of Contract Price on Construction of Supplies Warehouse

The property plant and equipment movement schedule under note 3 indicate a figure of Kshs.786, 654,604 relating to buildings. The balance includes net book value of supplies store. However, as reported in the previous year, the hospital entered into a contract with a contractor for the construction of the supplies store at a contract price of Kshs.12, 807,835. At the end of the works, a total of Kshs.29, 902,201 was paid to the contractor resulting in a variation of Kshs.17, 094,367(or 133%) of the contract sum. Although the hospital explained that all the variation cost of Kshs.17,094,367 was paid by the donor and therefore was not subject to procurement regulations under Section7(i) of the Public Procurement and Disposal Act,2005, other projects funded by the same donor had been subjected to the same Procurement Act.

Further, the Public Investments Committee (PIC) in its nineteenth (19th) report, recommended that the Ethics and Anti-Corruption Commission investigates the conduct of the chief executive officer for possible prosecution by the Director of Public Prosecutions (DPP). In addition the committee also recommended that the management ensures that proper planning and costing is undertaken before any project commences to avoid failure to adhere to the provisions the Public Procurement and

Disposal Act 2005 However, there is no evidence provided for audit review to indicate that PIC recommendations have been acted upon

1.3 CT Scan

As previously reported, the plant, equipment, furniture and fittings figure of Kshs 340,736,649 includes Kshs 24,031,350 relating to a CT Scan equipment The CT scan was directly procured due to what the management considered to be emergency measures in order to replace an old CT scan commissioned in May 2006 The CT scan was meant to have a lifespan of five years as per the comprehensive maintenance contract signed with the supplier but it broke down in May 2009, three years after commissioning, and the supplier was unable to repair it The hospital filed a case against the supplier for breach of contract which was later withdrawn for an out-of-court settlement However, the matter has not been settled to date.

Further, the Public Investments Committee (PIC) in its nineteenth (19th) report, recommended that the Ethics and Anti-Corruption Commission investigates the procurement of the CT Scan and the acts of the then chief executive officer for breaching Section 74 of the Public Procurement and Disposal Act 2005 However there is no evidence provided for audit review to indicate that PIC recommendations have been acted upon

2. Erection to Completion of Outpatient Unit

As previously reported, Note 3 to the financial statements reflects a balance of Kshs 786,654,604 relating to buildings Included in the figure is an amount of Kshs 57,970,358 for the construction of an outpatient unit at the hospital The hospital contracted a construction company to erect to completion the outpatient unit at a sum of Kshs 52,970,358 which was later varied first to capture an additional floor and to replace the roof at an additional cost of Kshs 3,248,570 and final variation to improve lighting and ventilation on consultation rooms and water proofing on the second floor at an additional cost of Kshs 3,531,100 bringing the contract cost to Kshs 59,750,028 However the land on which the building has been constructed is a subject of court case reference HCC/MISC/Case No 12 of 2006(O S) UGMH LTD VS MTRH No explanation has been given for putting up a building on the disputed land for which the hospital has no title Consequently, the ownership of the buildings of Kshs 786,654,604 as at 30 June 2014 could not be ascertained

3. Procurement of Drugs and Non-Pharmaceutical Items

Included under note 5.1 on direct costs of Kshs 561,834,124 is an amount of Kshs 27,726,890 expenditure incurred on procurement of drugs and dressings A review of procurement records however revealed that the purchases were single sourced from suppliers without competitive bidding contrary to Section 74 of the Public Procurement and Disposal Act 2005 and related Public Procurement and Disposal Regulations 2006. Although the hospital management explained that the contracted suppliers failed to deliver the drugs and non-pharmaceutical items ordered, no documentary evidence was provided to justify the explanation given

In the circumstances, the propriety of the expenditure of Kshs.27,726,890 incurred during the year ended 30 June 2014 could not be confirmed

4. Hospital Upgrading Project Expenditure

4.1 Procurement of Consultancy Service

Examination of records maintained by the Hospital revealed that a proposal to upgrade the existing hospital facilities started in 2003 and soliciting for funding commenced in 2007. The upgrading project involved construction of fourteen(14) storey 1000-bed in patient building, construction of four(4) storey car park, solar plant, modern hospital waste management incinerator plant and access roads. During the year under review, the hospital management signed contract agreement No CMEC/MTRH 2013C-01 with Chinese Mechanical Engineering Company (CMEC) on 18 November 2013 at contract price of Kshs 25,077,066,198(or US \$291,593,793). In addition, CMEC requested for concessional financial support from the Chinese government for upgrading of MTRH through Kenya National Treasury vide a letter Ref No MOF/ERD/25/214/78/03 dated 23 December 2013. One of the requirements for approval of funding was a study report/feasibility study on the project. Records available for audit indicate that the hospital procured the consultancy service to carry out feasibility study through restricted tender method and a consultant was awarded the contract at a sum of Kshs 9,723,099. The hospital conducted tender evaluations on five(5) gazetted physical planners which contravened Public Procurement and Disposal Act, 2005 Section 78(1) requiring the use of at least ten(10) firms while using restricted tender method of procurement.

In the circumstances, the propriety and value for money spent on the feasibility study totaling to Kshs 9,723,093 could not be confirmed.

4.2 Expenditure Incurred on the Hospital Upgrading Project

4.2.1 Included in the administrative costs of Kshs 243,918,100 is an amount of Kshs 10,892,711.40 being payment on the upgrading project. The payments comprise of consultant feasibility study, and travel and subsistence allowance of Kshs 9,723,099 and Kshs 1,169,612.40 respectively. It was however noted that, the consultant was paid the full contract sum of Kshs 9,723,099 without withholding relevant taxes including VAT and 3% withholding tax contrary to Section 4(1) of the Income Tax Act, 2001 laws of Kenya.

4.2.2 Further, included in the figure of Kshs 10,892,711.40 are additional costs totaling Kshs 464,500 incurred by hospital officers on travel and subsistence while pursuing the project matters in Nairobi. However, payment vouchers for travel and subsistence allowance amounting to Kshs 464,500 incurred on various dates by the officers were not available for audit review. Despite the total expenditure incurred amounting to Kshs 10,892,711.40 on the feasibility study and related costs, available information indicates that the upgrading project has been abandoned in favour of construction and equipping of 2000-bed capacity hospital on a new site within Eldoret town.

Consequently, the propriety and value for total amount of money spent on the upgrading project totaling to Kshs 10,892,711.40 could not be confirmed.

4.2.3 Effectiveness and Exit Clauses of the Contract

It was indicated in the contract agreement that, the contract worth Kshs 25,077,066,198 shall come into force and become effective after the contract has been signed by the employer and the contractor approved by the relevant authorities of Government and the loan agreement has been signed by the Kenyan Government and Chinese Financing Institute and full advance payment of the contract price has been received by the contractor from the Kenya Government against presentation of the bank guarantee of the same amount by the contractor. If due to whatever reason any one of the above mentioned condition is not fulfilled, the employer and the contractor shall further negotiate to find out the solution or mutually terminate the contract available. Information indicate that the project has been abandoned in favour of construction and equipping of 2000-bed capacity hospital on a new site within Eldoret town. However, no evidence was availed to show that the contract was mutually terminated and as such exposes the hospital to law suits through international arbitration as stipulated under sub-clause 20.3 of the contract.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the hospital as at 30 June 2014, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards and comply with the Moi Teaching and Referral Hospital Board Order, 1998.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

03 August 2015

III. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2014


	Notes	2014	2013
Revenue from Non-exchange Transactions			
Government grants	4.1	3,164,270,386	2,728,903,286
Revenue from Exchange Transactions			
Cost Sharing	4.2	851,987,851	616,529,294
Income Generating Unit	4.3	588,952,304	539,615,276
Other Income	4.4	67,224,391	72,633,043
		1,508,164,546	1,228,777,613
Total Revenue		4,672,434,932	3,957,680,899
Direct Costs			
Opening inventories	7.4	129,042,517	137,002,264
Direct costs	5.1	561,834,124	531,547,792
Closing inventories	7.4	(99,652,601)	(129,042,517)
Net Direct Costs		591,224,040	539,507,539
Gross Revenue		4,081,210,892	3,418,173,360
Expenses			
Personnel Emoluments	6.1	3,497,805,906	2,903,897,820
Administrative Cost	6.2	243,918,100	151,043,542
Operational Cost	6.3	374,325,832	319,989,589
Board Expenses	6.4	7,612,218	7,686,074
Provision for Doubtful Debts	6.5	30,108,018	41,677,248
Depreciation	6.6	90,765,965	73,608,968
Waivers and Exemptions	6.7	88,762,824	64,076,005
Provision for Audit fee	6.8	1,160,000	1,320,000
Total Expenses		4,334,458,863	3,563,299,245
Net Surplus/ Deficit		(253,247,971)	(145,125,885)
Revenue reserves b/f		(37,897,631)	107,228,254
Revenue reserves c/f		(291,145,602)	(37,897,631)

The notes set out on the pages 22 to 39 form an integral part of the financial statements

IX. STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2014

	Notes	2014 KSHS.	2013 KSHS.
CURRENT ASSETS			
Cash and Cash Equivalent	7.1	8,332,122	24,724,842
Receivables	7.3	973,016,356	851,548,662
Inventories	7.5	99,652,601	129,042,517
		1,081,001,079	1,005,316,021
Non Current Assets			
Property, Plant and Equipment	3.0	1,283,542,095	1,113,017,683
Project Cost	3.0	13,331,318	78,315,207
		1,296,873,413	1,191,332,889
TOTAL ASSETS		2,377,874,492	2,196,648,910
CURRENT LIABILITIES			
Bank Overdraft	7.2	1,537,067	21,387,688
Trade and other Payables	8.1	311,832,658	155,557,981
Prepaid Fees	8.2	863,046	515,621
Unpaid Deductions	8.3	412,698,933	247,713,262
TOTAL		726,931,704	425,174,551
NET ASSETS		1,650,942,788	1,771,474,359
FINANCED BY			
Capital Reserves	9.1	1,942,088,390	1,809,371,990
Revenue Reserves	9.2	(291,145,602)	(37,897,631)
TOTAL		1,650,942,788	1,771,474,359

The Hospital's financial statements were approved by the Board on 3rd July 2014 and signed on its behalf by:


MR. ADAN ABDIRHAMAN HASSAN
BOARD CHAIRMAN


DR. JOHN C. KIBOSIA
DIRECTOR/ CEO

**X. STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30TH JUNE 2014**

	CAPITAL RESERVE	REVENUE RESERVE	TOTAL
Balance as at 30th June 2012	1,563,124,835	107,228,254	1,670,353,089
Capital grants for the period	243,000,000	-	243,000,000
Donations	3,247,155	-	3,247,155
Surplus (Deficit) for the Period	-	(145,125,885)	(145,125,885)
Balance as at 30th June 2013	1,809,371,990	-37,897,631	1,771,474,359
Balance as at 30th June 2013	1,809,371,990	(37,897,631)	1,771,474,359
Capital grants for the period	131,500,000	-	131,500,000
Donations	1,216,400	-	1,216,400
Surplus (Deficit) for the Period	-	(253,247,968)	(253,247,968)
Balance As At 30th June 2014	1,942,088,390	(291,145,602)	1,650,942,788

Capital Reserves is made up of accumulated government grants and donations from development partners for capital items to the Hospital and revenue reserves are accumulated funds resulting from daily operation of the Hospital.

STATEMENT OF CASH FLOWS

1. CASH FLOW FROM OPERATING ACTIVITIES.	Notes	2014 KSHS.	2013 KSHS.
Surplus/Deficit		(253,247,970)	(145,125,885)
Non-Cash Movements			
Depreciation of Assets	3	90,765,965	73,608,968
Increase in Provision for Doubtful debts	7.3	30108018	
Decrease in Inventories	7.5	29,389,917	7,959,747
Increase in Receivables	7.3	(151,575,712)	(283,581,244)
Increase in Payables	8.1	156,274,672	32,323,976
Increase in Unpaid Deduction	8.3	164,985,671	247,659,878
Increase in Prepaid Fees	8.2	347,425	141,055
Net Cash In/Outflow from Operating Activities.		67,047,987	(67,013,505)
2. CASH FLOW FROM INVESTING ACTIVITIES.			
Purchase of Fixed Assets	3	(196,306,488)	(162,692,304)
Net Cash used in investing activities		(196,306,488)	(162,692,304)
3. CASH FLOW FROM FINANCING ACTIVITIES			
Donation	9.1	1,216,400	3,247,155
Repayment of borrowings	7.2	(19,850,620)	(15,110,058)
Government Grants- Capital	9.1	131,500,000	243,000,000
Net Cash flow from investing activities		112,865,780	231,137,097
Change in Cash and Cash Equivalent.		(16,392,721)	1,431,288
Cash and Cash Equivalent at the beginning of the year (i)		24,724,842	23,293,554
Cash and Cash Equivalent end of period (ii-i)	7.1	8,332,122	24,724,842

XII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS								
CODE	INCOME ITEM	APPROVED BUDGET 2013/14	APPROVED ADJUSTMENT	APPROVED REVISED BUDGET 2013/2014	VARIANCE		ACTUAL INCOME 2013/2014	VARIANCE
1	Grants							
	a) Recurrent Grant	2,812,670,384	351,634,649	3,164,270,386	-		3,164,270,386	0
	b) Capital Grant	131,500,000	0	131,500,000	-		131,500,000	0
	SUB-TOTAL	2,944,170,384	351,634,649	3,295,770,386	-		3,295,770,386	0
2	Cost Sharing	1,231,474,523	151,778,775	1,398,215,039	166,740,516		1,440,940,155	42,725,166
3	Other Income	68,933,594	12,970	67,224,391	12,971		67,224,391	0
	SUB-TOTAL	1,300,408,118	166,753,486	1,465,439,430	166,753,487		1,508,164,546	0
	TOTAL	4,244,578,502	518,388,135	4,761,209,816	166,753,487		4,803,934,932	42,725,166
CODE	EXPENDITURE ITEM	APPROVED BUDGET 2013/14	APPROVED ADJUSTMENT	APPROVED REVISED EXPENDITURE 2013/2014	VARIANCE	PROPOSED VARIATION/VIREMENT	ACTUAL EXPENDITURE FY 2013/2014	VARIANCE
10	Personnel Emoluments	3,024,594,839	473,211,067	3,497,805,906	-123,201,834	123,201,834	3,497,805,906	0
20	Purchase of Drugs	220,753,396	-23,481,404	197,271,992	23,481,404	-23,481,404	197,271,992	0
30	Creditors/ Pending bills	97,251,575	0	97,251,575	-	-	97,251,575	0
40	Dressings/theatre supplies	105,755,982	432,042	106,188,025	-432,042	432,042	106,188,025	0
50	Food & Ration	80,306,764	-7,509,656	72,797,108	7,509,656	-7,509,656	72,797,108	0
60	Doctors Fees	97,469,798	25,013,039	122,482,837	-25,013,039	25,013,039	122,482,837	0
70	Lab reagents	27,584,170	2,605,808	30,189,978	-2,605,808	2,605,808	30,189,978	0
90	Cleansing materials	25,694,055	213,913	25,907,968	-213,913	213,913	25,907,968	0
95	Admission Packs	5,969,958	-1,061,258	4,908,700	1,061,258	-1,061,258	4,908,700	0
100	Hospital Linen	10,246,000	1,326,200	11,572,200	-1,326,200	1,326,200	11,572,200	0
110	X-ray supplies	12,531,642	-1,838,590	10,693,052	1,838,590	-1,838,590	10,693,052	0
120	Oxygen	36,000,000	6,108,731	42,108,731	-6,108,731	6,108,731	42,108,731	0
130	Supplies for Production	13,341,775	-83,165	13,258,610	83,165	-83,165	13,258,610	0
140	Fuel & Gas	11,482,000	-1,208,254	10,273,746	1,208,254	-1,208,254	10,273,746	0
150	Uniforms for patients	1,553,308	1,587,892	3,141,200	-1,587,892	1,587,892	3,141,200	0
160	Materials for Specialized units	2,260,383	-579,199	1,681,184	579,199	-579,199	1,681,184	0
170	Mortuary supplies	1,063,894	-94,884	969,010	94,884	-94,884	969,010	0
180	Course Administration and subscription fees	4,087,575	-977,075	3,110,500	977,075	-977,075	3,110,500	0
190	Cafeteria supplies	15,563,238	19,316	15,582,554	-19,316	19,316	15,582,554	0
200	Library services	1,330,395	488,151	1,818,546	-488,151	488,151	1,818,546	0
210	Maintenance of building & station	25,025,981	2,830,396	27,856,377	-2,830,396	2,830,396	27,856,377	0
220	Maintenance plant & equipment	22,067,134	17,616,414	39,683,549	-17,616,414	17,616,414	39,683,549	0
230	Electricity Expenses	38,337,504	-4,790,137	33,547,367	4,790,137	-4,790,137	33,547,367	0
240	Stationery	8,687,448	753,665	9,441,113	-753,665	753,665	9,441,113	0
250	Water & Conservancy	20,513,010	-2,304,991	18,208,019	2,304,991	-2,304,991	18,208,019	0
260	Transport Operating Expenses	10,044,660	-91,538	9,953,122	91,538	-91,538	9,953,122	0

270	Printing of Accountable documents, Medical Records and stationery	10,000,000	592,990	10,592,990	-592,990	592,990	10,592,990	0
280	Telephone expenses	3,665,758	1,274,182	4,939,940	-1,274,182	1,274,182	4,939,940	0
290	Plant and Equipment Insurance policy	10,000,000	-7,277,928	2,722,072	7,277,928	-7,277,928	2,722,072	0
300	Rents & Rates	537,057	-396,776	140,281	396,776	-396,776	140,281	0
310	Bank charges	3,043,970	-1,254,750	1,789,220	1,254,750	-1,254,750	1,789,220	0
320	Postal Charges	931,757	-326,874	604,883	326,874	-326,874	604,883	0
330	Motor Vehicle Insurance	1,500,000	-339,832	1,160,168	339,832	-339,832	1,160,168	0
340	Patient Traveling Expenses	100,000	-17,350	82,650	17,350	-17,350	82,650	0
345	Disability Mainstreaming	453,200	-434,700	18,500	434,700	-434,700	18,500	0
350	Staff uniforms, protective gear	4,150,000	752,140	4,902,140	-752,140	752,140	4,902,140	0
355	Occupational Health Safety	4,012,800	-3,122,474	890,326	3,122,474	-3,122,474	890,326	0
360	Traveling and Accommodation	11,571,227	7,965,504	19,536,730	-7,965,504	7,965,504	19,536,730	0
370	Board of Management Expenses	8,967,892	-2,403,825	6,564,067	2,403,825	-2,403,825	6,564,067	0
380	Computerization	14,230,505	2,413,055	16,643,560	-2,413,055	2,413,055	16,643,560	0
390	Comprehensive Group Personal accident cover	6,848,357	-3,042,325	3,806,032	3,042,325	-3,042,325	3,806,032	0
395	Group Life Insurance Cover	8,949,355	7,251,051	16,200,405	-7,251,051	7,251,051	16,200,405	0
400	Staff development & training	12,343,517	1,980,282	14,323,799	-1,980,282	1,980,282	14,323,799	0
410	Advertising & Publicity	8,232,397	-1,196,584	7,035,813	1,196,584	-1,196,584	7,035,813	0
420	Contracted Professional Services	17,866,396	2,524,888	20,391,283	-2,524,888	2,524,888	20,391,283	0
430	ISO	4,018,272	-3,055,832	962,440	3,055,832	-3,055,832	962,440	0
440	Office Equipment	1,138,654	749,042	1,887,696	-749,042	749,042	1,887,696	0
460	External Traveling & Allowance	1,456,560	3,758,903	5,215,463	-3,758,903	3,758,903	5,215,463	0
470	Internet Expenses	2,176,944	324,754	2,501,698	-324,754	324,754	2,501,698	0
480	Staff Medical Scheme	47,535,254	-10,344,444	37,190,810	10,344,444	-10,344,444	37,190,810	0
490	Corporate Social Responsibility	500,000	38,000	538,000	-38,000	38,000	538,000	0
500	IREC	1,000,000	0	1,000,000	-	-	1,000,000	0
510	Cash in transit insurance	1,136,438	-231,638	904,800	231,637	-231,637	904,800	0
520	Continuous Professional Development	100,320	-100,320	-	100,320	-100,320	0	0
550	C. A.R.E.	6,095,391	-377,195	5,718,196	377,195	-377,195	5,718,196	0
555	Gender Mainstreaming	1,000,000	-859,000	141,000	859,000	-859,000	141,000	0
560	Capital Expenditure	131,500,000	18,771,550	150,271,550	-18,771,550	18,771,550	150,271,550	0
	TOTALS	4,244,578,502	503,426,395	4,745,845,566	-151,791,746	151,791,746	4,745,845,566	0

Explanation of Material Differences

- The variance of Kshs 42,725,166.00 on cost sharing income resulted from positive performance due to increase in work load from expanded Hospital services following opening of new Outpatient Unit at Private Wing II, the new mental unit and rehabilitation Unit
- The variances between actual expenditure as per Financial Performance Statements and actual expenditure as per Budget Statement is different because the Financial Performance Statements give expenditure based on invoices whereas actual budget give expenditure including committed local purchase order yet to be serviced by the suppliers. The difference in the amount will be a consolidate figure for pending bills carried forward to the next period financial period.

III. NOTES TO THE FINANCIAL STATEMENTS

1.0 Statement of compliance and basis of preparation – IPSAS 1

The Hospital's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Hospital. The accounting policies used in reference to the standards that were published by the Public Sector Accounting Standard Board (PSASB) which took effect for the financial year ended 30th June 2014 and will be consistently applied to all the years.

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

2.0 Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from the government

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

ii) Revenue from exchange transactions

Rendering of services

The Hospital 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 Hospital.

Rental income

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

b) Budget information

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

d) Investment property – IPSAS 16

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 on a reducing balance basis.

Investment properties are derecognized either when they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Hospital 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. The Hospital adopt reducing balance method of depreciation at the following rates: Land 0%, Buildings 2.5%, Plant and Equipments 12.5%, Motor Vehicles 25% and Computer, Telephone and TVs at 30% respectively.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Hospital. 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 Hospital 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 Hospital 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 Hospital. Operating lease payments are recognized as an operating expense in surplus or deficit on a reducing balance 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 a finite period.

i) Research and development costs

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

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

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

i) Inventories

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

Costs incurred in bringing each product to its present location and condition is accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Hospital.

j) Provisions

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

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

Contingent liabilities

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

Contingent assets

The Hospital 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 Hospital 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.

k) Nature and purpose of reserves

The Hospital creates and maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

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

m) Employee benefits**Retirement benefit plans**

The Hospital provides retirement benefits for its employees on a Defined contribution plans in which the Hospital pays fixed contributions into the a fund, and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

n) Foreign currency transactions

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

o) 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.

p) Related parties

The Hospital 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 management, the executive, committee members, and senior managers. The National Government through the National Treasury and Ministry of Health are regarded as related parties in regard to grants, policy formulation and implementation. Other than unremitted grants of Kshs. 234,389,199 from the National Government for June 2014 staff salaries (disclosed in Note 7.3 of the Annual Report and Financial Statements), there was no other significant balances from related parties.

The Hospital has no financial dealings with Board Members and Members of Staff/Management.

r) 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.

s) Comparative figures

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

t) Significant judgments and sources of estimation uncertainty

The preparation of the Hospital 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.

-The Hospital has put in place a Credit Policy to guide in the management of debts.

-Cash and Cash Equivalents have been insured

u) Provisions

Provisions were raised and management determined an estimate based on the information available. The management provided provision of 100% on individual debts over 5 years and 50% on individual debt less than 5 years; this is based on past experience on the collection of debts.

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.

v) 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 30th June, 2014.

3.0 PROPERTY PLANT & EQUIPMENT MOVEMENT SCHEDULE
FOR THE PERIOD ENDING 30TH JUNE 2014
Assets Movement schedule

Assets	Land	Buildings	Plant, Equipments, Furniture & Fittings	Computers, Telephones & TV's	Motor Vehicles	Project Cost	TOTAL
Rate	0.00%	2.50%	12.50%	30.00%	25.00%	0.00%	
Cost/Valuation	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 1 st July 2012	101,577,820	874,761,045	535,826,068	66,285,927	24,488,911	6,177,825	1,609,117,596
Additions:	-	-	55,253,235	15,491,117	19,810,570	72,137,382	162,692,304
Project Cost Capitalized	-	-	-	-	-	-	-
As at 30 th June 2013	101,577,820	874,761,045	591,079,303	81,777,044	44,299,481	78,315,207	1,771,809,900
As at 1 st July 2013	101,577,820	874,761,045	591,079,303	81,777,044	44,299,481	78,315,207	1,771,809,900
Additions:	-	51,053,632	103,247,136	35,106,082	1,899,638	5,000,000	196,306,488
Project Cost Capitalized	-	69,983,889	-	-	-	(69,983,889)	-
As at 30 th June 2014	101,577,820	995,798,566	694,326,439	116,883,126	46,199,119	13,331,318	1,968,116,388
Depreciation As at 1 st July 2012	-	171,389,031	264,032,244	52,050,120	19,396,647	-	506,868,042
Charge for the period	-	17,584,300	40,880,882	8,918,077	6,225,709	-	73,608,968
As at 30 th June 2013	-	188,973,331	304,913,126	60,968,197	25,622,356	-	580,477,010
As at 1 st July 2013	-	188,973,331	304,913,126	60,968,197	25,622,356	-	580,477,010
Charge for the period	-	20,170,631	48,676,664	16,774,479	5,144,191	-	90,765,965
As at 30 th June 2014	-	209,143,962	353,589,790	77,742,676	30,766,547	-	671,242,975
NBV As at 30 th June 2014	101,577,820	786,654,604	340,736,649	39,140,450	15,432,572	13,331,318	1,296,873,413
NBV As at 30 th June 2013	101,577,820	685,787,714	286,166,177	20,808,847	18,677,126	78,315,207	1,191,332,889

	2014	2013
4.0 INCOME		
4.1 Grants		
Recurrent Grants	3,164,270,386	2,728,903,286
Total	3,164,270,386	2,728,903,286
4.2 Cost Sharing		
Out Patient Department	69,286,254	79,024,226
Surgical	453,397,577	269,626,635
Nyayo	215,769,961	175,492,460
Pharmacy	79,390,137	61,961,903
X-Ray	18,661,400	15,782,526
Dental	3,926,949	2,779,587
Cafeteria	11,555,572	11,861,957
Total	851,987,850	616,529,294
4.3 Income Generating Unit		
Farewell Home Revenue	37,574,800	29,984,710
Amenity Revenue	262,311,188	224,476,794
Memorial Revenue	255,532,480	255,633,114
MTRH Training Centre	33,533,836	29,520,658
Total	588,952,304	539,615,276
4.4 Other Income		
Training Levy	421,726	2,413,067
Vaccine Recovery	233,660	269,700
Surcharge	670,499	305,792
Water Charges	-	300
Small Business Unit	200	366,600

Rental Income	6,027,500	5,218,125
Attachment Fees	3,851,583	1,294,360
Transport Services Charges	536,690	920,220
AMPATH Salary Reimbursement	50,010,484	55,823,196
Salary Recovery	1,671,257	1,132,860
Pledges	81,047	282,750
Administrative fees	2,727,931	3,103,889
Tender Fee	843,900	515,000
Library Service	5,450	-
Medical report	130,800	11,122
Centre for Assault and Recovery of Eldoret	-	177,910
Others	11,664	798,153
Total	67,224,389	72,633,043
5.0 Purchases		
5.1 Direct costs		
Drugs	226,670,099	204,358,389
Food and Ration	89,912,158	77,464,951
Fuel And Gas	10,041,143	11,603,202
Lab Reagents	31,794,174	24,198,834
Dressings	106,937,661	111,926,551
Materials for Specialized Units	687,220	4,793,279
farewell Home supplies	8,674,828	3,012,486
Cafeteria Supplies	12,076,926	20,219,230
Supplies for Production	18,051,940	13,702,819
X-Ray Supplies	9,068,670	11,070,708
Oxygen	42,397,705	42,978,343
Admission Packs	5,521,600	6,219,000
Total	561,834,124	531,547,792

6.0 Expenditure**6.1 Personnel Emoluments**

Basic Pay	1,788,244,787	1,287,575,243
House Allowances	377,470,068	365,986,996
Call Allowances	50,035,000	47,790,161
Risk Allowances	90,889,492	91,463,492
Private Wing Executive Committee	10,684,227	10,269,931
Private Wing Administrative Committee	971,392	462,837
Training Centre Allowance	6,424,645	6,068,885
Tender Committee Allowance	-	748,500
Non Practice Allowance	69,909,466	67,290,133
Extraneous Allowance	485,348,820	453,343,137
Farewell Home	11,128,775	8,907,680
Locum Allowance	7,581,537	7,594,041
Uniform allowance	8,090,000	8,230,000
Outreach Allowance	4,750	-
Responsibility Allowance	1,476,700	2,129,843
Interview Allowance	259,997	166,781
Entertainment Allowance	188,400	234,600
Acting Allowance	2,102,326	1,979,282
Telephone Allowance	292,376	338,600
Special Duty allowance	1,619,349	678,941
Medical Board Allowance	102,111	720,000
Remunerative Allowance	720,000	46,164
Security Allowance	28,836	47,578
Institutional Research & Ethics Committee Allowance	41,000	-
Commuter Allowances	178,138,325	177,028,679

Amenity Allowances	11,071,359	14,226,242
Memorial Allowances	12,710,434	11,240,034
Salary Refund	62,291	278,733
Salary Arrear	126,820,962	137,022,629
Annual Leave	14,056,711	13,550,460
NSSF Company	8,341,325	8,043,788
Pension Company	228,259,471	168,725,042
Gratuity	4,673,975	7,837,831
Facility Allowance (IGU)	57,000	3,871,557
Total	3,497,805,906	2,903,897,820

6.2 Administrative Costs

Transport Operating Expenses	10,471,281	9,248,131
Patient travelling expenses	77,689	17,150
Fees, Commission and Honoraria	42,500	183,048
Advertising and Publicity	12,493,158	12,448,815
Staff Development	14,938,588	11,630,421
Continuous Professional Development	-	13,200
Travelling and Accommodation	25,159,699	22,276,862
External travelling	3,517,757	408,823
Centre for Assault Recovery of Eldoret	710,400	715,121
Corporate Social Responsibility Expenses	613,370	394,695
Group Personal Accident Cover	2,033,064	-
Comprehensive Group Life Insurance Cover	15,385,629	5,813,309
Cafeteria Meals	5,534,295	5,774,549
Comprehensive Staff Medical Scheme	145,548,264	64,050,156

ISO	1,238,420	2,761,107
Group Life Insurance	4,874,617	11,784,216
Gender Mainstreaming	177,740	225,310
Occupational Health and Safety	993,629	2,590,290
Disability Mainstreaming	108,000	708,340
Total	243,918,100	151,043,542
6.3 Operational Costs		
Maintenance of Building & Stations	28,640,840	20,351,136
Cleansing Materials	29,148,540	28,438,306
Stationery	13,389,015	11,960,828
Telephone Expenses	11,352,311	3,284,486
Electricity	33,114,336	35,223,486
Medical Records	5,914,570	10,251,655
Water and Conservancy	15,415,245	14,354,052
Computerization	3,655,929	9,744,289
Internet Expenses	4,329,803	982,877
Postal and telegram	656,464	1,731,598
Library Services	2,324,993	1,114,187
Doctors Fees	130,621,938	101,029,509
Patient Refunds	6,397,774	7,052,502
Course Admin & Subscription fee	4,209,514	4,704,316
Maintenance of Plant & Equipment	31,604,558	21,765,447
Rent and Rates	430,563	1,012,473
Staff Uniforms	3,410,850	6,343,512
Hospital linen	10,932,875	17,805,758
Cash in Transit	1,055,600	980,200

Finance Cost	2,894,265	1,844,206
Bank Charges	1,732,713	1,590,010
Contracted Professional services	23,962,876	10,669,742
Patients Uniforms	1,869,025	2,109,560
Dental Health Education	-	2,800
Institutional Research Expenses	1,000,000	1,048,750
Plant and Equipment Insurance	4,550,245	86,200
Insurance expenses	1,710,989	4,507,702
Total	374,325,832	319,989,589

6.4 Board Expenses

Board Sitting Allowances	6,568,218	6,569,074
Honoraria	84,000	1,040,000
Board Telephone Expenses	960,000	77,000
Total	7,612,218	7,686,074

6.5 Provision for Doubtful Debts

Accumulated Provision B/F	261,776,061	220,098,813
Accumulated Provision C/F	291,884,079	261,776,061
Increase / Decrease in provision	30,108,018	41,677,248

6.6 Depreciation

90,765,965	73,608,968
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6.7 Waivers and Exemptions

Waivers	88,762,824	64,076,005
Exemptions	-	-
Abcondments	-	-
Total	88,762,824	64,076,005

6.8 Provision for Audit fees	1,160,000	1,320,000
7.0 CURRENT ASSETS		
7.1 Cash in Hand and Bank		
Cash in Hand		
Main Account	1,267,495	2,270,788
Private wing Account	1,487,044	1,211,029
Farewell Home Account	149,200	200,800
Petty Cash	62,196	300,000
Total	2,965,935	3,982,617
Cash in Bank		
Mortuary Account	1,348,603	8,373,378
Main Account	-	-
Private Wing	4,017,584	12,368,847
Total	5,366,187	20,742,225
Grand Total	8,332,122	24,724,842
7.2 Bank Overdraft		
Main Account	1,537,067	21,387,688
Total	1,537,067	21,387,688
7.3 Trade and Other Receivables		
Institutions		
NHIF	38,799,368	58,237,800
Corporate Clients	470,038,012	406,326,912
AMPATH	47,660,321	43,299,641
MOH Grant	234,389,199	175,503,769
Sub Totals	790,886,900	683,368,123
Individuals		
Individual Clients	426,080,424	388,548,854
MTRH Training centre	8,253,384	7,132,679
Staff Guarantors	3,651,253	2,948,447

Salary Advance	4,005,029	3,420,980
Imprests	10,434,649	7,986,000
Hospital Wide Benevolent Fund	-	530,000
Cafeteria	136,390	144,360
Farewell Home	295,300	295,300
Rent	3,400,638	1,193,512
Proposed for Write Off	17,756,467	17,756,467
Sub Total	474,013,535	429,956,601
Grand Total	1,264,900,435	1,113,324,723
Less; Accumulated provision	291,884,079	261,776,061
Net Debtors	973,016,356	851,548,662
7.5 Inventories		
Drugs	39,721,877	43,523,717
Dressings and Sutures	31,867,567	59,175,120
Lab Reagents and X-Ray Supplies	5,908,195	2,702,809
Food and Ration	1,774,440	2,146,096
Cleansing	10,261,051	16,753,512
Maintenance	772,072	580,315
Oxygen and Gases	1,868,876	1,603,140
Stationery	1,559,302	1,128,605
Supplies for Production	5,919,220	1,429,203
Total	99,652,601	129,042,517
8.0 CURRENT LIABILITIES		
8.1 Trade and other Payables		
Outstanding Creditors as at 30 th June 2010	248,266,141	153,557,981
Kenya Audit	2,320,000	2,320,000
Loan From NHIF	61,246,517	-
Total	311,832,658	155,557,981

8.2 Prepaid fees	863,046	515,621
8.3 Salaries and Other Unpaid Deduction		
PAYE	54,554,760	44,972,598
NSSF	1,411,900	1,359,112
NHIF	1,127,800	1,082,698
SACCOs	14,766,959	13,489,415
Nancy Kaari Samuel	3,500	3,500
Limo R K & Company Advocates	5,000	5,000
Josephine Wanza	10,000	10,000
Hospital Wide Benevolent Fund	584,631	-
MTRH Pension Contribution	150,964,545	24,048,573
M/s Gumbo & Associates Advocates	11,622	11,622
Moi University School Fees	10,000	10,000
Union Dues	2,991,106	923,260
MS B. I Otieno & co. Advocates	5,000	-
MADEs	366,007	377,950
Finance	20,270	44,242
Laboratory Staff S.H.G	105,340	118,721
Sub Staff	225,738	159,551
Health Records Information System	620,603	418,821
Security Self Help Group	44,755	
Nutrition	128,291	112,631
Supplies	48,800	14,400
Radiology	64,500	58,875
Nurses	1,331,400	1,322,399
Occupational Therapy	163,660	136,550
Medical Social Work	117,080	71,580
ELD. Clinical	257,784	170,814

Central Services	168,758	89,755
Catering	62,420	40,900
Secretaries	65,904	31,704
Transport	67,622	47,460
Pharmacy	112,907	121,189
Dental Welfare	58,200	45,000
Physiotherapy Welfare	30,000	20,000
Sanpre Welfare	92,075	55,096
ICT Welfare	69,041	28,796
MTRH Benevolent	523,331	519,650
HELB Loan	484,025	500,245
Save as You Earn	8,500	19,000
Senior Principle Magistrate Kabarnet	3,000	3,000
RHCOE	-	331,859
Barclay Loan	4,255,593	3,923,834
Rose Keino	32,982	
Administrator Civil servant	-	54,978
KCB Loan	6,953,888	6,426,939
Housing Finance	46,877	29,823
CFC Loan	1,465,980	1,354,051
Platinum Credit	850,243	305,710
Family Finance	1,753,276	1,857,064
NBK LOAN	1,818,305	1,928,019
EQUITY LOAN	793,844	802,711
STD LOAN	12,141,999	4,964,786
Insurance	4,667,814	1,885,020
Hire Purchase	1,071,515	492,360

Equatorial bank	106,248	
Faulu Loan	7,565,542	6,109,083
Bank of Africa	24,516	
Cooperative Loan	30,801,005	26,377,555
Old Mutual	49,500	48,500
Self Help Group	27,000	133,700
Net Pay	106,585,974	100,243,163
	412,698,933	247,713,262
9.1 Reserves		
Capital Reserves		
Opening Balances	1,809,371,990	1,563,124,835
Capital Grants	131,500,000	243,000,000
Donations	1,216,400	3,247,155.00
Balance Carried Forward	1,942,088,390	1,809,371,990
9.2 Revenue Reserves		
Opening Balance	(37,897,631)	107,228,254
Prior year adjustment	-	-
Surplus/ Deficit for the period	(253,247,970)	(145,125,885)
Balance Carried forward	(291,145,601)	(37,897,631)