

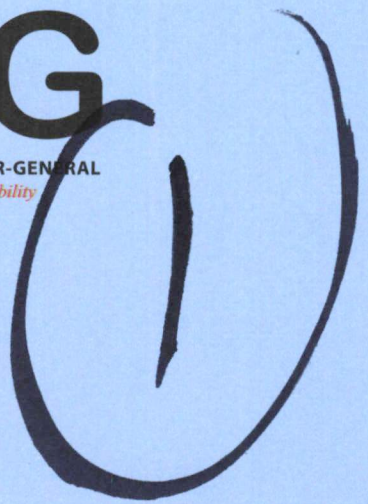
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REPORT

OF

THE AUDITOR-GENERAL

ON

MAMA RACHEL RUTO MATERNITY HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF UASIN GISHU

PAPERS LAID	
DATE	19/2/2026
TABLED BY	Minority Leader
COMMITTEE	—
CLERK AT THE TABLE	Angels





MAMA RACHEL RUTO MATERNITY HOSPITAL

County Government of Uasin Gishu

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)

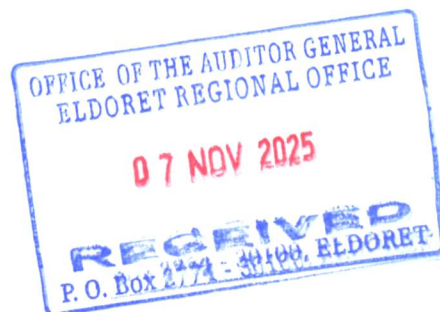


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1. Acronyms & Glossary of Terms

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in Mama Rachel Ruto Maternity Hospital.

2. Key Entity Information and Management

(a) Background information

Mama Rachel Ruto maternity Hospital is a level 4 hospital established under gazette notice number 7136 and is domiciled in *Uasin Gishu* County under the *Health* Department. The hospital is governed by the department of health services Uasin Gishu County

(b) Principal Activities

The principal activity/mission/ mandate of the hospital is to provide health services, create an enabling environment, regulate, set standards and policy for health service delivery

VISION

We envision a healthcare system that embodies the principles of efficiency, effectiveness, and high-quality health care, while ensuring accessibility, equity, and affordability for every individual.

Key Components:

- **Universal Access:** Every person, regardless of their background, location, or financial situation, has access to comprehensive and high-quality healthcare services.
- **Equitable Distribution:** Healthcare resources are allocated fairly and efficiently, ensuring that every individual has equal opportunities to receive the care they need.
- **Innovative Care Models:** The healthcare system incorporates innovative and evidence-based practices, leveraging technology and data to improve patient outcomes and streamline care.
- **Patient-Centred Approach:** Patients are empowered to take an active role in their healthcare, with a focus on prevention, education, and personalized care.
- **Financial Sustainability:** The healthcare system is financially sustainable, ensuring that costs are reasonable and do not compromise the quality of care.

Benefits:

- Improved health outcomes and quality of life for all individuals
- Reduced healthcare disparities and inequities
- Increased patient satisfaction and engagement
- Enhanced efficiency and effectiveness in healthcare delivery
- Financial stability and sustainability for healthcare providers and patients

Path Forward:

To achieve this vision, we will work collaboratively with healthcare stakeholders, policymakers, and communities to:

- Develop and implement innovative care models and technologies
- Promote patient-centered and person-centered care
- Foster a culture of equity, inclusion, and diversity
- Advocate for policy changes that support universal access and affordability
- Continuously monitor and evaluate healthcare outcomes, making data-driven decisions to improve the system.

MISSION

Our mission is to deliver high-quality, accessible, and equitable health services to the people of Uasin Gishu County, guided by principles of participatory leadership and accountability.

Key Principles:

- **Equity:** We prioritize the needs of the most vulnerable populations and strive to eliminate health disparities.
- **Accessibility:** We ensure that all individuals have access to healthcare services, regardless of their geographical location, socioeconomic status, or other factors.
- **Accountability:** We are transparent in our decision-making processes and hold ourselves accountable for the quality of our services and the impact we have on the community.
- **Participatory Leadership:** We engage with the community to understand their needs and involve them in the planning and implementation of our health services.

Goals:

- Provide comprehensive and high-quality health services that meet the unique needs of the people of Uasin Gishu County.
- Foster a culture of equity, inclusivity, and respect for all individuals.
- Promote community participation and engagement in healthcare decision-making.
- Continuously evaluate and improve our services to ensure they meet the evolving needs of the community.

Values:

- **Compassion:** We prioritize empathy and understanding in our interactions with patients and the community.
- **Integrity:** We uphold the highest standards of honesty, transparency, and accountability in all our actions.
- **Collaboration:** We work closely with community partners, healthcare providers, and stakeholders to achieve our goals.
- **Innovation:** We strive to stay at the forefront of healthcare advancements and adopt evidence-based best practices.

(c) Key Management

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

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Management

(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	Hellen Siria
2.	Head of finance	Wilfred Cherugon Maasai
3.	Head of supply chain	Sosten kibet
4.	Hospital Administrator	Scolastica kemboi
5.	Hospital accountant	Jonathan Lagat

(e) Fiduciary Oversight Arrangements

The Level 4 Mama Rachel Ruto Maternity Hospital has established various fiduciary oversight arrangements to ensure the effective governance and management of the hospital. These arrangements include:

Clinical Research and Standards Committee

- **Purpose:** To oversee the development, implementation, and evaluation of clinical research and standards within the hospital.
- **Responsibilities:** To ensure that clinical research and standards are aligned with national and international best practices, and to provide guidance on research ethics, data management, and publication.
- **Composition:** The committee is composed of senior medical officers, clinical researchers, and hospital administrators.

Audit Committee

- **Purpose:** To oversee the hospital's financial and operational performance, and to ensure the accuracy and reliability of financial reporting.
- **Responsibilities:** To review financial statements, audit reports, and internal controls, and to provide assurance on the hospital's financial management practices.
- **Composition:** The committee is composed of independent non-executive directors, senior hospital administrators, and external auditors.

Risk Committee

- **Purpose:** To identify, assess, and mitigate risks that could impact the hospital's operations, financial performance, and reputation.

- **Responsibilities:** To develop and implement risk management policies and procedures, and to provide guidance on risk assessment and mitigation strategies.
- **Composition:** The committee is composed of senior hospital administrators, risk management experts, and external advisors.

County Assembly

- **Role:** The County Assembly has oversight responsibility for the hospital, including the approval of the hospital's annual budget and strategic plan.
- **Responsibilities:** To review the hospital's performance, financial reports, and strategic plan, and to provide guidance on hospital governance and management.
- **Composition:** The County Assembly is composed of elected representatives from the county.

Parliamentary Committees

- **Role:** Parliamentary committees, such as the Health Committee, have oversight responsibility for the hospital, including the approval of the hospital's annual budget and strategic plan.
- **Responsibilities:** To review the hospital's performance, financial reports, and strategic plan, and to provide guidance on hospital governance and management.
- **Composition:** Parliamentary committees are composed of elected representatives from the national assembly.

Other Oversight Committees

- **Patient Safety Committee:** To oversee the hospital's patient safety policies and procedures, and to investigate patient safety incidents.
- **Quality Improvement Committee:** To oversee the hospital's quality improvement initiatives, and to identify areas for improvement.
- **Ethics Committee:** To oversee the hospital's ethics policies and procedures, and to provide guidance on research ethics and patient confidentiality.

These fiduciary oversight arrangements provide a framework for ensuring the effective governance and management of the Level 4 Mama Rachel Ruto Maternity Hospital.

(f) Entity Headquarters

P.O. Box 5665-30100
MAMA RACHEL MARTENITY HOSPITAL (Building)
64 STADIUM (Road)
ELDORET KENYA

(g) Entity Contacts

Telephone: (+254) 736977093
E-mail: mamarachalhospital@gmail.com

(h) Entity Bankers

Cooperative bank Accounts no
01106737993002

01141673799301
01141673799300

(i) Independent Auditors

Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya



(j) Principal Legal Adviser

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

(k) County Attorney

P.O. Box. 40 -30100
Eldoret, Kenya




3. The Board of Management


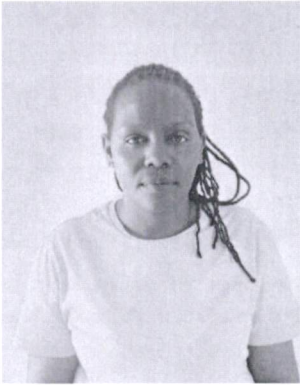

Ref	Directors	Details
1.	 KELVIN KIBORE	Chairman
2.	 HELLEN SIRIA	Medical Superintendent (BSc Nursing)
3.	JAMES TIROP	Vice chair (Retired Teacher)
4.	LABAN GATHAIYA	Member (Business Man)
5.	VIVIAN SHISINDE	Member (O level)




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6.	EVANS MULARE	Member (O level)
7.	SHEILA BOR	Member
8.	Timothy Kibor	Member (Teacher)
9.		

4. Key Management Team

Ref	Management	Details
1	 <p data-bbox="496 837 646 869">Hellen Siria</p>	<p data-bbox="783 566 1082 656">Medical Superintendent (BSc Nursing)</p>
2.	 <p data-bbox="456 1317 687 1348">Scolastica kemboi</p>	<p data-bbox="783 1077 1190 1167">Hospital Administrator (BBM Business Administration)</p>
3	 <p data-bbox="472 1803 667 1834">Jonathan Lagat</p>	<p data-bbox="783 1574 1038 1664">Hospital Accountant BBM Accounting</p>

2.	 <p>Dr. Loice Luhumyo</p>	<p>Obstetrician / Gyn ecologist</p> <p>MSc Obstetrics & Gynaecology)</p>
3.	 <p>Mercy Yator</p>	<p>RCO (Higher Dip. Anaesthesia)</p>
4	 <p>Ann Sirma</p>	<p>Nursing Officer In-Charge</p>

5	 <p>Hellen Meja</p>	<p>Pharm. Tech. (Diploma In Pharmacy)</p>
6	<p>Jackline Maina</p>	<p>HRIO (MSc Health Informatics)</p>
9	 <p>Mercy Chelagat</p>	<p>Nutritionist (BSc Nutritionals and Dietetics)</p>
10	 <p>Elizabeth Chepkosgei</p>	<p>Social Worker (Diploma in Social Work)</p>

11	 Jacinta Kosgei	Public Health Officer (Diploma in Public Health)
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5. Chairman's Statement

MAMA RACHEL RUTO MATERNITY HOSPITAL is a level 4 Hospital and this change in tier was affected a year ago from a Level 3B Health Centre. This iconic change has placed our facility at the centre of Uasin Gishu County Health Service Network. The first of its kind in the region we boast of a state-of-the-art modern delivery parlour, theatre, new born unit and imaging center that serves as an adjunct of our primary centre that for over years has been offering out patient, ante natal and child welfare services.

The change in tier also brought in a new partner Her Excellency, The First Lady of the Republic of Kenya Mama Rachel Ruto hence change of name of the facility from West Health Centre and Maternity. The change of name was a win for the Board of Management in terms of our resource mobilizing efforts symbolizing the signing up of a lifelong partner who is The First Lady, who henceforth becomes the patron and official link person to help us forge more partnerships.

The hospital has since had a steep rise in client numbers and become a key county referral facility for emergency maternal and new born care. This fact translates to the need to have more staff, medical supplies and space to cater for increased client flow. Latest advancement made in medicine dictated the acquisition of necessary diagnostic equipment i.e. Haematology machine, Blood Chemistry machine, and Ultra Sound devices.

Our greatest revenue earner is SHA supported by DANIDA fund which is on the diminishing phase and Income Generating Activities revolving on payment of identified hospital services ie consultation, laboratory services, inspection fees, medical report fees, imaging fees etc. Notably the board of management also prioritizes resource mobilization for growth of our services and burns the midnight oil to seek for partners to support the facility and extend gratitude to the following partners Danish Government, French Government, Safaricom Foundation, USAID and AMPATH KENYA.

It will not be worthwhile if I fail to report on our outreach activities that is championed by the Public Health Team and fostered by the Community Health Promoters that has enabled the reduction of disease burden on members of our catchment and I must mention their spirited fight against new HIV infection, early pregnancy, sexual and gender-based violence, breast and cervical cancer, diabetes, hypertension, among many other chronic and non-communicable diseases. This team has also been instrumental in on boarding community members on the SHA portal.

Like earlier mentioned our greatest burden at the moment lies on the need for more space to cater for the growing client numbers. The average daily patient attendance list stands at 500 people begging for more staff numbers; both professional and support staff. The public procurement procedure marked with erratic stock management is an impediment to steady supply of pharmaceutical and non-pharmaceutical hospital supplies directly affecting quality of patient care. Security, entry point and access road is still a concern at the facility.

Subject to our board discussions it is eminent that plans should be put to erect a storied hospital block that will house the outpatient department, diagnostic center, paediatric ward, theatre, administration wing and conference facility thus taking care of our numbers adequately. The push

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to employ more staff through the county service board is ongoing as we still put localized approach in place of hiring staff on a locum basis. The advent of Facility Improvement Fund Act (FIFA) if fully implemented will address the hospital supply challenges and strengthen the operations at the facility.

Our future as facility assured only if we encourage a collaborative, inclusive and consultative approach in our day-to-day management of the facility.



.....
Kevin Anthony Kibore Mulweye.

Chairman to the Board

6. Report of The Medical Superintendent

Introduction

As the Medical Superintendent of Mama Rachel Ruto Maternity Hospital, I am pleased to present this report, which highlights the key activities, successes, and challenges faced by the hospital during the past year. This report provides a more detailed overview of the hospital's performance and financial position.

Key Activities and Successes

- **Expansion of Services:** We have expanded our services to include a range of specialized healthcare services, including maternal and child health, emergency medicine, and mental health. Our team of healthcare professionals has worked tirelessly to develop and implement these new services, ensuring that we are equipped to meet the evolving needs of our patients.
- **Upgrades to Facilities:** We have upgraded our facilities to meet the growing demand for healthcare services, including the construction of new wards, operating theaters, and diagnostic centers. Our facilities are now equipped with state-of-the-art equipment and technology, enabling us to provide high-quality care to our patients.
- **Staff Development:** We have invested in the development of our staff, providing training and capacity-building programs to enhance their skills and knowledge. Our staff are now better equipped to provide high-quality care to our patients, and we have seen a significant improvement in patient outcomes as a result.
- **Community Engagement:** We have strengthened our community engagement efforts, partnering with local organizations and stakeholders to improve healthcare outcomes and promote health education. Our community outreach programs have been instrumental in raising awareness about important health issues and promoting healthy behaviors among our patients and the wider community.

Challenges Faced

- **Limited Resources:** Despite our efforts to improve our services, we continue to face challenges related to limited resources, including funding and staff shortages. We are working closely with our partners and stakeholders to identify new sources of funding and resources, and to develop innovative solutions to address these challenges.

- **Regulatory Compliance:** We have had to navigate complex regulatory requirements, including compliance with national and international standards for healthcare delivery. Our team of healthcare professionals has worked closely with regulatory bodies to ensure that we are meeting all relevant standards and guidelines.
- **Community Health Needs:** We continue to face challenges related to community health needs. We are working closely with our partners and stakeholders to develop and implement evidence-based solutions to address these challenges.

Financial Performance

- **Revenue:** Our revenue has increased by 65% compared to the previous year, driven by an increase in patient admissions and a growth in our maternity services. This increase in revenue has enabled us to invest in new initiatives and enhance our services.
- **Expenses:** Our expenses have also increased by 34% compared to the previous year, primarily due to the costs associated with upgrading our facilities and investing in new equipment. However, we have been able to manage our expenses effectively, ensuring that we remain financially sustainable.
- **Surplus:** We have generated a surplus of 5% compared to the previous year, which will be used to invest in new initiatives and enhance our services. This surplus is a testament to the hard work and dedication of our staff, and we are committed to continuing to deliver high-quality care to our patients.

Future Outlook

- **Expansion of Services:** We plan to expand our services to include a range of specialized healthcare services, including, paediatric unit. Our team of healthcare professionals is working closely with our partners and stakeholders to develop and implement these new services.
- **Investment in Technology:** We plan to invest in cutting-edge technology, including electronic health records, telemedicine, and artificial intelligence. This investment will enable us to improve client and patient outcomes, enhance our services, and reduce costs.
- **Staff Development:** We plan to continue investing in the development of our staff, providing training and capacity-building programs to enhance their skills and knowledge. Our staff are our greatest asset, and we are committed to continuing to support their growth and development.

- **Community Engagement:** We plan to strengthen our community engagement efforts, partnering with local organizations and stakeholders to improve healthcare outcomes and promote health education. Our community outreach programs have been instrumental in raising awareness about important health issues and promoting healthy behaviours among our patients and the wider community.

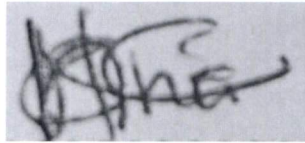
Conclusion

In conclusion, I would like to express my appreciation to our staff clients, patients, and community partners for their support and collaboration. We are committed to continuing our mission to provide high-quality healthcare services to our community, and we look forward to the future outlook for our hospital.

Sincerely,

Medical Superintendent

Mama Rachel Ruto Maternity Hospital



.....
Hellen Siria
Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

The performance of **Mama Rachel Ruto Maternity Hospital** for the financial year **2024/2025** has been evaluated in alignment with the **County Integrated Strategic Plan (FY 2022/23 – FY 2027/28)** and the ongoing **health sector reforms** initiated by the National Government. The hospital's strategic focus is anchored on four key pillars:

In accordance with **Section 164 of the Public Finance Management Act, 2012**, the Board of Management of **Mama Rachel Ruto Maternity Hospital** is responsible for the preparation and presentation of financial statements that give a true and fair view of the hospital's financial position as at the end of the financial year and its operational results for the period.

This responsibility includes:

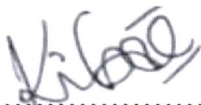
- Maintaining adequate financial management arrangements and ensuring their effectiveness throughout the reporting period
- Keeping proper accounting records that accurately reflect the hospital's financial position at any given time
- Designing, implementing, and maintaining internal controls to ensure the financial statements are free from material misstatements, whether due to error or fraud
- Safeguarding the hospital's assets
- Selecting and applying appropriate accounting policies
- Making accounting estimates that are reasonable and prudent under the circumstances

The Board of Management accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates. These statements conform to the International Public Sector Accounting Standards (IPSAS) and comply with the requirements of the Public Finance Management Act, 2012 and the Public Audit Act, 2015.

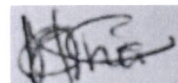
Nothing has come to the attention of the Board to indicate that Mama Rachel Ruto Maternity Hospital will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the Financial Statements

The financial statements of **Mama Rachel Ruto Maternity Hospital** were approved by the Board of Management on **27 August 2025** and signed on its behalf by:



.....
Mr. Kevin Kibore
Chairperson
Board of Management



.....
Hellen Siria
Accounting Officer

8. Corporate Governance Statement

Mama Rachel Ruto Maternity Hospital recognizes the importance of establishing and maintaining a robust corporate governance framework. The hospital is committed to upholding the highest standards of **transparency**, **accountability**, and **equity** in its operations. Governance structures, procedures, and protocols are designed to ensure effective oversight, ethical leadership, and strategic alignment with both county and national health sector reforms.

a) Governance, Leadership, and Management

The hospital is committed to strengthening its leadership and governance structures to ensure alignment with its mission and vision. By fostering transparent stakeholder engagement and enhancing internal management practices, the hospital aims to cultivate staff commitment and deliver quality healthcare services within a conducive working environment. These efforts are geared toward achieving the hospital's strategic objectives and improving overall institutional performance.

b) Financial Sustainability

The hospital is actively pursuing sustainable financing through increased government support and alternative funding sources. Resource mobilization efforts are ongoing, with a strong emphasis on efficient utilization, transparency, and accountability in financial management. These measures are essential to ensure long-term sustainability and uninterrupted service delivery.

c) Human Resource Development

Achieving optimal staffing levels and building a robust health workforce is central to the hospital's success. The County Government must prioritize the recruitment, training, and retention of skilled and motivated healthcare professionals. A well-supported workforce will enhance service efficiency, responsiveness, and patient satisfaction.

The hospital's Annual Work Plan, derived from the County's Five-Year Integrated Development Plan, has provided a framework for quarterly and annual performance evaluations. For the financial year **2024/2025**, Mama Rachel Ruto Maternity Hospital successfully met the majority of its performance targets, in accordance with the resources allocated and received.

ii) The Health Facility Committee

Following its elevation and gazettelement as a **Level 4 Category Hospital** in 2025, and in line with the **Facility Improvement Fund (FIF) Act, 2023**, Mama Rachel Ruto Maternity Hospital retained its existing Health Facility Committee (HFC) as a **transition board**. This transitional arrangement ensures continuity and compliance with governance requirements for Level 4 facilities.

Health Facility Committees are established to promote **community engagement, ownership, and accountability** in health service delivery. They serve as a vital link between the community and the hospital, facilitating communication, resource mobilization, and oversight of operations.

iii) Membership of the Health Facility Committee

- The in-charge of the health facility (ex officio and Secretary to the Committee)
- The Sub-County Medical Officer of Health or their representative
- A local community representative
- A resident nominated by a joint forum of women's organizations
- A resident nominated by a joint forum of youth organizations
- A resident nominated by a joint forum of faith-based organizations
- Two representatives of vulnerable and marginalized communities, one of whom is a person with a disability

The **Chairperson** is elected from among the committee members.

iv) Roles and Responsibilities of the Health Facility Management Committee

Under the FIF Act 2023 and the rollout of **Social Health Authority (SHA)** and **Social Health Insurance Fund (SHIF)**, the committee is mandated to ensure prudent financial management and effective oversight of facility improvement financing. Key responsibilities include:

1. Submitting the Annual Health Facility Work Plan and Budget to the Chief Officer for approval
2. Submitting quarterly budgets for approval
3. Ensuring implementation plans and budgets are based on available resources
4. Monitoring utilization of funds and addressing implementation challenges
5. Ensuring compliance with financial procedures and reporting requirements
6. Enforcing procurement rules under the Public Procurement and Asset Disposal Act (No. 33 of 2015)
7. Promoting public awareness and participation in planning and budgeting
8. Receiving audit reports and initiating responses to management queries
9. Implementing recommendations of the Auditor-General under Section 31(3)(a) of the Public Audit Act (No. 34 of 2015)
10. Acting on recommendations from the Senate and County Assembly
11. Implementing relevant recommendations from the Controller of Budget
12. Serving as liaison between the hospital and the community to enhance service delivery

v) Role of the Committee Chairperson

The Chairperson provides **strategic leadership** to the Health Facility Committee, ensuring its effectiveness in line with health sector reform policies and county strategic plans. Responsibilities include:

- Scheduling and convening committee meetings
- Ensuring timely dissemination of minutes, hospital plans, and policy documents
- Guiding deliberations and approvals to align with institutional goals

iv) Health Facility Committee Work Plan and Meetings

A work plan outlining an annual schedule of meetings for the HFC is prepared in advance in line with the health facility AWP and approved budget as per the available funds. In liaison with the Hospital Manager, the HFC secretary fixes the meeting's agenda as per the current operational plan and arising issues in the hospital which requires the HFC attention and action. The agenda is circulated to members within the committee set timelines. In the year under review, the HFC held 4 quarterly and 2 extraordinary meetings to consider, adopt and approve hospital operational, development and administrative plans and expenditure.

As the HFC is transitioning to a Hospital Board, the implementation of the Boards mandate will be actualized as and when it is established. This includes:

- a) The appointment and gazettelement of the board
- b) Establishment of the various Board Committees and
- c) Full operationalization of Level 4 Category Hospital.

9. Management Discussion and Analysis

a) Clinical Performance

Mama Rachel Ruto Maternity Hospital provides quality affordable and accessible comprehensive primary and secondary healthcare services. It bridges the gap between primary, secondary and specialized healthcare services. The hospital provides the following services:

- i) General Outpatient,
- ii) Maternity Services
- iii) New Born Unit Services (NBU)
- iv) Gynaecological Services
- v) Diagnostic Services (Radiology & Imaging and Medical Laboratory),
- vi) Preventive Services (ANC, PNC, EPI, CWC and FP)
- vii) Public Health Services
- viii) Clinical Support Services
- ix) Training and research for medical training institutions

ii) Overall patient attendance

The hospital has steadily realized increase in both Outpatient attendance and Maternity admissions notwithstanding the various challenges which include industrial actions (strikes by key staff – nurses and clinical officers including doctors), delays in drugs and medical supplies, laboratory and X-ray supplies during the period under review.

In the fiscal year 2024/2025, the hospital attended to 45,272 outpatients which is 34% of the catchment population

iii) Reproductive health

In the financial year 2023/24, the Hospital conducted 1308 deliveries but in 2024/2025 did 993 deliveries. The decrease was due to industrial action (strikes by nurses and clinical officers).

iv) Bed Capacity

Whereas the hospital bed capacity is 120, currently all are actively in use including NBU to be which it's operational

v) Maternity service

During the period under review the hospital realized 67% bed occupancy with 2054 deliveries with only 1 case of mother loss

vi) Mortality Rate.

During the review period, the average mortality rate stood at 0.1% The low mortality rate is prompt referral of patient.

vii) Patient Safety.

Mama Rachel Maternity Hospital is committed to enhancing client's safety, recognizing it as an important aspect of healthcare service delivery. The hospital continuously implemented set policies thus fostering a safer environment for all clients.

10. Environmental and Sustainability Reporting

Mama Rachel Maternity Hospital embraces the **Triple Bottom Line** framework—**People, Planet, and Profit**—as a cornerstone of its operations. Sustainability is not just a goal but a guiding principle that informs every aspect of service delivery, governance, and community engagement.

i) Sustainability Strategy and Profile

The hospital's sustainability strategy is designed to balance present healthcare needs with long-term environmental and social responsibility:

- **Regulatory Compliance:** Adheres to national and regional environmental standards
- **Energy Efficiency:** Focus on reducing CO₂ emissions and optimizing facility energy use
- **Stakeholder Collaboration:** Works with suppliers and staff to promote sustainable practices
- **Resource Optimization:** Shares best practices with sustainability experts and tracks performance metrics
- **Corporate Governance:** Anchored in **accountability, transparency, and integrity**, aligned with Kenya's Constitution (2010) and public service laws
- **Ethical Culture:** All employees are expected to uphold high standards of integrity and ethical conduct

ii) Environmental Performance

Mama Rachel Maternity Hospital actively promotes eco-conscious practices in both clinical and administrative settings:

- **Energy Conservation:** Staff encouraged to turn off lights and devices when not in use
- **Eco-Friendly Packaging:** Use of sustainable materials for medication packaging
- **Waste Management:**
 - Segregated disposal bags for **clinical waste, recyclables, and food waste**
 - Provision of **personal protective equipment (PPE)** for safe waste handling

iii) Employee Welfare

The hospital prioritizes the health, safety, and professional growth of its workforce:

- **Health Coverage:** Comprehensive **SHIF** insurance for all employees
- **Professional Development:** Ongoing training in leadership, management, and technical skills
- **Well-being Initiatives:**
 - Promotion of physical and mental health
 - Compliance with **Occupational Safety and Health (OSHA)** standards
 - Guided by **County Human Resource policies**

11. Report of The Board of Management

The board members submit their report for the year that ended June 30, 2025, which shows the state of the *hospital's* affairs.

Principal activities

- Strategic Leadership
- Governance and Oversight
- Financial Stewardship
- Community Engagement

- Review hospital performance reports and ensure corrective actions are taken where necessary.
- Evaluate the effectiveness of board decisions and hospital management practices.

Results

- Improved Quality Services
- Community Engagement

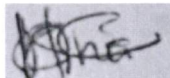
Board of Management

The members of the Board who served during the year are shown on page vii. During the year, 2024/25 no director(s) retired/ resigned.

Auditors

The Auditor General is responsible for the statutory audit of Mama Rachel Ruto Maternity Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Hellen Siria
Secretary to the Board

12. Statement of Board of Management's Responsibilities

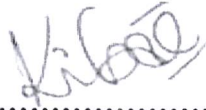
Section 164 of the Public Finance Management Act, 2012 requires the Board of Management to prepare financial statements in respect of that Mama Rachel Maternity hospital, which give a true and fair view of the state of affairs of the Mama Rachel Maternity hospital at the end of the period and the operating results of the ICRH for that period. The Board of Management is also required to ensure that the Mama Rachel Maternity hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of the Mama Rachel Maternity hospital. The Board members are also responsible for safeguarding the assets of the Mama Rachel Maternity hospital.

The Board of Management is responsible for the preparation and presentation of the Mama Rachel Maternity hospital financial statements, which give a true and fair view of the state of affairs of the Mama Rachel Maternity hospital for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Mama Rachel Ruto Maternity 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 Burnt Forest county hospital; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

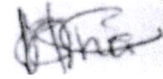
The Board of Management accepts responsibility for Mama Rachel Ruto Maternity Hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Public Audit Act, 2015. The Board members are of the opinion that the Mama Rachel Maternity hospital financial statements give a true and fair view of the state of Mama Rachel Maternity hospital transactions during the financial year ended June 30, 2025, and of the Mama Rachel Maternity hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Mama Rachel Maternity hospital, which have been relied upon in the preparation of the Mama Rachel Maternity hospital financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the Board of management to indicate that the Mama Rachel Maternity 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 27th August, 2025 and signed on its behalf by:



.....
Mr Kevin kibore
Chairperson
Board of Management



.....
Hellen Siria
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 MAMA RACHEL RUTO MATERNITY HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF UASIN GISHU

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 Mama Rachel Ruto Maternity Hospital – County Government of Uasin Gishu set out on pages 1 to 60, which comprise

Report of the Auditor-General Mama Rachel Ruto Maternity Hospital for the year ended 30 June, 2025 –County Government of Uasin Gishu

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

In my opinion, except for the 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 Mama Rachel Ruto Maternity Hospital 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 Government Act, 2012 and the Health Act, 2017.

Basis for Qualified Opinion

Property, Plant and Equipment

The statement of financial position reflects Nil balance under property, plant and equipment. However, according to the asset register presented for audit, the Hospital owns various assets including; land, buildings, CCTV systems, medical equipment, computers, and furniture which were not reported. In addition, the detailed schedule indicating the asset description, location, cost or valuation and relevant documentations for additions during the year were not provided for audit. Further, it was noted that the depreciation charge for the year was not expensed in the statement of financial performance. Also, it was noted that the Hospital sits on land measuring approximately one point five (1.5) acres. However, the land does not have a title deed and there was no documentary evidence to show effort to obtain ownership documents. In addition, examination of the assets register presented for audit revealed that it was incomplete as all the assets except motor vehicles were omitted and the cost of these assets was not included in the register. Also, the acquisition date and asset tags were not reflected.

In the circumstances, the valuation, accuracy and completeness of the reported nil balance for property, plant and equipment could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mama Rachel Ruto Maternity Hospital 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 an expenditure of Kshs.19,469,750 on operations against actual receipts of Kshs.27,240,920 resulting to an under-utilization of Kshs.7,771,170 or 29% of the actual receipts. In addition, it was noted that the information that was supposed to be reported in the actual comparable basis column was not done. Further, reconciliation under the statement comparison of budget and actual amounts for year ended 30 June, 2025 was not done.

The under-utilization on the budgeted funds may have affected service delivery to patients and impacted negatively on the public.

My report 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 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 Matter

Other Information

The Management is responsible for the Other Information set out on page iv to (i) which comprise of Acronyms and Glossary of Terms, 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 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 matter described in the Basis for Conclusion on the Lawfulness and Effectiveness in 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

Non-Compliance with the Kenya Quality Model for Health Policy Guidelines

Review of Hospital records and verification of services offered, equipment used and medical specialists at the Hospital for the year under review revealed that the Hospital did not meet the requirements of the Kenya Quality Model for Health Policy Guidelines as detailed below

Staff Requirements	Level 4 standard	No in Hospital	Variance	Percentage %
Medical officers	16	6	(10)	38%
Anesthesiologists	2	5	3	250%
General surgeons	2	0	(2)	0%
Gynecologists	2	2	0	100%
Pediatrics	2	1	(1)	50%
Radiologists	2	1	(1)	50%
Kenya Registered Community Health Nurses	75	48	27	64%
Total	115	63	16	55%

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

Service	Level 4 standard	No in Hospital	Variance	Percentage %
Beds Capacity	150	120	(30)	80%
Resuscitaire (2 in labour & 1 in theatre)	3	4	1	133%
Newborn Unit Incubators	5	25	20	500%
Newborn Unit Cots	5	10	5	200%
Functional ICU Beds	6	0	(6)	0%

Service	Level 4 standard	No in Hospital	Variance	Percentage %
High Dependency Unit (HDU) Beds	6	0	(6)	0%
Renal Unit with at least 5 Dialysis	5	0	(5)	0%
Seven Functional Operational Theatres 4 Maternity and General	2	1	(1)	50%
Total	182	160	(22)	88%

Further, the Facility's Pharmacy and Laboratory sections are grossly understaffed. These deficiencies contravene the First Schedule of the Health Act, 2017, and indicate that achieving the highest attainable standard of health, including the right to health care services and reproductive health care, as required by Article 43(1) of the Constitution of Kenya, 2010, may not be possible.

The contravention of the Kenya Quality Model for Health Policy Guidelines hindered the realization of the Government's Universal Health Coverage (UHC) program.

In the circumstances, the Hospital may not be able to deliver on its mandate.

The audit was conducted in accordance with ISSAIs 3000 and 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 THE 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 matter described in the Basis for Conclusion on the 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

Weak Controls in Inventory Management

Review of the Hospital Inventory System revealed that both the Store System and the Pharmacy were not automated, there was no proper controlled access to the store as the store door lacked biometric access control, and closed-circuit television (CCTV) was not

extended to the store. Information provided indicated that when the storekeeper is away, other staff operates the store without evidence of any documented handover or taking over. In addition, the main drug store did not have space to accommodate all the drugs, because it was congested. It was difficult to track the usage of both pharmaceuticals and non-pharmaceuticals as there were no reconciliations on receipted items, issues to the patients, breakages, spillage, expired drugs and the revenue generated. Further, there was no evidence that stock take was carried out at the end of the year. Also, the Hospital lacked an incinerator and instead used a burner for medical wastes, which was not enough for the facility.

In the circumstances, the Hospital is exposed to possible inventory loss and deterioration of inventories.

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 the International Public Sector Accounting Standards (Accrual Basis)] 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

03 December 2025

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	-	-
In-kind contributions from the County Government	7	128,701,264	-
Grants from donors and development partners	8	502,127	-
Transfers from other Government entities	9		-
Public contributions and donations	10	-	-
		129,203,391	-
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	26,738,793.15	-
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
Revenue from exchange transactions		-	-
Total revenue		155,942,184.15	-
Expenses			
Medical/Clinical costs	15	12,781,782	-
Employee costs	16	1,787,500	-
Board of Management Expenses	17	160,000	-
Depreciation and amortization expense	18	-	-
Repairs and maintenance	19	911,900	-
Grants and subsidies	20	-	-
General expenses	21	3,828,568.50	-
Finance costs	22	-	-
Total expenses		19,469,750.50	-
Other gains/(losses)		-	

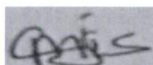
Mama Rachel Ruto Maternity Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Gain/Loss on disposal of non-Current assets	23	0	-
Unrealized gain on fair value of investments	24	0	-
Medical services contracts Gains/Losses	25	0	-
Impairment loss	26	0	-
Gain on foreign exchange transactions		0	-
Total other gains/(losses)		0	-
Net Surplus / (Deficit) for the year		136,472,434	-

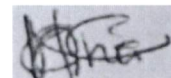
The Hospital's financial statements were approved by the Board on 27th August 2025 and signed on its behalf by:



.....
Chairman
Board of Management



.....
Head of Finance
ICPAK No:25401



.....
Medical Superintendent

15. Statement of Financial Position as At 30th June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	16,383,481.55	-
Prepayments	28	-	-
Receivables from exchange transactions	29	16,361,959.35	-
Receivables from non-exchange transactions	30	-	-
Inventories	31	2,294,183	-
Total Current Assets		35,039,623.90	-
Non-current assets			
Property, plant, and equipment	32	-	-
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
Total Non-current Assets		-	-
Total assets (A)		35,039,623.90	-
Liabilities			
Current liabilities			
Trade and other payables	36	10,934,626	-
Refundable deposits from Patients/Prepayments	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
Total Current Liabilities		10,934,626	-
Non-current liabilities			
Provisions	38	-	-

Mama Rachel Ruto Maternity Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

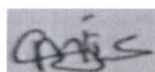
Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-
Non - Current portion of borrowings	41	-	-
Service concession Arrangements	42	-	-
Total non-current liabilities		-	-
Total Liabilities (B)		10,934,626	-
Net assets (A-B)		24,104,997.90	-
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		-	-
Capital Fund		-	-
Net Assets		24,104,997.90	-

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

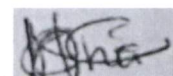
The Hospital's financial statements were approved by the Board on 27th August 2025 and signed on its behalf by:



.....
Chairman
Board of Management



.....
Head of Finance
ICPAK No:25401



.....
Medical Superintendent
Hellen Siria

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

Description	Revaluation reserve	Accumulated surplus/De fit	Capital Fund	Total
As at July 1, 2024 (previous year)	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Capital/Development grants	-	-	-	-
As at June 30, 2024 (previous year)	-	-	-	-
At July 1, 2025(current year)	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Capital/Development grants	-	-	-	-
At June 30, 2025 (current year)		24,104,997.90		24,104,997.90

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	502,127	-
Grants from donors and development partners	7	-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income	11	26,738,993.15	-
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts(<i>specify</i>)		-	-
Total Receipts		27,241,120.15	„
Payments			
Medical/Clinical costs	15	12,781,782	-
Employee costs	16	1,787,500	-
Board of Management Expenses	17	160,000	-
Repairs and maintenance	19	911,900	-
Grants and subsidies		-	-
General expenses	21	3,828,568.50	-
Finance costs		-	-
Refunds paid out		-	-
Total Payments		19,469,750.50	-
Net cash flows from operating activities	43	7,713,69.65	-
Cash flows from investing activities		-	-
Purchase of property, plant, equipment		-	-
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities		-	-
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-

Mama Rachel Ruto Maternity Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents as at 1 July	27	16,383,481.55	-
Cash and cash equivalents as at 30 June	27	16,383,481.55	-

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of Utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-	-	-	-	-	%
Receipts						
Transfers from the County Government	-	-	-	-	-	%
Grants from donors and development partners	502,127	-	502,127	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	26,738,793.15	-	26,738,793.15	-	-	%
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Miscellaneous receipts (<i>specify</i>)	-	-	-	-	-	%
Total receipts	27,240,920.15	-	27,240,920.10	-	-	%
Payments						
Medical/Clinical costs	12,781,782	-	12,781,782	-	-	%
Employee costs	1,787,500	-	1,787,500	-	-	%
Remuneration of directors	160,000	-	160,000	-	-	%
Repairs and maintenance	911,900	-	911,900	-	-	%
Grants and subsidies	-	-	-	-	-	%
General expenses	3,828,568.50	-	3,828,568.50	-	-	%
Finance costs	-	-	-	-	-	%
Refunds	-	-	-	-	-	%
Total Operational Expenditure paid	19,469,750.5	-	19,469,750.50	-	-	
Capital Expenditure paid	-	-	-	-	-	%
Surplus	7,771,169.60	-	7,771,169.60	-	-	%

(IPSAS 24.29)

Mama Rachel Ruto Maternity Hospital (Uasin Gishu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

:

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	7,771,169.60
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	16,383,481.55

16. Notes to the Financial Statements

1. General Information

Mama Rachel Ruto entity is established by and derives its authority and accountability from county government act no17 of 2012. Mama Rechel Ruto Marternity Hospital is wholly owned by the Uasin Gishu County Government and is domiciled in Eldoret town Uasin Gishu County in Kenya. Mama Rechel Ruto Marternity Hospital's principal activity is to provide primary health care and martenity services

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Mama Rachel Ruto Maternity Hospital's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Mama Rachel Ruto Maternity Hospital. The financial statements have been prepared in accordance with the PFM Act, and *(include any other applicable legislation)*, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

Effective Date of IPSAS Adoption in Kenya

In Kenya, IPSASs (International Public Sector Accounting Standards) are adopted by the Kenya Revenue Authority (KRA) and the Institute of Certified Public Accountants of Kenya (ICPAK) in accordance with the Public Finance Management (Sectors) Regulations, 2015.

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

There were no new and amended standards issued in the financial year.

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 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>
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>

Standard	Effective date and impact:
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be 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>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></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>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users</p>

Standard	Effective date and impact:
	of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<p><i>Applicable 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>
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>
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> <ul 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. <i>iii.</i> Disclosures that identify and explain the amounts in Mama Rachel Ruto Maternity Hospital'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.

iii) Early adoption of standards

Mama Rachel Maternity Hospital 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 Mama Rachel Ruto Maternity Hospital 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

Mama Rachel Ruto Maternity 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 Mama Rachel Ruto Maternity Hospital.

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 2024/25 was approved by Board. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Mama Rachel Ruto Maternity Hospital upon receiving the respective approvals in order to conclude the final budget. Accordingly, Mama Rachel Ruto Maternity Hospital recorded additional appropriations of FY 2024/25 budget following the Board's approval. Mama Rachel Ruto Maternity Hospital's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts, and the actuals as per the statement of cash flows.

c. Taxes

Sales tax/ Value Added Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Notes to the Financial Statements (Continued)

d. Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 3 years. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, Mama Rachel Ruto Maternity 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.

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 Mama Rachel Ruto Maternity 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. Mama Rachel Ruto Maternity 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 Mama Rachel Ruto Maternity 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 Mama Rachel Ruto Maternity Hospital. 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

Mama Rachel Ruto Maternity Hospital 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 Mama Rachel Ruto Maternity Hospital, 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

Mama Rachel Ruto Maternity Hospital expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Mama Rachel Ruto Maternity 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
- 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.

Hedge Accounting

The Mama Rachel Ruto Maternity Hospital does not have any hedge relationships and therefore the new hedge accounting rules, as outlined in IPSAS 29, do not have a significant impact on the hospital's financial statements.

No Hedge Relationships

The hospital does not engage in any transactions that involve the use of financial instruments to hedge against potential losses or gains, such as foreign exchange, interest rate, or commodity price risks.

No Impact on Financial Statements

As a result, the hospital's financial statements are not affected by the new hedge accounting rules, and there are no changes to the hospital's balance sheet, income statement, or cash flow statement as a result of the adoption of IPSAS 29.

Note to Financial Statements

The hospital will include a note to its financial statements to indicate that it does not have any hedge relationships and therefore the new hedge accounting rules do not have an impact on its financial statements.

Compliance with Regulatory Requirements

By not having any hedge relationships, the hospital is in compliance with regulatory requirements related to hedge accounting, and does not need to disclose any information about hedge relationships or the impact of hedge accounting rules on its 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, Mama Rachel Ruto Maternity Hospital 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

Mama Rachel Ruto Maternity Hospital 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 Mama Rachel Ruto Maternity Hospital'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, Mama Rechel Ruto Maternity Hospital 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 Mama Rachel Ruto Maternity Hospital 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

Mama Rachel Ruto Maternity Hospital 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. Mama Rachel Ruto Maternity Hospital recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL)

Financial liabilities
Classification

Mama Rachel Ruto Maternity Hospital 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 Mama Rachel Ruto Maternity Hospital.

l. Provisions

Provisions are recognized when Mama Rachel Ruto Maternity 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 Mama Rachel Ruto Maternity 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.

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. Mama Rechel Ruto Marternity Hospital 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 Mama Rechel Ruto Marternity Hospital will incur in fulfilling the present obligations represented by the liability.

n. Contingent liabilities

Mama Rechel Ruto Marternity 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.

o. Contingent assets

Mama Rechel Ruto Marternity 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 Mama Rechel Ruto Marternity 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.

p. Nature and purpose of reserves

Mama Rechel Ruto Marternity Hospital creates and maintains reserves in terms of specific requirements.

q. Changes in accounting policies and estimates

Mama Rechel Ruto Marternity 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.

Notes to the Financial Statements (Continued)

r. Employee benefits

Retirement benefit plans

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

s. Foreign currency transactions

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

t. Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

u. Related parties

Mama Rachel Ruto Maternity 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 Mama Rachel Ruto Maternity Hospital, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO/principal and senior managers.

v. Service concession arrangements

Mama Rachel Ruto Maternity Hospital 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, Mama Rachel Ruto Maternity Hospital recognizes that asset. When and only 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, Mama Rachel Ruto Maternity Hospital 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 Mama Rachel Ruto Maternity Hospital'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. Mama Rachel Ruto Maternity Hospital 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 Mama Rachel Ruto Maternity Hospital. 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 Mama Rachel Ruto Maternity Hospital.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	2024-2025	2023/2024
	FY	FY
	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	502,127	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Total government grants and subsidies	502,127	-

6 b Transfers from The County Government

Name of Mama Rachel Ruto Marternity Hospital sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
			KShs	KShs	KShs
Uasin gishu County Government	-	-	-	-	-
Total	-	-	-	-	-

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	2024-2025	2023/2024
	FY	FY
	KShs	KShs
Salaries and wages	128,701,264	-
Medical supplies-Drawings Rights (KEMSA)	-	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	-
Utility bills	-	-
Total grants in kind	128,701,264	-

8. Grants From Donors and Development Partners

Description	2024-2025	2023/2024
	FY	FY
	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	-	-

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

Name of Mama Rachel Ruto Marternity Hospital 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	502,127	-	-	502,127	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
Total	502,127	-	-	502,127	-

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

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

10. Public Contributions and Donations

Description	2024-2025 FY	2023/2024 FY
	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	-	-

(Provide brief explanation for this revenue)

10 (a) Reconciliations of amortised grants

Description	2024-2025 FY	2023/2024 FY
	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

11. Rendering of Services-Medical Service Income

Description	2024-2025 FY	2023/2024 FY
	Kshs	Kshs
Pharmaceuticals	-	-
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	-	-
Ambulance services	-	-
Other medical services income (<i>specify</i>)	26,738,933.15	-
Total revenue from the rendering of services	26,738,933.15	-

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

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

13. Finance /Interest Income

Description	2024-2025 FY	2023/2024 FY
	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	-	-

14. Miscellaneous Income

Description	2024-2025 FY	2023/2024 FY
	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)

15. Medical/ Clinical Costs

Description	2024-2025	2023/2024
	FY	FY
	Kshs	Kshs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	2,332,860	-
Public health activities	-	-
Food and Ration	1,581,800	-
Uniform, clothing, and linen	421,975	-
Dressing and Non-Pharmaceuticals	2,883,687	-
Pharmaceutical supplies	2,928,460	-
Health information stationery	1,019,500	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	306,550	-
Purchase of Medical gases	684,550	-
X-Ray/Radiology supplies	467,300	-
Other medical related clinical costs (<i>specify</i>)	155,000	-
Total medical/ clinical costs	12,781,782	-

16. Employee Costs

Description	2024-2025	2023/2024
	FY	FY
	Kshs	Kshs
Salaries, wages, and allowances	1,787,500	-
Contributions to pension schemes	-	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs (<i>specify</i>)	-	-
Employee costs	1,787,500	-

(Social contribution relates to expenses incurred by the employer towards social welfare of Employees)

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	2024-2025 FY	2023/2024 FY
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	160,000	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	160,000	-

18. Depreciation and Amortization Expense

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

19. Repairs And Maintenance

Description	2024-2025 FY	2023/2024 FY
	Kshs	Kshs
Property- Buildings	297,500	-
Medical equipment	-	-
Office equipment	-	-
Furniture and fittings	527,300	-
Computers and accessories	87,100	-
Motor vehicle expenses	-	-
Maintenance of civil works	-	-
Total repairs and maintenance	911,900	-

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	2024-2025 FY	2023/2024 FY
	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(DANIDA)	-	-
Total grants and subsidies	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

21. General Expenses

Description	2024-2025 FY	2023/2024 FY
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	1,484,645	-
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	18,417.50	-
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	-	-
Electricity expenses	-	-
Fuel and Lubricants	145,850	-
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	18,000	-
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-
Printing and stationery	-	-
Hire charges	-	-
Rent expenses	-	-

Description	2024-2025	2023/2024
	FY	FY
	Kshs	Kshs
Water and sewerage costs	1,950,056	-
Skills development levies	-	-
Telephone and mobile phone services	10,000	-
Internet expenses	-	-
Staff training and development	201,600	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
Total General Expenses	3,828,568.50	-

22. Finance Costs

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

(Borrowing costs that relate to interest expense on acquisition of non-current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

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

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

24. Unrealized Gain On Fair Value Investments

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

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

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

26. Impairment Loss

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

27. Cash And Cash Equivalentents

Description	2024/2025	2023/2024
	FY	FY
	KShs	KShs
Current accounts-Co-operative Bank	16,383,481.55	-
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalentents	16,383,481.55	-

Notes to the Financial Statements (Continued)

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

Description		2024/2025 FY	2023/2024 FY
Financial institution	Account number	KShs	KShs
a) Current account			
Cooperative bank	011416733799301	14,866,993.65	-
Cooperative bank	01141673799300	502,787.90	-
Cooperative bank	01106737993002	1,013,700	-
Sub- total		16,383,481.55	-
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		16,383,481.55	-

28. Prepayments

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

29. Receivables From Exchange Transactions

Description	2024/2025	2023/2024 FY
	KShs	KShs
Medical services receivables	16,361,959.35	-
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	16,361,959.35	-

Analysis of Receivables From Exchange Transactions

Description	2024/2025 FY		2023/2024 FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	16,361,959.35	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	16,361,959.35	%	-	%

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30. Receivables From Non-Exchange Transactions

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

31. Inventories

Description	2024/2025 FY	2023/2024 FY
	KShs	KShs
Pharmaceutical supplies	2,220,233	-
Maintenance supplies	-	-
Food supplies	73,950	-
Linen and clothing supplies	-	-
Cleaning materials supplies	-	-
General supplies	-	-
Less: provision for impairment of stocks	-	-
Total	2,294,183	-

Detailed disclosure on inventories

	2024/2025 FY	2023/2024 FY
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

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Notes to the Financial Statements (Continued)

32. Property, Plant and Equipment

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

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
Disposals	0	0	-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-	-
At 30 June 2025									
At July 2024/2025(current year)		-	-	-	-	-	-	-	-
Depreciation		-	-	-	-	-	-	-	-
Disposals		-	-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-	-
Transfer/adjustment		-	-	-	-	-	-	-	-
At 30th June 2025									
Net book values									
At 30 th Jun 2024	-	-	-	-	-	-	-	-	-
At 30 th Jun 2025	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

Description	2024/2025	2023/2024
	FY	FY
	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		

34. Investment Property

Description	2024/2025	2023/2024
	FY	FY
	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		

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

Notes to the Financial Statements (Continued)

35. Biological Assets

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

36. Trade and other Payables

Description	2024/2025	2023/2024		
	FY	FY		
	KShs	KShs		
Trade payables	9,801,626	-		
Employee dues	1,133,000	-		
Third-party payments (e.g. unremitted payroll deductions)	-	-		
Audit fee	-	-		
Doctors' fee	-	-		
Total trade and other payables	10,934,626	-		
Ageing analysis:	Current FY	% of the Total	Compa rative FY	% of the total
Under one year	9,781,666	89.5%	-	%
1-2 years	1,152,960	10.5%	-	%
2-3 years	0	%	-	%
Over 3 years	0	%	-	%
Total	10,934,626	%	-	%

37. Refundable Deposits from Customers/Patients

Description	2024/2025 FY		2023/2024 FY	
	KShs		KShs	
Medical fees paid in advance				
Credit facility deposit				
Rent deposits				
Others (<i>specify</i>)				
Total deposits				
Ageing analysis:	2024/2025 FY	% of the Total	2024/2025 FY	% of the Total
Under one year		%	-	%
1-2 years		%	-	%
2-3 years		%	-	%
Over 3 years		%	-	%
Total		%	-	%

38. 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				

39. Finance Lease Obligation

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

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40. Deferred Income

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

Notes to the Financial Statements (Continued)

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

Description	National government	International funders/ donors	Public contributions and donations	Total
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				

41. Borrowings

Description	2024/2025	2023/2024
	KShs	KShs
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		

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

Description	2024/2025	2023/2024
	KShs	KShs
Current Obligation		
Non-Current Obligation		
Total		

Notes to the Financial Statements (Continued)

42. Service Concession Arrangements

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

43. Cash Generated from Operations

Description	2024/2025	2023/2024
	FY	FY
	KShs	KShs
Surplus for the year before tax	7,713,69.65	
Adjusted for:		
Depreciation		
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		
Increase in receivables		
Increase in deferred income		
Increase in payables		
Increase in payments received in advance		
Net cash flow from operating activities	7,713,69.65	

Notes to the Financial Statements (Continued)

44. Financial Risk Management

Mama Rachel Ruto Maternity Hospital'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. Mama Rachel Ruto Maternity Hospital's financial risk management objectives and policies are detailed below:

(i) Credit risk

Mama Rachel Ruto Maternity Hospital 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 Mama Rachel Ruto Maternity Hospital'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)

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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. Mama Rechel Ruto Marternity Hospital has significant concentration of credit risk on amounts due. The board of management sets the hospital's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the hospital's board of management who have built an appropriate liquidity risk management framework for the management of Mama Rechel Ruto Marternity Hospital's short, medium and long-term funding and liquidity management requirements. Mama Rechel Ruto Marternity Hospital 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 30 June 2024				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total				
At 30 June 2025				
Trade payables	10,934,626			
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total	10,936,626			

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 Mama Rachel Ruto Maternity Hospital 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 Mama Rachel Ruto Maternity Hospital'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 Mama Rachel Ruto Maternity Hospital's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

Mama Rachel Ruto Maternity Hospital 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 Mama Rachel Ruto Maternity Hospital'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)	-	-	-

Mama Rachel Ruto Maternity Hospital manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting expected sales proceeds and matching the same with expected payments.

Notes to the Financial Statements (Continued)

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2025			
Financial assets (investments, cash, debtors)	16,361,960	-	-
Liabilities			
Trade and other payables	10,934,626	-	-
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 (previous year)			
Euro	10%	-	-
USD	10%	-	-
2025 (current year)			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

Interest rate risk is the risk that Mama Rachel Ruto Marternity Hospital'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.

Notes to the Financial Statements (Continued)

Sensitivity analysis

Mama Rachel Ruto Maternity Hospital 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.

iv) Capital Risk Management

The objective of Mama Rachel Ruto Maternity Hospital's capital risk management is to safeguard the Hospital's ability to continue as a going concern. Mama Rachel Ruto Maternity Hospital capital structure comprises of the following funds:

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
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	-	-

Notes to the Financial Statements (Continued)

45. Related Party Balances

Nature of related party relationships

Entities and other parties related to Mama Rachel Ruto Marternity Hospital 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.

Uasin gishu County Government is the principal shareholder of Mama Rachel Ruto Marternity Hospital, holding 100% of Mama Rachel Ruto Marternity Hospital's equity interest. The National Government of Kenya has provided full guarantees to all long-term lenders of Mama Rachel Ruto Marternity Hospital, both domestic and external. The related parties include:

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

Description	2024/2025 FY	2023/2024 FY
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to	-	-
Sales of services to	-	-
Total	-	-
b) Grants from the Government		-
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
Total	-	-
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	-	-
Payments for goods and services for	-	-

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

46. Segment Information

47. Contingent Liabilities

Contingent liabilities	2024/2025	2023/2024
	FY	FY
	Kshs	Kshs
Court case xxx against the hospital	-	-
Bank guarantees in favour of subsidiary	-	-
Total	-	-

(Give details)

48. Capital Commitments

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

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

49. Events after the Reporting Period

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

50. Ultimate and Holding Entity

Mama Rachel Ruto Marternity Hospital is a County Government Agency under the Department of health clinical services. Its ultimate parent is the County Government of uasin gishu.

51. Currency

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

MAMA RACHEL MARTERNITY HOSPITAL (County government of Uasin Gishu)
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20. Appendices

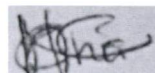
Appendix 1: Progress on Follow Up of Auditor Recommendations

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

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

Guidance Notes:

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



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HELLEN SIRIA
Accounting Officer

MAMA RACHEL MARTERNITY HOSPITAL (County government of Uasin Gishu)
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Appendix II: Projects Implemented by Mama Rachel Ruto Marternity Hospital

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

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

MAMA RACHEL MARTERNITY HOSPITAL (County government of Uasin Gishu)
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Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity.....

Name of Beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
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.....

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Appendix IV Reporting of Climate Relevant Expenditures

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

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Appendix V: Disaster Expenditure Reporting Template

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