

REPUBLIC OF KENYA



P.O. Box 30084-00100
NAIROBI

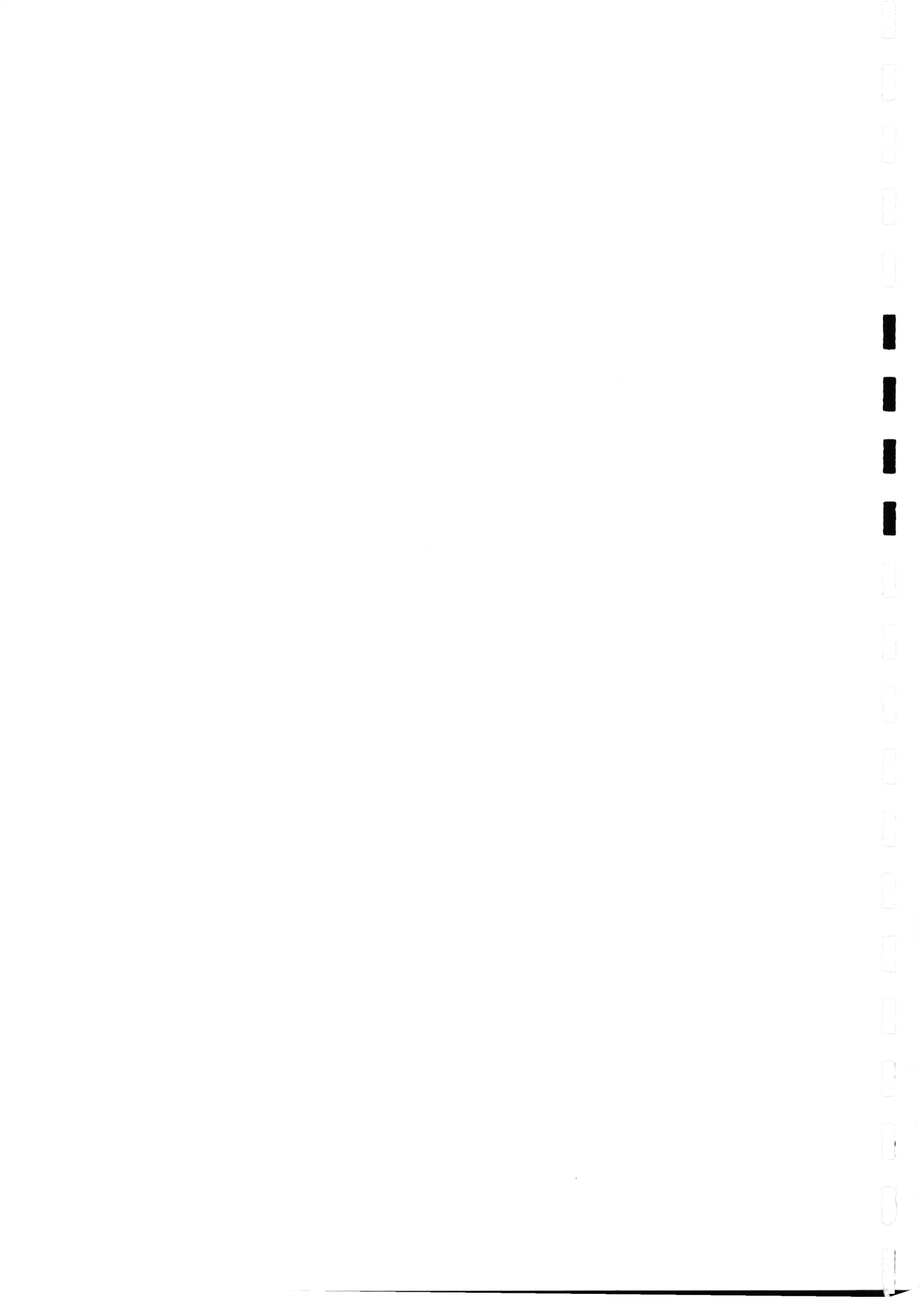
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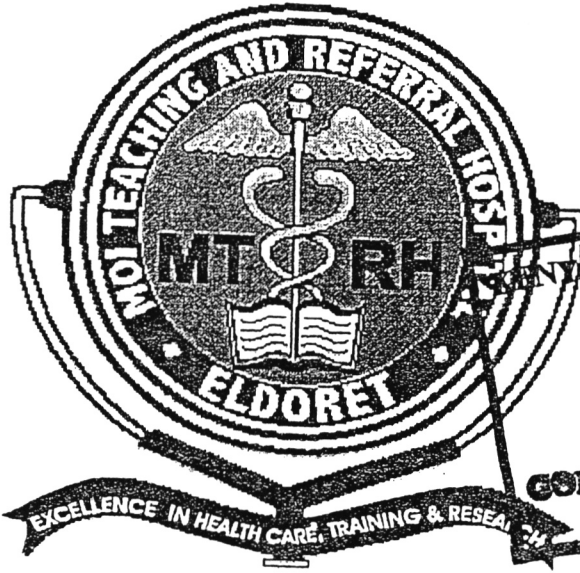
KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL
STATEMENTS FOR MOI TEACHING AND REFERRAL HOSPITAL FOR THE
YEAR ENDED 30 JUNE, 2004

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MOI TEACHING & REFERRAL HOSPITAL

AUDITED FINAL ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2004

KENYA NATIONAL ASSEMBLY
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MOI TEACHING AND REFERRAL HOSPITAL

INSTITUTIONAL DETAILS

PRINCIPAL PLACE OF BUSINESS

Nandi Road,
P.O. Box 3,
Tel: 33471/2,
Fax: 61749,
ELDORET.

Email: director@mtrh.org
Website: www.mtrh.org

BANKERS

Standard Chartered Bank Ltd,
Eldoret,
P.O. Box 7 -30100,
ELDORET.

Barclays Bank of Kenya Ltd,
Eldoret Branch,
P.O. Box 22 - 30100,
ELDORET.

AUDITORS

The Controller and Auditor General,
Kencom House, Moi Avenue,
P.O. Box 30084 - 00100
NAIROBI.

MOI TEACHING AND REFERRAL HOSPITAL

BOARD OF DIRECTORS AND SENIOR MANAGEMENT STAFF

BOARD OF DIRECTORS

The following were the members of the Board of Directors during the year.

1. Mr. Justus K. Ndoto	-	Chairman
2. Mr. David Kiema Muthoka	-	Member
3. Dr. Wilson K. Yaaban	-	Member
4. Dr. Zeph Gaya	-	Member
5. Mr. David Mulama	-	Member
6. Prof. David Some	-	Member
7. Dr. Edda Gachukia	-	Member
8. Permanent Secretary Ministry of Health	-	Member
9. Permanent Secretary Ministry of Finance	-	Member
10. Permanent Secretary Ministry of Education	-	Member
11. Inspectorate of State Corporations	-	Member
12. Director of Medical Services	-	Member
13. Prof. H.N.K. arap Mengech	-	Director/Secretary

SENIOR MANAGEMENT STAFF

1. Prof. H. N. K. Mengech	-	Director
2. Dr. Phillip Parklea	-	D.D.C.S
3. Mr. Agunda Ochanda	-	D.D.F. & A
4. Dr. Omar Ally	-	A. D.D.C.S
5. Mrs. Grace Jaguga	-	Ag. D.D.F. &A
6. Mrs. Millie Obel	-	Chief Nurse
7. Mr. Mathews K. Birgen	-	Finance Manager
8. Mr. Andrew F. Shikhule	-	SHRM
9. Mr. James Chetalam	-	Legal Officer

CHAIRMAN'S STATEMENT

It is my pleasure to present the Moi Teaching and Referral Hospital Annual Report and Final Accounts for the year ended 30th June 2004.

The Hospital discharged its obligations to the Kenyan Public and in accordance with its mandate by offering affordable quality medical services. As was the case in the previous year, the ability of many Kenyans to pay medical services continue to dwindle.

SURPLUS FOR THE YEAR

During the year under review the Exchequer funded the Hospital to the tune of Kshs. 468,072,075 rising from Kshs. 421,459,914 for the previous year, while cost sharing revenue rose to Kshs. 319,673,862 compared with Kshs. 236,399,721 for the previous year.

Whereas total income for the year rose by Kshs. 102,886,302 total expenditure for the year declined by Kshs. 4,108,624. This resulted into a net surplus for the year of Kshs. 39,374,983 recovering from a loss of Kshs. 25,436,717 the previous year. This can be attributed to an increase in grants, cost sharing revenues and a considerable control expenditures particularly in:-

- Drugs and dressings.
- General maintenance.
- Cleansing and other areas.

LIQUIDITY

Though a profit of Kshs. 39,374,983 was made in the year, the liquidity of the hospital is still adverse owing to the following:

• Waivers and exemptions	14,947,803.30
• Unpaid for services (debtors)	<u>133,311,322.00</u>
	<u>148,259,125.30</u>

Some of the debts have however been determined to be irrecoverable and hence write-off is inevitable. The liquidity position has affected service delivery of the hospital as creditors, standing at Kshs. 57 million have been reluctant to continue serving the hospital.

DEBTORS

The debtors of the hospital have continued to rise mainly because most of the clients of the hospital are not able to pay in full despite their commitments.

The hospital has no powers to realise the securities held especially title deeds and logbooks.

STOCKS

The hospital has tried to reduce the level of stock thus reducing the losses arising from stock holding including pilferages, theft, obsolescence and expiry by maintaining a two months stocks requirement.

FUTURE PROSPECTS

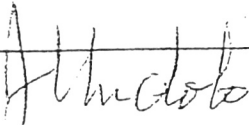
In line with its mandate as a Teaching and Referral Hospital, the Institution has emphasized on the provision of quality care, training and research.

The Academic Model for prevention and Treatment of HIV/AIDS (AMPATH) medical facility is now complete and due for commissioning. It is our hope and belief that this will go along way in servicing those affected members of the Public.

When the Hospital will have a modern Blood Bank, Renal Unit and an Intensive Care Unit, it will be in a position to offer all round medical services to the Public within the Western Region of the Country.

CONCLUSION

It is the desire of my Board to achieve optimal utilization of available resources to the satisfaction of the Hospital clientele and other stakeholders. We hope that the Government will extend its support to this end.


MR. JUSTUS N. NDOTSO
CHAIRMAN

DIRECTOR'S STATEMENT

I am delighted to report this years' financial results which unlike the previous years is encouraging. This has resulted from improved controls in revenue collection and expenditure.

FINANCIAL HIGHLIGHTS

The Hospital realized revenue amounting to Kshs. 319,673,862 from cost-sharing funds and Kshs. 468,072,075 in form of grants from the Government making a total of Kshs. 787,745,937 for the year.

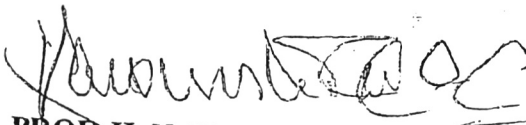
Whereas waivers and exemptions dropped by Kshs. 2,485,266, debtors rose by Kshs 64,547,486 The increase in debtors was occasioned by the non-paying patients whose bills are usually secured by such personal and property documents as National Identity Cards, vehicle Log Books and Land Title Deeds.

STAFF TRAINING

The Hospital has continued to send its staff on specialized and further training to enhance their overall performance and productivity. For example several nurses have been enrolled in the Enrolled Community Nurses upgrading course mounted by the Hospital in conjunction with the Nursing Council of Kenya. A number of other staff from various departments are also attending courses in various training institutions within the country and abroad.

CONCLUSION

In conclusion I would like to thank the Board of Director, Management and the entire hospital staff for their contribution to our success. We have not however attained the levels we hoped to reach because a number of vital facilities are still lacking. These include an Intensive Care Unit and a Renal Unit. It is our hope that the Government will continue to provide the support for these infrastructural improvements.



PROF. H. N. K. arap MENGECH
DIRECTOR



REPORTS OF THE BOARD FOR THE YEAR ENDED 30TH JUNE 2004

The Board has pleasure in presenting their report together with the Final Accounts for the year ended 30th June 2004.

Principal Activity

The Hospital receives patients from other health institutions for specialized health care, provides facilities of medical education, research and training in nursing and other allied health professions at Moi University and other training institutions and participate in national health planning.

Operating Results

The operating results for the year are as set out on pages 8 and 16.

STATEMENT OF THE DIRECTORS RESPONSIBILITIES

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

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

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



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR MOI TEACHING AND REFERRAL HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2004

I have audited the financial statements of Moi Teaching and Referral Hospital for the year ended 30 June 2004 in accordance with the provisions of Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit. The financial statements are in agreement with the books of account.

Respective Responsibilities of the Directors and the Controller and Auditor General

As set out in the statement of directors' responsibilities, the directors are responsible for the preparation of financial statements which give a true and fair view of the Hospital's state of affairs and its operating results. My responsibility is to express an independent opinion on the financial statements based on my audit.

Basis of Opinion

The audit was conducted in accordance with the International Standards on Auditing. Those standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the financial statements. I believe my audit provides a reasonable basis for my opinion.

Comments

1. Debtors – Kshs.133,311,322

1.1 As disclosed in Note 6 to the financial statements, the debtors which are carried in the books at Kshs.133,311,322 include debts amounting to Kshs.22,901,345 held against title deeds, Kshs.27,602,232 held against identification cards, Kshs.15,602,894 against commitment letters and Kshs.2,055,067 on vehicle log books. Most of these debts relate to year 2002/2003 and earlier. Also included in the debtors figure is Kshs.11,144,065 owed by Academic Model for Prevention and Treatment of HIV/AIDS(AMPATH) project in the absence of adequate supporting documentation

and contractual agreement. No provision for bad debts have been provided in these financial statements and I am not aware of any concrete steps the Hospital is taking to secure the recoverability of these debts. I am unable to confirm whether or if so, when the Hospital will be able to recover these amounts. Provision that would have been necessary in relation to this uncertainty has not been incorporated in these financial statements.

1.2 Statutory Deductions

The Balance Sheet reflects creditors balance of Kshs.57,098,197 which includes statutory deductions and retirement benefits amounting to Kshs.15,719,543 and Kshs.7,175,315 respectively. The Hospital was unable to remit these amounts as at 30 June, 2004 to the respective organizations and was thus in breach of law in regard to statutory remittances thereby risking incurring heavy penalties and fines.

2. Preparation and Presentation of Financial Statements

The financial statements have not been prepared to include significant accounting policies on debtors, stocks, revenue recognition and retirement benefits as required by the International Accounting Standard 1. Further creditors figure of Kshs.57,098,197 and capital reserve figure of Kshs.739,378,427 are not supported by explanatory notes. Stocks breakdown have not been provided and fixed assets schedule Note 2 to the financial statements is not as per IAS requirements and as such, the financial statements lack in details and contents as prescribed by the International Accounting and Financial Reporting Standards. Failure to prepare and present the financial statements as per the guidelines of International Accounting Standards has not been explained.

3. Fixed Assets

In the report for the previous year, reference was made to the fixed assets figure of Kshs.688,943,329 which excluded the undetermined value of Uasin Gishu Memorial Hospital land which according to Legal Notice No.78 of June 1998, was gazetted as part of the Referral Hospital's assets. Review of the position as at 30 June 2004 revealed that the situation has not changed as the Balance Sheet fixed assets figure of Kshs.667,773,405 still excludes the undetermined value of the Hospital's land even after the Hospital took over the running of the former Uasin Gishu Memorial Hospital. Also according to Part Development Plan from the Ministry of Lands and Settlement dated 19 June 2001, the size of the Hospital land is stated at 27.40 hectares as opposed to the Certificate of Lease dated 25 August 2004 which indicates 29.67 hectares, thus occasioning a difference of 2.27 hectares. Although the Hospital explained that this increase is due to revocation of some eight plots which had earlier been allocated to a private developer, the said revocation letters were not availed for audit verification. Under the circumstances, I am unable to confirm the carrying value as stated in the financial statements reflect the fair values of the fixed assets as at the balance sheet date.

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4. Terms and Conditions of Service

The Hospital during the year operated without approved terms and conditions of service for its staff members. Apart from the basic salaries, house allowances and other allowances for medical officers that were approved by the Government, other terms of service such as amenity, mortuary and leave allowances were implemented without prior Government approval. Under the circumstance I am unable to ascertain the propriety of the expenditure on salaries and allowances amounting to Kshs.424,048,338 as at 30 June 2004.

5. Inaccuracies of the Accounts

Numerous unexplained differences between the balance sheet figures and the supporting schedules and records were observed during the audit of the Hospital's financial statements as at 30 June 2004 some of which are as follows:-

	<u>Accounts figure</u> <u>Kshs</u>	<u>Schedule figure</u> <u>Kshs</u>	<u>Difference</u> <u>Kshs</u>
Debtors	133,311,322	117,917,370	15,393,952
Stocks	37,792,113	37,949,797	(157,684)
Creditors	57,098,197	55,418,027	(1,680,170)
Cash & bank	12,348,455	12,375,254	(26,799)
			<u>13,529,299</u>

No explanation has been given for these differences and it was not, therefore, possible to ascertain what they represented.

Opinion

In my opinion, except for the foregoing reservations and subject to possible adjustments arising therefrom, proper books of account have been kept and the financial statements give a true and fair view of the state of the financial affairs of the Hospital as at 30 June 2004 and of its surplus and cash flows for the year then ended and comply with Legal notice no 78 of 12 June 1998.



E.N. MWAI
CONTROLLER AND AUDITOR GENERAL

Nairobi

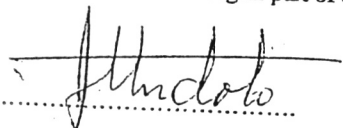
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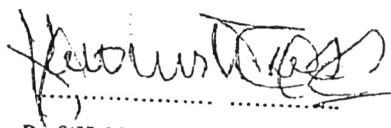



BALANCE SHEET FOR THE YEAR ENDED 30TH JUNE 2004

	NOTE	2003/2004 KSHS	2002/2003 KSHS.
FIXED ASSETS (NET)	2	<u>667,773,405</u>	<u>688,943,330</u>
CURRENT ASSETS			
Cash on Hand	3	706,914	321,628
Cash at Bank	4	12,348,455	11,133,970
Short Term Investment			
Stock	5	37,792,113	52,486,549
Debtors	6	133,371,322	68,763,836
TOTAL CURRENT ASSETS		<u>184,158,804</u>	<u>132,705,983</u>
CURRENT LIABILITIES			
Creditors & Accruals	7	57,098,197	55,963,837
Provisions & Other Liabilities	8	27,038,981	37,265,429
TOTAL CURRENT LIABILITIES		<u>84,137,178</u>	<u>93,229,266</u>
NET CURRENT ASSETS		<u>100,021,626</u>	<u>39,476,717</u>
TOTALS ASSETS		<u>767,795,030</u>	<u>728,420,047</u>
FINANCED BY.			
Capitals Reserve			
Revenue Reserves	9	739,378,427	739,378,427.00
TOTALS FUNDS		<u>28,416,604</u>	<u>(10,958,381)</u>
		<u>767,795,031</u>	<u>728,420,046</u>

The attached notes form an intergral part of this accounts


 Mr. Justus K. Ndoto
 Chairman


 Prof. H. N. K. arap Mengech
 Director


 Mr. M. K. Birgen
 Finance Manager

Notes to the Accounts

For the Financial Year Ended 30th June 2004

1 ACCOUNTING POLICIES

(a) Basis of Accounting

The Accounts are prepared under Historical Cost Convention

(b) Depreciation

Depreciation has been charged on the assets for the Year under review using Reducing Balance Method at rates calculated to write off the Assets over their useful lives. Assets acquired during the year are not subjected to depreciation. The following rates have been applied:

Land	NIL
Buildings	2.5%
Furniture & Fittings	12.5%
Plant & Equipment	12.5%
Computers & Office Machines	30.0%
Motor Vehicles	25.0%

FIXED ASSETS

ASSET	OPENING BALANCE	ADDITIONS	DEPRECIATION	CLOSING BALANCE
	Kshs	Kshs	Kshs	Kshs
Land	62,970,000	-	-	62,970,000
Buildings	481,047,421	-	-	481,047,421
Furniture	5,508,898	443,197	12,026,186	469,021,236
Equipment	100,342,844	2,151,022	688,612	5,263,483
Computers, TV's & Radios	4,003,884	855,350	12,542,855	89,951,010
Plant	19,197,360	855,350	1,201,165	3,658,069
Office Machines	7,799,182	8,069,651	2,399,670	24,867,341
Other Machines	1,222,491	336,465	2,339,755	5,795,892
Motor Vehicles	6,499,828	208,265	366,747	1,064,008
Mortuary Assets	351,422	-	1,624,957	4,874,871
TOTAL	688,943,330	12,063,950	43,928	307,494
			33,233,875	667,773,405

3 CASH ON HAND

Petty Cash
Unbanked Revenue

4 CASH AT BANK

STD BANK0102017634802 - Amenity A/c
STD BANK 0102017634800 - Main A/c
Savings A/C
BBK 1184371 - Mortuary Account

STOCK Kshs. 37,792,112.73

Stock Comprise of Drugs-Dressing & Sutures, Orthopaedic & Dental materials X-ray supplies & chemicals, Cleansing materials, stationery, Linen, Lab, reagents chemicals and Equipment Motor Vehicles spares and accesories, ration and maintenance materials stocks have been valued at the lower of cost and net ralizable value. NB:Stocks valued at Kshs. 3,410,461.91 from the Government of Kenya and other donor institutions are not included since they are not sold but issued free of charge.

DEBTORS & PREPAYMENTS

Debtors comprise the following:

Trade Debtors
Staff Imprest
Salary Advance

	2003/2004	2002/2003
	Kshs	Kshs
Trade Debtors	128,865,373	62,439,630
Staff Imprest	2,839,303	4,032,300
Salary Advance	1,606,646	2,291,906
	<u>133,311,322</u>	<u>68,763,836</u>

CREDITORS & ACCRUALS

Trade Creditors

	2003/2004	2002/2003
	Kshs	Kshs
Trade Creditors	<u>57,098,197</u>	<u>55,963,837</u>

	2003/2004	2002/2003
	Kshs	Kshs
3 CASH ON HAND	706,914	321,628
Petty Cash	208,166	2,742
Unbanked Revenue	498,748	318,886
4 CASH AT BANK		
STD BANK0102017634802 - Amenity A/c	4,436,919	1,666,214
STD BANK 0102017634800 - Main A/c	704,628	3,354,052
Savings A/C	6,206,908	2,281,444
BBK 1184371 - Mortuary Account		3,832,260
	<u>12,348,455</u>	<u>11,133,970</u>



8 PROVISIONS & OTHER LIABILITIES

Pension Funds (Arrears)
 Bank Over Draft STD BANK 0102017634800 - Main A/c
 Provisions (Audit Fee)
 Unpaid Deductions

2003/2004	2002/2003
Kshs	Kshs
7,175,316	11,504,539
144,122	
4,000,000	3,000,000
15,719,543	22,760,890
<u>27,038,981</u>	<u>37,265,429</u>

REVENUE RESERVE

Surplus/Deficit B/F
 Add: Surplus for the year
 Surplus C/F

2003/2004	2002/2003
Kshs	Kshs
(10,958,380.00)	14,478,337
39,374,984	(25,436,717.00)
<u>28,416,604</u>	<u>(10,958,380.00)</u>



Statement of Income and Expenditure
for the Year Ended 30th June 2004

INCOME	NOTE	2003 / 2004 KShs	2002 / 2003 Kshs
Grant G.O.K			
Gross Revenue		468,072,075.40	421,459,914.00
Less Waivers & Exemptions	A	334,621,665.41 14,947,803.30	263,399,721.00
		787,745,937.51	684,859,635.00
EXPENDITURE			
Basic Pay	B	235,363,173.60	247,621,230.00
Travelling & Accommodation		7,937,464.15	4,995,084.00
House Allowance		151,850,949.65	134,722,847.00
Misc. Allowances	C	29,896,749.88	20,982,839.00
Transport Operating Expenses		4,262,130.17	4,906,579.00
Telephone		4,615,909.30	4,856,823.00
Electricity		7,837,225.10	9,039,252.00
Water & Conservancy		8,264,739.15	7,591,320.00
Drugs, Dressings & Theatre Supplies	D	72,279,226.65	106,805,199.00
X-Ray		3,055,261.00	2,759,249.00
Printing & Stationery		5,057,120.29	7,918,174.00
Advertising & Publicity		749,515.30	758,727.00
General Maintenance		10,844,575.78	21,712,763.00
Leave & Passage Allowance		4,372,075.00	3,783,592.00
Fuel & Gases		2,020,767.50	792,890.00
Bank Charges		11,616,906.50	1,160,650.00
Laboratory Chemicals & Reagents		10,314,247.13	11,312,093.00
Medical Allowance (Staff)		22,733,175.00	19,891,770.00
Non-Practise Allowance		20,152,234.60	4,545,630.00
Risk Allowances		50,225,682.20	27,359,691.00
Food & Ration (Patients)		20,621,923.19	20,638,893.00
Cleansing Expenses		2,150,780.24	4,487,266.00
Oxygen		2,933,974.05	3,019,488.00
Library Services		428,540.20	1,090,013.00
Tax Penalties			1,142,899.00
Depreciation of Fixed Assets		33,233,875.05	34,548,313.00
Deposits Refunds		3,515,436.00	3,798,750.00
Uniform & Clothing		228,223.35	2,351,702.00
Specialised Units		345,522.35	1,202,803.00
Staff Training		4,570,124.80	2,602,601.00
Donations & Honoraria	E	1,976,041.10	1,550,526.00
Interest		781,818.10	6,706,378.00



MOI TEACHING AND REFERRAL HOSPITAL.

Contracted Professional Services			302,080.00
Other Operating Expenses	F		5,540,588.00
Food & Ration (Staff)		5,171,566.54	1,288.00
Audit Fees Provision		1,000,000.00	1,000,000.00
Freight Charges		3,269,564.35	4,285,148.00
TOTAL EXPENDITURE		<u>733,676,517.27</u>	<u>737,785,138.00</u>
Less: Increase/Decrease in Stock		(14,694,436.59)	27,488,786.00
		<u>748,370,953.86</u>	<u>710,296,352.00</u>
Surplus/(Deficit)		<u>39,374,983.65</u>	<u>(25,436,717.00)</u>



NOTES TO INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30TH JUNE 2004

	2003/2004 Kshs	2002/2003 Kshs
A GROSS REVENUE	334,621,665	280,832,790
OPD	36,275,581	37,470,931
Surgical	37,190,474	36,066,046
Nyayo Ward	16,346,744	17,442,851
Pharmacy	9,282,054	10,046,704
X-ray	12,819,274	12,320,628
Cafeteria	1,721,199	2,271,600
Dental	2,530,266	1,312,880
Eye Clinic		
NHIF Income		
Misc Income	34,568,112	44,148,922
Amenity Revenue	10,961,732	1,464,994
Amenity Deposit	49,589,993	39,937,880
House Rent		
Mortuary Income		1,630,200
Deposit Income	16,739,559	6,143,222
Water Revenue	7,480,018	8,414,844
Tender Documents Sales		257,500
Computer Income	851,000	1,194,000
In-patient Income		1,950,500
Interest Income	98,265,659	58,731,603
		27,485
B BASIC PAY	235,463,174	247,621,230
Permanent and Contract Employees	233,963,820	240,933,220
Casual Employees	1,399,354	6,688,010
C MISC ALLOWANCES	29,896,750	20,982,839
Transport Allowances	644,533	483,000
Responsibility Allowances	1,323,383	1,438,642
Entertainment	417,700	358,200
Telephone Allowances	672,000	516,000
Car Allowances	417,700	358,200
Amenity Allowances	16,536,746	16,532,289
Acting Allowance	120,164	98,554
Extraneous Allowance	5,266,667	1,075,090
Mortuary Allowance	4,000,018	-
Security Allowance	15,241	-
Locum allowance	224,867	-
Special Duty Allowance		-
Subsistence Allowance	257,731	112,064
		10,800



MOI TEACHING AND REFERRAL HOSPITAL

D DRUGS, DRESSINGS & THEATRE SUPPLIES	72,279,227	106,805,199
Drugs	47,825,867	83,325,653
Dressings	18,063,330	20,909,328
Theatre Supplies	6,490,030	2,570,218
E DONATIONS & HONORARIA	1,976,041	15,550,529
Donations		
Honoraria	1,976,041	1,550,529
F OTHER OPERATING EXPENSES	5,171,567	5,540,588
Postage & Telegram	252,564	254,096
Board Expenses	1,468,284	873,754
Supplies for Production	166,265	326,946
Rent & Rates	152,131	444,500
Insurance Pool	494,473	2,387,257
Legal Fees	173,443	116,570
Miscellaneous Expenses	623,270	1,137,465
FHS Mortuary Income Share	1,768,275	
MTRH Board of Trustees	92,861	



CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2004

1. OPERATING ACTIVITIES.

	2003-2004		2002 -2003	
	KSHS.	KSHS.	KSHS.	KSHS.
Surplus/Deficit		39,374,983.00		(25,436,717.30)
Depreciation of Assets	33,234,293.00		34,548,312.80	
Provision for Audit Fees	4,000,000.00	37,234,293.00	3,000,000.00	37,548,312.80
Adjusted Surplus/Deficit for the year		<u>76,609,276.00</u>		12,111,595.50
Working capital changes:				
Increase in stock	14,694,436.27		(27,488,786.17)	
Increase in Debtors	(64,547,486.00)		(29,961,964.56)	
Increase in Creditors.	1,134,360.00		40,589,665.83	
Increase/decrease in other Liabilities	(10,226,448.00)		(13,694,604.44)	
Decrease in Bank Overdraft		(58,945,137.73)		(30,555,689.34)
Net Cash Outflow from Operating Activities.		<u>17,664,138.27</u>		<u>(18,444,093.84)</u>

2. CASH FLOW FROM INVESTING ACTIVITIES

Short term investments			23,488,109.10	
Purchase of Fixed Assets	(12,061,949.67)	(12,061,949.67)	(17,892,214.80)	5,595,894.30
Cash Generated from Financing Activities.		<u>(4,002,417.46)</u>		2,593,195.35
Change in Cash and Cash Equivalents.		<u>1,599,771.14</u>		<u>(10,255,004.19)</u>
Cash and Cash Equivalent a the beginning of the year		11,455,597.86		21,710,602.05
Cash and Cash equivalents at the end of the year		<u>13,055,369.00</u>		11,455,597.86
Change in cash and cash equivalent		<u>1,599,771.14</u>		<u>(10,255,004.19)</u>

MOI TEACHING AND REFERRAL HOSPITAL
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR
ENDED 30TH JUNE 2004

	CAPITAL RESERVE	RETAINED EARNINGS	TOTAL
BALANCE AS AT 30TH JUNE 2003	739,378,427.00	(10,958,381.00)	728,420,046.00
PROFIT FOR THE PERIOD		39,374,983.65	39,374,983.65
BALANCE AS AT 30TH JUNE 2004	<u>739,378,427.00</u>	<u>28,416,602.65</u>	<u>767,795,029.65</u>