

**INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL
MISSION (IcFEM)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR

THE YEAR ENDED 31ST MARCH, 2007

**JACKSON WETOSI & ASSOCIATES,
CERTIFIED PUBLIC ACCOUNTANTS OF KENYA,
P I N A000210120L
P.O BOX 907, - 50205
WEBUYE,
(KENYA).**

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2007

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MISSION BOARD AND MANAGEMENT AT 31.3.2007

MISSION BOARD MEMBERS:

- | | |
|-------------------------------------|------------|
| 1. Mr. Elijah Malenje | -Patron |
| 2. Rev. J. Ayieko | -Chairman |
| 3. Mr. Solomon B. Nabie | -Secretary |
| 4. Miss. Ann G. Lipson | -Treasurer |
| 5. Lady Justice Ruth Sitati | -Member |
| 6. Mr. Hudson Walumbe | - Member |
| 7. Dr. David Omutimba | - Member |
| 8. Mr. Michael Walela | - Member |
| 9. Dr. (Mrs) Reginalda N. Wanyonyi- | Member |
| 10. Dr. Peter Mamuli | - Member |

MANAGEMENT TEAM

- | | |
|----------------------------|---|
| 1. Mr. Solomon B. Nabie | - Director |
| 2. Miss Ann G. Lipson | - Deputy Director & Head of Finance Development |
| 3. Mr. Tatwa H. Mwachi | -Personal Assistant to Director and Community Development |
| 4. Mr. Macdon N. Juma | - Assistant Director, Evangelism |
| 5. Mr. Patrick W. Biboko | - Assistant Director, Relief and Welfare |
| 6. Mr. Martin S. Nasurutia | - Mission Accountant |
| 7. Mrs. Ruth Nabie | - Head of Education Services & Ag. Human Resources Management |
| 8. Mr. Kennedy Otego | - Head of Communications |
| 9. Mrs Lesley Sankey | - Head of Health Services |
| 10. Mr. Samson Mutuba | - Head of Resource Mobilization |

BUSINESS ADDRESS :

Interchristian Fellowships' Evangelical Mission (IcFEM),
PRIVATE BAG,
P.O. KIMILILI - 50204
Telephone No. 055 - 21252

BANKERS:

- | | |
|---|---|
| 1. Kenya Commercial Bank Ltd. ,
Webuye Branch,
P.O Box 332, - 50205
<u>WEBUYE.</u>
Telephone No. 055 - 41031 & 41062 | 2. Kenya Commercial Bank Ltd,
Sarit Centre Branch,
P.O. Box 14959 - 00606,
<u>NAIROBI.</u> |
| 3. Barclays Bank of Kenya Limited,
Eldoret Branch,
P.O BOX 22, - 30100
<u>ELDOR ET.</u>
Telephone no. 053 – 32881 - 9 | |

INDEPENDENT AUDITORS:

Jackson Wetosi & Associates,
Certified Public Accountants of Kenya,
P. O. BOX 907, - 50205
WEBUYE(Kenya).
Telephone Number 055 - 41210
Mobile Number 0733 956075
0722 448995
E-mail: jwetosiassociates @ yahoo.com

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION (IcFEM)

OBJECTIVES

The three fold objects of the Mission (which are **ENTIRELY NON POLITICAL**) are: Evangelism, Welfare/community Development and Ministry to the Desperately Needy and shall include the following particular ones.

- (a) To mobilize and prepare churches and church groups in becoming committed and effective Christians.
- (b) To empower church and church group leaders for effective leadership based on Biblical principles.
- © To enhance the integration of school leavers into the existing community based spiritual and economic welfare programmes (to reduce urban migration).
- (d) To seek to empower the target groups for increased productivity and self sufficiency.
- (e) To seek to add the economic welfare concerns to existing spiritual programmes run by other church ministries especially in schools.
- (f) To give College and University Christian students an experience of working in the world of need.
- (g) To run a Mercy Ministry to the desperately needy in the community.
- (h) To seek to promote educational standards amongst the poor.
- (i) To harness and properly utilize the available natural resources for overall community development.
- (j) To establish Mission centres through which services of a Training/Conference centre, a Resource centre/Library/Bookstall, a clinic, an orphanage, and a Christian home for the elderly will be offered.
- (k) To raise, mobilize and disburse funds and other resources for the promotion of the objectives of the Mission.
- (l) To publish newsletters, brochures, periodicals, books and other publications as the committee (Board) of the Mission may deem desirable for the promotion of its objectives.

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

MISSION BOARD'S REPORT

1. The Mission Board presents its report together with the audited financial statements for the year ended 31st March, 2007.

2. **RESULTS FOR THE YEAR ENDED 31ST MARCH 2007**

The results for the year ended 31st March, 2007 are shown on page 7 of these financial statements.

3. **BOARD MEMBERS:**

The Board Members who held the office during the year under review are stated on page 2.

4. **INDEPENDENT AUDITORS:**

The Independent Auditors, **Jackson Wetosi & Associates-Certified Public Accountants of Kenya of P.O Box 907, Webuye** have indicated their willingness to continue in office. The Mission Board recommends their reappointment at the next Annual General Meeting.

5. **APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved at a meeting of the Mission Board on 4th August, 2007.

BY ORDER OF THE BOARD

REV. JOHN AYIEKO
CHAIRMAN

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

STATEMENT OF MISSION BOARD'S RESPONSIBILITIES.

The Mission Board is required to prepare financial statements which give a true and fair view of the state of affairs of the Mission as at the end of the financial year and of its surplus or deficit for that year.

The Mission Board is required to ensure that the Mission maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the Mission. The Mission is also responsible for safeguarding the assets of the Mission.

The Mission Board accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, consistent with previous years, and in conformity with International Financial Reporting Standards.

The Mission Board is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Mission as at 31st March 2007 and of its deficit for the year then ended. The Mission Board further confirms the accuracy and completeness of the accounting records maintained by the Mission which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal financial controls.

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

Approved by the Mission Board on 4th August 2007 and signed on its behalf by:

REV. JOHN AYIEKO

CHAIRMAN

MR. SOLOMON B. NABIE

DIRECTOR

CERTIFIED PUBLIC ACCOUNTANTS OF KENYA

**Nyange Street,
Nyangali House,
P.O Box 907,
WEBUYE.
(Kenya)**

Telephone Numbers:

OFFICE - 055 - 41210

HOUSE - 055 - 41209

CELL PHONE - 0733- 956075

CELL PHONE - 0722 - 448995

**Also Practising at:
Wakili Street,
Behind Post Office,
P.O Box 76,
BUNGOMA.
(Kenya)**

**and
Chekmula Building,
3rd Floor, Wing C,
Jomo Kenyatta Avenue,
P.O Box 2955,
KISUMU.
(Kenya)
Telephone Number:
057 - 2020287**

Date: 4th August, 2007

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF IcfEM

1. We have audited the accompanying financial statements of IcfEM set out on pages 7 to 35 which comprise the balance sheet as at 31st March 2007, the income statement, statement of changes in accumulated Funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

2. **BOARD'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Board Members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

3. **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement and include an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board members, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. **OPINION**

In our opinion, proper books of account have been kept by the Mission and the financial statements, which are in agreement therewith, give a true and fair view of the financial position of IcfEM as of **31st March 2007**, and of its financial performance and its Cash flows for the year then ended, in accordance with International Financial Reporting Standards.

**WEBUYE
04.08.2007**

**JACKSON WETOSI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS OF KENYA**

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007

	NOTES	2007 KSHS	2006 KSHS
<u>INCOME</u>			
GRANTS FROM DONORS	(2)	21,927,484.95	14,493,979.10
DEFICIT FROM OPERATING ACTIVITIES	(3)	-895,039.15	-1,180,916.85
OTHER INCOME	(4)	2,700,408.80	485,258.30
TOTAL INCOME		23,732,854.60	13,798,320.55
<u>EXPENDITURE:</u>			
ADMINISTRATION COSTS	(5)	2,036,752.15	1,703,032.80
STAFF COSTS	(6)	6,908,911.00	6,696,032.00
PROGRAMMES COSTS	(7)	8,919,204.70	4,835,479.00
SCHOOL CONSTRUCTION PROJECTS COSTS	(8)	3,629,225.10	4,161,099.70
TOTAL OPERATING COSTS		21,494,092.95	17,395,643.50
OPERATING SURPLUS		2,238,761.65	-3,597,322.95
FINANCE COSTS	(9)	2,044,607.10	1,443,628.80
NET SURPLUS/ (DEFICIT)		194,154.55	-5,040,951.75

Report of the Independent Auditors - page 6

The notes on pages 11 to 35 form part of these financial statements.

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

BALANCE SHEET AS AT 31ST MARCH, 2007

	NOTES	2007 KSHS	2006 KSHS
<u>ASSETS EMPLOYED:</u>			
<u>NON-CURRENT ASSETS:</u>			
PROPERTY, PLANT AND EQUIPMENT	(10)	<u>51,535,106.00</u>	<u>42,858,515.05</u>
BIOLOGICAL ASSETS	(11)	<u>57,000.00</u>	<u>49,000.00</u>
<u>CURRENT ASSETS:</u>			
Receivables	(12)	<u>3,674,832.55</u>	<u>5,410,673.60</u>
Inventories	(13)	<u>1,467,012.10</u>	<u>1,822,395.45</u>
Cash and Cash equivalents	(14)	<u>2,554,502.80</u>	<u>1,942,374.55</u>
		<u>7,696,347.45</u>	<u>9,175,443.60</u>
<u>CURRENT LIABILITIES:</u>			
Bank Overdraft	(14)	<u>104,882.70</u>	<u>1,883.65</u>
Payables	(15)	<u>6,387,816.35</u>	<u>5,555,687.60</u>
Taxation	(16)	<u>0.00</u>	<u>0.00</u>
		<u>6,492,699.05</u>	<u>5,557,571.25</u>
NET CURRENT ASSETS (NET WORKING CAPITAL)		<u>1,203,648.40</u>	<u>3,617,872.35</u>
NET ASSETS		<u>52,795,754.40</u>	<u>46,525,387.40</u>
<u>FINANCED BY:</u>			
<u>ACCUMULATED FUNDS:-</u>			
General Fund	(17)	<u>44,853,649.80</u>	<u>37,321,092.80</u>
Restricted Fund	(18)	<u>2,587,951.00</u>	<u>2,892,547.00</u>
Revaluation Reserve Fund	(19)	<u>22,000.00</u>	<u>14,000.00</u>
TOTAL ACCUMULATED FUNDS		<u>47,463,600.80</u>	<u>40,227,639.80</u>
<u>NON-CURRENT LIABILITES:</u>			
Borrowings	(20)	<u>5,332,153.60</u>	<u>6,297,747.60</u>
TOTAL FUNDS EMPLOYED		<u>52,795,754.40</u>	<u>46,525,387.40</u>

These financial statements were approved by the Mission Board on 4th August 2007 and were signed on its behalf by:

.....
REV. JOHN AYIEKO
(CHAIRMAN)

.....
MR. SOLOMON B. NABIE
(DIRECTOR)

Report of the Independent Auditors - page 6
The notes on pages 11 to 35 form part of these financial statements.

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE YEAR ENDED
31ST MARCH 2007

NOTES	GENERAL FUND KSHS	RESTRICTED FUND KSHS	REVALUATION RESERVE KSHS	TOTAL KSHS
At start of the year	37,321,092.80	2,892,547.00	14,000.00	40,227,639.80
Funds received during the year	7,729,959.00	18,560,817.00	0.00	26,290,776.00
Funds used during the year	0.00	-18,865,413.00	0.00	-18,865,413.00
Prior Year Adjust (36)	-391,556.55	0.00	0.00	-391,556.55
Surplus for the year	194,154.55	0.00	0.00	194,154.55
Revaluation surplus	0.00	0.00	8,000.00	8,000.00
At end of the year	<u>44,853,649.80</u>	<u>2,587,951.00</u>	<u>22,000.00</u>	<u>47,463,600.80</u>

Report of the Independent Auditors - page 6

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INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

CASH FLOW STATEMENT FOR THE YEAR
ENDED 31ST MARCH 2007

NOTES	2007 KSHS	2006 KSHS
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Surplus Before Taxation	194,154.55	-5,040,951.75
<u>Adjustments to reconcile excess of revenue over expenses</u>		
<u>to net cash provided by operating activities:</u>		
Depreciation (10)	1,213,738.00	1,394,091.80
Other non cash items	-3,110,850.05	931,950.00
Prior year adjustment	391,556.55	0.00
Interest expense	0.00	0.00
Operating Income before working capital changes	-1,311,400.95	-2,714,909.95
Decrease/(Increase) in receivables (12)	1,735,841.05	-792,468.80
Increase/(Decrease) in payables (15)	832,128.75	1,140,064.70
Decrease/(Increase) in inventories (13)	355,383.35	807,154.55
Cash generated from operations	1,611,952.20	-1,560,159.50
Income tax paid	0.00	0.00
Net cash from operating activities	1,611,952.20	-1,560,159.50
<u>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:</u>		
Investment income	0.00	0.00
Interest paid	0.00	0.00
Net cash flow from investments and servicing of finance	0.00	0.00
<u>CASH FLOWS FROM INVESTING ACTIVITIES:-</u>		
Purchase of fixed assets (10)	-6,759,671.00	-4,478,070.50
Additions to land and buildings (10)	0.00	0.00
Proceeds from sale of assets	0.00	0.00
Net cash from investing activities	-6,759,671.00	-4,478,070.50
<u>Cash flows from financing activities:</u>		
Repayment of loan (20)	-280,538.00	-1,149,850.00
Proceeds from long term borrowings (20)	1,557,444.00	1,454,000.00
Other Funds (18)	4,379,942.00	3,075,258.40
Net cash used in financing activities	5,656,848.00	3,379,408.40
Net increase/(Decrease) in cash and cash equivalents (14)	509,129.20	-2,658,821.60
Cash and cash equivalents at beginning of period (14)	1,940,490.90	4,599,312.50
Cash and cash equivalents at end of period (14)	2,449,620.10	1,940,490.90

Report of the Independent Auditors - page 6
The notes on pages 11 to 35 form part of these financial statements.

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION

(IcFEM)

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST MARCH 2007

ACCOUNTING CONVENTION AND PRINCIPAL ACCOUNTING POLICIES

1.(a) **BASIS OF PREPARATION**

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRS). The financial statements are prepared in Kenya Shillings (Kshs.) under the historical cost convention.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

(b) **REVENUE RECOGNITION**

The Mission's income is recognized in the financial statements in the year in which it is due.

(c) **CASH AND CASH EQUIVALENTS**

For the purposes of the cash flow statement, cash and cash equivalents comprise of cash on hand and deposits held at call with Banks.

(d) **RETIREMENT BENEFIT OBLIGATIONS**

The Mission contributes to the statutory National Social Security Fund (N S S F). This is a defined contribution scheme registered under the National Social Security Fund Act. The Mission's obligations under the scheme are limited to specific contributions legislated from time and are currently limited to a maximum of Kshs.200/= per employee per month. The employer and the employees contribute equal amounts. The employer's contributions are charged to the Income and Expenditure account.

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

ACCOUNTING CONVENTION AND PRINCIPAL ACCOUNTING POLICIES

e) **Comparatives**

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

g) **GRANTS**

Grants received to compensate expenses or for the purpose of giving immediate support are dealt with in the Income statement in the year of receipt and/or commencement of the Project for which they were intended. However, loans that have been waived and turned into Grants and other non-monetary Grants are dealt with in the Accumulated General Fund

h) **Inventories**

The inventories stated in note (13) have been valued by Management at the lower of cost and estimated Net Realisable Value.

i) **Depreciation:**

Depreciation on Property, Plant and Equipment is calculated on a reducing balance basis using the following rates:

	<u>Rates</u>
Land	Nil
Buildings	2.50%
Motor vehicles & Motor Cycles	25%
Furniture & fittings	30%
Equipments	15%
Bicycles	15%
Computers	30%
Other fixed Assets	15%
Kitchen ware & Tools	15%

h) **Foreign Currencies:**

Grants received in foreign currencies are translated in Kenya Shillings at the exchange rates ruling at the time the funds are received. The average rates used during the year under review were:-

1 EURO	= Kshs. 89.31
1 GBP	= Kshs.130.1128
1 CHF	= Kshs. 55.91

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2003 - (CONTINUED)

2) **SCHEDULE OF GRANTS FROM DONORS**

NAME OF DONOR	FUND	2007 FOREX	2007 EXCHANGE RATE KSHS	RECEIVED 2007 AMOUNT KSHS	RECEIVED 2006 AMOUNT KSHS
Via IcFEM Europe	Church Leadership	GBP 2000	134.6900	262,774.00	0.00
	Student Sponsorship	GBP 16349.23	130.1128	2,127,244.00	1,624,754.50
	Elderly	GBP 971.00	130.1128	126,327.00	136,705.20
	Bethesda Pool	GBP 4416.30	130.1128	574,616.00	503,768.60
	Higher Education Loar	GBP 1589.86	130.1128	206,861.00	244,818.30
	Circumcision Project	GBP 7463.40	130.1128	971,084.00	126,342.90
	HQ Salaries	GBP 64790.60	130.1128	8,430,086.00	4,304,212.10
	DMCC Salaries	GBP 13789.30	130.1128	1,794,166.00	1,913,254.65
	General	GBP 21066.41	130.1128	2,747,616.00	2,390,810.80
	DMCC Construction	GBP 2532	132.4536	335,373.00	1,423,234.25
	COREL Loan Scheme	GBP 850.00	123.9480	105,354.00	0.00
	Land Purchase	GBP 11195	130.1128	1,456,618.00	0.00
	Communications	GBP 2374.50	130.1128	308,952.00	0.00
	Donations in kind			3,601,868.00	0.00
SUB-TOTAL		GBP 149387.60		23,048,939.00	12,667,901.30
ROPE C TRUST	Relief & Welfare	GBP 5460.00	129.9091	662,463.00	294,000.00
	Student Sponsorship	GBP 360.00	129.9091	46,841.00	0.00
STITCHING HARAMBEE	Kamusinga School	EURO 500	8,304.0000	41,520.00	1,716,914.00
STITCHING HARAMBEE	Dreamland Education	EURO 19000	85.5100	0.00	1,624,690.00
STITCHING HARAMBEE	Kimingichi School	EURO 36400	92.4000	3,363,360.00	0.00
STITCHING HARAMBEE	General	CHF 4985.00	58.1300	289,766.00	301,731.00
JOHN RANFORD	Loan Waived			2,336,100.00	0.00
CHILDREN ALONE	Student Sponsorship	GBP 900.00	133.0100	119,709.00	0.00
	D E C Bursary Fund	GBP 4077.00	131.3700	535,595.00	802,150.00
	D E C Salary	GBP 3300.00	134.0000	442,200.00	0.00
CHRIST C. BECKENHAM	General	GBP 4500.00	133.3100	599,895.00	0.00
OTHER DONORS	Various			3,429,174.95	2,809,561.70
TOTAL	(A)			34,915,562.95	20,216,948.00
TRANSFERS					
	Dreamland Education Centre			876,002.00	734,456.00
	Dreamland Medical Care Centre			1,794,166.00	1,913,255.00
	Funds account			10,317,910.00	3,075,258.00
TOTAL	(B)			12,988,078.00	5,722,969.00
NET GRANTS TO INCOME & EXPENDITURE		(A) - (B)		21,927,484.95	14,493,979.00

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

	NOTES	2007 KSHS	2006 KSHS
3) STATEMENT OF CONTRIBUTIONS AND DEFICITS OF VARIOUS OPERATING ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2007			
Dreamland Medical Care Centre	(21)	-267,507.45	-501,020.80
Dreamland Education Centre	(22)	549,378.20	154,861.00
Khalayi Nursery School	(23)	-105,916.00	-132,184.00
Bookshop	(24)	-200,434.70	19,936.25
Lorry Transport	(25)	156,400.00	-10,565.00
Farm Activity	(26)	-125,262.60	-120,897.20
Uniform Making Activity	(27)	-51,905.00	220,695.00
Newspaper Publication	(28)	0.00	-503,339.00
I S P Activity	(29)	-786,657.10	-308,403.10
Computer School	(30)	-63,145.50	0.00
TOTAL		-895,050.15	-1,180,916.85
4) OTHER INCOME			
Circumcision Project receipts		2,191,619.00	0.00
Great Commissioning Conference		0.00	10,134.00
Mission Fund		179,300.00	160,240.00
Tithes & Offerings		144,173.00	244,950.00
Miscellaneous income	(31)	185,316.80	69,934.30
TOTAL		2,700,408.80	485,258.30
5) ADMINISTRATION COSTS			
Nairobi Office Liason expenses		489,520.00	360,213.50
Audit fee		60,000.00	60,000.00
Licences and Insurance		21,628.00	56,322.00
Motor vehicle repairs & maintenance		90,942.00	63,849.00
Electricity and Water		61,213.75	69,495.00
Telephone & Postages		427,291.45	337,995.40
Consultancy charges		0.00	45,000.00
Newspapers & periodicals		11,040.00	11,800.00
Stationery & Printing		60,448.40	66,516.00
Travelling expenses		318,305.00	257,822.00
General expenses		496,363.55	374,019.90
TOTAL		2,036,752.15	1,703,032.80

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
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NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

	2007	2006
	KSHS	KSHS
6) <u>STAFF COSTS (HEAD OFFICE)</u>		
Salaries	6,628,486.00	6,449,644.00
N S S F	79,197.00	94,619.00
Training expenses	57,900.00	95,952.00
Welfare expenses	115,808.00	55,817.00
Casual wages	27,520.00	0.00
TOTAL	6,908,911.00	6,696,032.00
7) <u>PROGRAMMES COSTS</u>		
Students Sponsors	2,506,029.00	2,762,625.00
Relief and Welfare (33)	602,196.00	1,061,610.00
Evangelism (34)	352,513.00	595,513.50
Community Development expenses (35)	561,453.50	415,730.50
Circumcision expenses	4,897,013.20	0.00
TOTAL	8,919,204.70	4,835,479.00
8) <u>SCHOOL CONSTRUCTION PROJECTS COSTS</u>		
Nasioya Primary School	475,509.00	50,110.00
Kamusinga A C K Primary School	12,520.00	1,851,155.10
Kimabole Laboratory Construction	0.00	561,665.00
Lutonyi Primary School	63,005.00	284,079.00
Buko Primary School	161,873.00	1,338,700.50
Kimingichi Primary School	2,057,745.00	1,000.00
Kimilili R C School	793,629.10	0.00
Public Primary School (Desk donation)	64,944.00	74,390.10
TOTAL	3,629,225.10	4,161,099.70
9) <u>FINANCE COSTS</u>		
General Bank charges	46,426.35	43,542.70
Interest on Bank overdraft	10,111.00	5,994.30
Withholding Tax	18.00	0.00
A F C - Loan expenses	12,910.00	0.00
Bad debts written off	736,860.00	0.00
Provision for bad debts	24,543.75	0.00
Depreciation (10)	1,213,738.00	1,394,091.80
TOTAL	2,044,607.10	1,443,628.80

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 -CONTINUED

10) PROPERTY, PLANT AND EQUIPMENT YEAR ENDED 31ST MARCH 2007

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	LAND & BUILDINGS	BUILDINGS UNDER CONSTRUCTION	MOTOR VEHICLE	EQUIPMENTS
	KSHS	KSHS	KSHS	KSHS
<u>COST:</u>				
At 1.4.2006	14,626,498.00	24,346,910.00	4,547,864.00	4,068,073.00
Additions	300,628.00	5,940,205.00	910,820.00	1,578,967.00
Disposals	0.00	0.00	0.00	0.00
At 31.3.2007	14,927,126.00	30,287,115.00	5,458,684.00	5,647,040.00
<u>DEPRECIATION:</u>				
At 1.4.2006	707,856.00	0.00	3,533,386.00	1,376,269.00
Charge for the year	225,724.00	0.00	260,120.00	429,247.00
Disposals	0.00	0.00	0.00	0.00
At 31.3.2007	933,580.00	0.00	3,793,506.00	1,805,516.00
<u>NET BOOK VALUE:</u>				
At 31.3.2007	13,993,546.00	30,287,115.00	1,665,178.00	3,841,524.00

NOTE:

- (I) Included in the additions to Property, Plant and Equipment totalling to Kshs.9,890,328.00 disclosed above are the fi donated to the Mission during the year, but were still in transit at the Balance Sheet date.

	KSHS
Motor Vehicles	884,820.00
Equipments	1,284,600.00
Computers	961,237.00
TOTAL	3,130,657.00

- (II) In the opinion of the Mission Board members, there has been no impairment of Property, Plant and Equipment.

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FURNITURE & FITTINGS KSHS	KITCHEN WARE & TOOLS KSHS	MOTOR CYCLES & BICYCLES KSHS	COMPUTERS KSHS	OTHER FIXED ASSETS KSHS	TOTAL KSHS
1,257,783.00	191,480.00	314,900.00	308,687.00	153,086.00	49,815,281.00
117,706.00	5,765.00	0.00	1,036,237.00	0.00	9,890,328.00
0.00	0.00	0.00	0.00	0.00	0.00
1,375,489.00	197,245.00	314,900.00	1,344,924.00	153,086.00	59,705,609.00
754,352.00	102,867.00	272,991.00	126,934.00	82,110.00	6,956,765.00
186,340.00	14,158.00	10,477.00	77,026.00	10,646.00	1,213,738.00
0.00	0.00	0.00	0.00	0.00	0.00
940,692.00	117,025.00	283,468.00	203,960.00	92,756.00	8,170,503.00
434,797.00	80,220.00	31,432.00	1,140,964.00	60,330.00	51,535,106.00

following assets which were

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INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

	2007 KSHS	2006 KSHS
11) <u>BIOLOGICAL ASSETS</u>		
Carrying amount at 1st April 2006	49,000.00	45,000.00
Increase due to Purchases	0.00	0.00
Gain arising from changes in fair value less estimated point of sale costs attributable to Physical changes	8,000.00	4,000.00
Decrease due to sales	0.00	0.00
CARRYING AMOUNT AT 31ST MARCH 2007	<u>57,000.00</u>	<u>49,000.00</u>
 <u>LIVESTOCK NUMBERS AT THE END OF THE YEAR</u>		
	HEAD	HEAD
Cattle	2.00	2.00
Goats	0.00	0.00
Sheep	0.00	0.00
Others	0.00	0.00
TOTAL	<u>2.00</u>	<u>2.00</u>

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

	2007 KSHS	2006 KSHS
12) RECEIVABLES		
Higher Education Loan Scheme	440,004.50	442,538.50
COREL Scheme	605,588.00	567,933.00
Other Trade receivables	2,629,240.05	4,154,207.10
TOTAL	3,674,832.55	5,164,678.60
13) INVENTORIES:		
Medicinal Drugs & Supplies	154,278.30	353,216.45
Bookshop Inventories	649,880.80	1,349,249.00
Farm Produce	60,260.00	0.00
Farm Work in Progress	16,000.00	49,730.00
Stock in Transit	408,949.00	0.00
Uniform Making materials	107,095.00	70,200.00
D. E. C. Stationery	19,389.00	0.00
D. E. C. Foodstuffs	51,160.00	0.00
TOTAL	1,467,012.10	1,822,395.45

3) ANALYSIS OF CASH AND CASH EQUIVALENTS

For the purpose of Cash Flow Statement, cash and cash equivalents are short term highly liquid investments, which are readily convertible into known amounts of cash without notice. These comprise of cash in hand and deposits held at the bank as shown below:-

	2007 KSHS	2006 KSHS	CHANGE IN THE YEAR KSHS
Cash on hand	75,024.00	15,094.00	59,930.00
Ushirika Bank	28,828.95	18,568.55	10,260.40
Forex Account	5,030.00	9,360.00	-4,330.00
Barclays Bank of Kenya Ltd. - Eldoret Branch -SB A/c -6600241	262,333.85	357,033.35	-94,699.50
Kenya Commercial Bank Ltd. Webuye Branch - C/A	366,006.35	310,715.00	55,291.35
Kenya Commercial Bank Ltd. Webuye Branch - SB A/C 072198000070	134,925.00	1,211,041.00	-1,076,116.00
Kenya Commercial Bank Ltd. Sarit Centre Branch - A/C No.200632918	5,562.65	20,562.65	-15,000.00
	877,710.80	1,942,374.55	-1,064,663.75
Cash in Transit	1,676,792.00	0.00	1,676,792.00
SUB-TOTAL	2,554,502.80	1,942,374.55	612,128.25
Kenya Commercial Bank Ltd - Webuye Webuye Branch - C A/c No.285620042	-104,882.70	-1,883.65	-102,999.05
TOTAL	2,449,620.10	1,940,490.90	509,129.20

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

	2007 KSHS	2006 KSHS
15) <u>PAYABLES</u>		
Provision for P A Y E Penalty	0.00	177,010.00
General Payables	<u>6,387,816.35</u>	<u>5,378,687.10</u>
TOTAL	<u>6,387,816.35</u>	<u>5,555,697.10</u>

16) **TAXATION**

The Mission is exempt from the payment of Income Tax under Section 21(1) of the Income Tax Act Chapter 470 of the Laws of the Republic of Kenya. However, the Mission is subject to taxation on any unrelated business income under the same Act.

17) **GENERAL FUNDS**

	2007 KSHS
At 01.04.2006	37,321,092.80
Received during the year	7,729,959.00
Surplus for the Year	194,154.55
Prior Year Adjustment	<u>-391,556.55</u>
At 31.03.2007	<u>44,853,649.80</u>

18) **RESTRICTED FUNDS**

At Start of the Year	2,892,547.00
Received during the Year	18,560,817.00
Funds used during the Year	<u>-18,865,413.00</u>
At the end of the Year	<u>2,587,951.00</u>

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

19) **REVALUATION RESERVE FUND**

The Revaluation Reserve arose on the revaluation of Livestocks by the Management as shown hereunder:-

PARTICULARS	2007 KSHS	2006 KSHS
Value after Revaluation	14,000.00	49,000.00
Cost before Revaluation		
Revaluation Reserve Fund	<u>8,000.00</u>	<u>-35,000.00</u>
TOTAL	<u>22,000.00</u>	<u>14,000.00</u>

20) **BORROWINGS**

	OTHER BORROWINGS KSHS	JOHN RANFORD KSHS	TOTAL KSHS
Balance B/Fwd	3,961,647.60	2,336,100.00	6,297,747.60
Receipts	<u>1,370,506.00</u>	<u>0.00</u>	<u>1,370,506.00</u>
SUB-TOTAL	5,332,153.60	2,336,100.00	7,668,253.60
Withdrawals	0.00	0.00	0.00
Transfer to General Funds	<u>0.00</u>	<u>-2,336,100.00</u>	<u>-2,336,100.00</u>
At 31.03.2007	<u>5,332,153.60</u>	<u>0.00</u>	<u>5,332,153.60</u>

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

21) **DREAMLAND MEDICAL CARE CENTRE OPERATING ACCOUNT FOR THE YEAR ENDED**
31ST MARCH 2007

PARTICULARS	NOTES	2007 KSHS	2006 KSHS
<u>INCOME</u>			
Grants from Donors	(2)	1,794,165.95	1,913,254.65
Sales & Services		<u>958,228.00</u>	<u>1,226,839.00</u>
TOTAL INCOME		<u>2,752,393.95</u>	<u>3,140,093.65</u>
<u>EXPENDITURE:</u>			
Staff costs	(32)	2,343,934.00	2,824,002.00
Cost of Medicinal Drugs		380,784.15	468,797.00
Ambulance Expenses		500.00	5,200.00
Cleaning materials expenses		15,281.00	26,640.00
General expenses		12,984.00	13,042.00
Electricity & Lighting		29,890.00	37,807.00
Linen		400.00	4,530.00
Travelling expenses		13,175.00	11,545.00
Stationery & Printing		33,422.50	27,520.00
Fence Maintenance		1,800.00	0.00
Water & Conservancy		75,797.80	78,577.00
Catering expenses		85,239.00	116,861.00
Telephone & Postages		17,980.60	20,020.45
Repairs & maintenance		4,696.00	5,774.00
Provision for Bad debts		4,017.35	0.00
Security charges		0.00	799.00
TOTAL EXPENDITURE		<u>3,019,901.40</u>	<u>3,641,114.45</u>
DEFICIT FOR THE YEAR		<u>-267,507.45</u>	<u>-501,020.80</u>

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

21) **DREAMLAND EDUCATION CENTRE OPERATING ACCOUNT FOR THE YEAR ENDED**
31ST MARCH 2007

PARTICULARS	NOTES	2007 KSHS	2006 KSHS
<u>INCOME</u>			
School Fees		4,279,750.00	3,646,194.00
Miscellaneous Income		65,107.00	0.00
Grants from donors	(2)	876,002.00	734,456.50
TOTAL INCOME		5,220,859.00	4,380,650.50
<u>EXPENDITURE:</u>			
Staff costs	(32)	2,183,387.00	1,859,740.00
Chaplaicy		145,428.00	123,052.00
Text Books		23,150.00	141,213.00
Road Licence & Insurance		116,963.00	118,224.00
Repairs & maintenance - School Bus		197,735.00	125,233.50
Provision for Bad debts		310,557.00	142,347.00
Scholarships		385,915.00	538,797.00
Travelling & Subsistence		16,408.00	0.00
Motor vehicle fuel expenses		350,450.00	297,220.00
Catering expenses		537,489.00	445,939.00
Students' Uniforms		0.00	35,730.00
Newspapers & periodicals		2,215.00	1,920.00
Sundry repairs		5,506.00	0.00
Stationery & Printing		85,791.50	56,547.50
Water & Electricity		108,915.80	108,823.00
General expenses		198,570.50	231,003.50
Registration charges		3,000.00	0.00
TOTAL		4,671,480.80	4,225,789.50
SURPLUS FOR THE YEAR		549,378.20	154,861.00

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

21) **KHALAYI NURSERY SCHOOL OPERATING ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007**

PARTICULARS	NOTES	2007 KSHS	2006 KSHS
<u>INCOME</u>			
School Fees		<u>474,210.00</u>	<u>466,350.00</u>
<u>EXPENDITURE:</u>			
Staff costs	(32)	433,170.00	426,588.00
Provision for Bad debts		25,878.00	0.00
Stationery & Printing		2,056.50	4,671.00
Catering expenses		96,806.00	107,104.00
Students' Uniforms		0.00	31,915.00
Water & Conservancy		6,675.00	11,250.00
Electricity charges		0.00	4,800.00
General expenses		11,858.00	5,018.50
Cleaning expenses		0.00	2,550.00
Examination expenses		3,682.00	3,437.50
Entertainment expenses		<u>0.00</u>	<u>1,200.00</u>
TOTAL		<u>580,125.50</u>	<u>598,534.00</u>
DEFICIT FOR THE YEAR		<u>-105,915.50</u>	<u>-132,184.00</u>

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION**(IcFEM)****NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)****24) BOOKSHOP OPERATING ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007:**

PARTICULARS		2007 KSHS	2006 KSHS
Sales		<u>651,179.00</u>	<u>2,142,807.50</u>
Stock - 01.04.2006	(13)	<u>1,349,249.00</u>	<u>1,817,837.00</u>
Add Purchases		<u>-79,548.50</u>	<u>1,365,343.25</u>
		<u>1,269,700.50</u>	<u>3,183,180.25</u>
Stock - 31.3.2007	(13)	<u>649,880.80</u>	<u>-1,349,249.00</u>
Cost of sales		<u>619,819.70</u>	<u>1,833,931.25</u>
GROSS PROFIT/ (LOSS)		<u>31,359.30</u>	<u>308,876.25</u>
<u>EXPENDITURE</u>			
Staff costs	(32)	<u>207,698.00</u>	<u>231,480.00</u>
Stationery & Printing		<u>960.00</u>	<u>2,875.00</u>
Membership subscription		<u>10,000.00</u>	<u>2,000.00</u>
Selling and distribution expenses		<u>11,951.00</u>	<u>37,715.00</u>
Travelling & Subsistence		<u>1,185.00</u>	<u>1,760.00</u>
Tendering Expenses		<u>0.00</u>	<u>13,110.00</u>
TOTAL EXPENSES		<u>231,794.00</u>	<u>288,940.00</u>
NET PROFIT/ (DEFICIT) FOR THE YEAR		<u>-200,434.70</u>	<u>19,936.25</u>

NOTE:**PURCHASES**

	KSHS
Total Purchases during the year	<u>150,451.50</u>
Deduct amount of stocks overvalued in Prior year	<u>-230,000.00</u>
Balance to operating account	<u>-79,548.50</u>

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

25) **LORRY ACTIVITY OPERATING ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007**

PARTICULARS	NOTES	2007 KSHS	2006 KSHS
<u>INCOME</u>			
Transport Receipts		<u>967,700.00</u>	<u>1,078,000.00</u>
<u>EXPENDITURE:</u>			
Staff costs	(32)	160,043.00	169,361.00
Insurance and Licences		82,570.00	69,851.00
Legal charges		1,500.00	4,910.00
Fuel and oil		203,720.00	202,940.00
Purchase of Materials (Sand, ballast etc)		218,680.00	227,825.00
Repairs & maintenance		144,121.00	413,538.00
General expenses		<u>655.00</u>	<u>140.00</u>
TOTAL		<u>811,289.00</u>	<u>1,088,565.00</u>
SURPLUS/ (DEFICIT) FOR THE YEAR		<u>156,411.00</u>	<u>-10,565.00</u>

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

26) **FARM ACTIVITY OPERATING ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007**

PARTICULARS	NOTES	2007 KSHS	2006 KSHS
<u>INCOME</u>			
Sales		<u>96,132.40</u>	<u>232,238.80</u>
<u>EXPENDITURE:</u>			
Staff costs	(32)	151,490.00	197,412.00
Cost of Inputs		42,125.00	121,980.00
Dairy Expenses		19,785.00	13,845.00
General expenses		<u>7,995.00</u>	<u>19,899.00</u>
TOTAL		<u>221,395.00</u>	<u>353,136.00</u>
DEFICIT FOR THE YEAR		<u>-125,262.60</u>	<u>-120,897.20</u>

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
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NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

27) **TAILORING ACTIVITY OPERATING ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007**

PARTICULARS	NOTES	2007 KSHS	2006 KSHS
<u>INCOME</u>			
Sales		<u>497,420.00</u>	<u>627,955.00</u>
<u>EXPENDITURE:</u>			
Staff costs	(32)	200,738.00	69,380.00
Materials		305,292.00	298,405.00
Shop Rent		30,000.00	30,000.00
Repairs & Maintenance		4,730.00	8,695.00
Selling expenses		7,865.00	780.00
General expenses		<u>700.00</u>	<u>0.00</u>
TOTAL		<u>549,325.00</u>	<u>407,260.00</u>
SURPLUS/ (DEFICIT) FOR THE YEAR		<u><u>-51,905.00</u></u>	<u><u>220,695.00</u></u>

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

28) **NEWSPAPER ACTIVITY OPERATING ACCOUNT FOR THE YEAR ENDED**
31ST MARCH 2007

PARTICULARS	NOTES	2007 KSHS	2006 KSHS
<u>INCOME</u>			
Sales		<u>0.00</u>	<u>229,761.00</u>
<u>EXPENDITURE:</u>			
Staff costs	(32)	0.00	216,600.00
Printing costs		0.00	425,205.00
Travelling expenses		0.00	4,827.50
Selling & Distribution expenses		0.00	82,037.50
Telephone & Postage		0.00	230.00
Electricity charges		0.00	0.00
Stationery expenses		<u>0.00</u>	<u>4,200.00</u>
TOTAL		<u>0.00</u>	<u>733,100.00</u>
DEFICIT FOR THE YEAR		<u><u>0.00</u></u>	<u><u>-503,339.00</u></u>

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
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NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

29) **INTERNET SERVICE PROVIDER AND PHOTOCOPIER ACTIVITY OPERATING ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007**

PARTICULARS	NOTES	2007 KSHS	2006 KSHS
<u>INCOME</u>			
Browsing Receipts		323,615.00	311,795.00
Photocopy Receipts		118,581.00	158,959.50
Printing & Scanning Receipts		<u>47,895.50</u>	<u>60,215.50</u>
TOTAL		<u>490,091.50</u>	<u>530,970.00</u>
<u>EXPENDITURE:</u>			
Staff costs	(32)	223,736.00	185,181.00
Rates & Licences		10,640.00	6,640.00
Electricity charges		51,398.95	33,516.25
Stationery expenses		127,100.00	52,580.00
Iway Services Expenses		835,103.65	512,214.85
Repairs & Maintenance		24,220.00	27,640.00
Telephone & Postages		550.00	230.00
General expenses		<u>4,000.00</u>	<u>21,371.00</u>
TOTAL		<u>1,276,748.60</u>	<u>839,373.10</u>
DEFICIT FOR THE YEAR		<u>-786,657.10</u>	<u>-308,403.10</u>

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

30) **COMPUTER SCHOOL ACTIVITY OPERATING ACCOUNT FOR THE YEAR**
ENDED 31ST MARCH 2007

PARTICULARS	NOTES	2007 KSHS	2006 KSHS
<u>INCOME</u>			
Fees receipts		<u>104,200.00</u>	<u>0.00</u>
<u>EXPENDITURE:</u>			
Staff costs	(32)	76,800.00	0.00
Electricity charges		6,300.00	0.00
Repairs & Maintenance		75,000.00	0.00
General expenses		<u>9,245.50</u>	<u>0.00</u>
TOTAL		<u>167,345.50</u>	<u>0.00</u>
DEFICIT FOR THE YEAR		<u><u>-63,145.50</u></u>	<u><u>0.00</u></u>

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

31) **MISCELLANEOUS INCOME:**

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PARTICULARS
Library Membership fee
Subscription fee
Vibrator hiring receipts
Miscellaneous receipts
Computer repairs & Services
Interest on Bank Deposits
Evangelism
COREL Loan Interest
COREL Membership fee
TOTAL

32) **STAFF COSTS:**

NAME OF ACTIVITY	SALARIES	NSSF	TRAINING	WELFARE
	KSHS	KSHS	EXPENSES	EXPENSES
			KSHS	KSHS
Head office	6,628,486.00	79,197.00	57,900.00	115,808.00
Dreamland Medical Care Centre	2,141,244.00	29,200.00	3,395.00	15,146.00
Dreamland Education centre	1,963,001.00	33,000.00	0.00	15,387.00
Khalayi Nursery School	418,770.00	14,400.00	0.00	0.00
Bookshop	205,298.00	2,400.00	0.00	0.00
Lorry	125,148.00	2,400.00	0.00	0.00
Farm	144,492.00	6,998.00	0.00	0.00
Uniforms	200,738.00	0.00	0.00	0.00
Newspaper Publication	0.00	0.00	0.00	0.00
Internet Service Provider (ISP)	219,336.00	4,400.00	0.00	0.00
Computer School	75,000.00	1,800.00	0.00	0.00
TOTAL STAFF COSTS	12,121,513.00	173,795.00	61,295.00	146,341.00

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	2007 KSHS	2006 KSHS
	0.00	3,090.00
	1,600.00	2,100.00
	0.00	6,130.00
	134,697.00	18,680.00
	0.00	9,350.00
	601.80	4,744.30
	0.00	6,100.00
	39,568.00	19,190.00
	8,850.00	550.00
	185,316.80	69,934.30

GRATUITY	CASUAL	STAFF	2007	2006
KSHS	WAGES KSHS	LUNCHES KSHS	KSHS	KSHS
0.00	27,520.00	0.00	6,908,911.00	6,696,032.00
107,831.00	47,118.00	0.00	2,343,934.00	2,824,002.00
171,999.00	0.00	0.00	2,183,387.00	1,859,740.00
0.00	0.00	0.00	433,170.00	426,588.00
0.00	0.00	0.00	207,698.00	231,480.00
0.00	18,120.00	14,375.00	160,043.00	169,361.00
0.00	0.00	0.00	151,490.00	197,412.00
0.00	0.00	0.00	200,738.00	69,380.00
0.00	0.00	0.00	0.00	216,600.00
0.00	0.00	0.00	223,736.00	185,181.00
0.00	0.00	0.00	76,800.00	0.00
279,830.00	92,758.00	14,375.00	12,889,907.00	12,875,776.00

EMENTS - 2007

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - (CONTINUED)

PARTICULARS	NOTES	2007 KSHS	2006 KSHS
33) <u>RELIEF & WELFARE EXPENSES</u>			
Bethesda Pool		437,239.00	806,289.00
Crisis Intervention		50,569.00	176,750.00
Elderly		110,918.00	78,117.00
General		3,470.00	45.00
TOTAL		<u>602,196.00</u>	<u>1,061,201.00</u>
34) <u>EVANGELISM EXPENSES</u>			
Intercessory		45,824.50	189,052.50
Missions		40,396.00	90,471.00
Outreach		46,054.00	20,112.50
Prayer & Fasting		1,944.00	5,409.00
Church Leadership & Conference		205,149.50	234,127.00
Childrens' Ministry		13,145.00	46,758.50
Conference expenses		0.00	9,583.00
TOTAL		<u>352,513.00</u>	<u>595,513.50</u>
35) <u>COMMUNITY DEVELOPMENT EXPENSES</u>			
Road repairs and maintenance		197,090.00	78,540.00
Motor vehicle repairs & maintenance		181,882.00	112,645.00
Motor vehicle insurance and licences		105,181.00	127,696.00
Other expenses		77,300.50	96,849.50
TOTAL to note 7		<u>561,453.50</u>	<u>415,730.50</u>
36) <u>PRIOR YEAR ADJUSTMENT</u>		<u>KSHS</u>	
Prior Year Adjustment is made up as follows:-			
(i) Cost of stocks for the year ended 31st March			
2006 not charged to expenses		-338,566.55	
(ii) Overvaluation of Bookshop Stocks at 31st March 2006		-230,000.00	
(iii) P A Y E for Prior Years provided, but written back		177,010.00	
Total Prior Year Adjustments transferred to			
General Fund		<u>-391,556.55</u>	
37) <u>ESTABLISHMENT</u>			
The Mission was registered under the provisions of Section 10 of the Societies Act on the 20th day of MAY 1999.			
38) <u>CURRENCY</u>			
These financial statements are presented in Kenya Shillings (Kshs).			

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

DETAILED INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007

	NOTES	2007 KSHS	2006 KSHS
<u>INCOME:</u>			
Grants from Donors	(2)	21,927,484.95	14,493,979.10
D.M.C.C Deficit	(21)	-267,507.45	-501,020.80
D.E.C Contribution	(22)	549,378.20	154,861.00
Khalayi Nursery School Deficit	(23)	-105,916.00	-132,184.00
Bookshop Contribution/ [Deficit]	(24)	-200,434.70	19,936.25
Lorry Transport Income/ [Deficit]	(25)	156,411.00	-10,565.00
Farm Activity Deficit	(26)	-125,262.60	-120,897.20
Uniform making Activity Contribution/ [Deficit]	(27)	-51,905.00	220,695.00
Newspapers Publication Activity Contribution/[Deficit]	(28)	0.00	-503,339.00
ISP Income Activity Contribution	(29)	-786,657.10	-308,403.10
Computer School Contribution	(30)	-63,145.50	0.00
Miscellaneous Income	(31)	185,316.80	69,934.30
Great Commissioning Conference		0.00	10,134.00
Tithe & Offerings		144,173.00	244,950.00
Circumcision Project Receipts		2,191,619.00	0.00
Mission Fund		179,300.00	160,240.00
TOTAL REVENUES		23,732,854.60	13,798,320.55
<u>EXPENDITURE:</u>			
<u>ADMINISTRATION EXPENSES</u> (5)			
Nairobi Office Liason expenses		489,520.00	360,213.50
Audit fee		60,000.00	60,000.00
Licences and Insurance		21,628.00	56,322.00
Motor vehicle repairs & maintenance		90,942.00	63,849.00
Electricity and Water		61,213.75	69,495.00
Telephone & Postages		427,291.45	337,995.40
Consultancy charges		0.00	45,000.00
Newspapers & periodicals		11,040.00	11,800.00
Stationery & Printing		60,448.40	66,516.00
Travelling expenses		318,305.00	257,822.00
General expenses		496,363.55	374,019.90
TOTAL		2,036,752.15	1,703,032.80
<u>STAFF COSTS (HEAD OFFICE)</u> (6)			
Salaries		6,628,486.00	6,449,644.00
N S S F		79,197.00	94,619.00
Training expenses		57,900.00	95,952.00
Welfare expenses		115,808.00	55,817.00
Casual wages		27,520.00	0.00
TOTAL		6,908,911.00	6,696,032.00

Report of the Independent Auditors - page 6

The notes on pages 11 to 35 form part of these financial statements.

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL MISSION
(IcFEM)

DETAILED INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007- CONTINUED

	NOTES	2007 KSHS	2006 KSHS
<u>PROGRAMMES COSTS</u>			
Students Sponsors	(7)	2,506,029.00	2,762,625.00
Relief and Welfare	(33)	602,196.00	1,061,610.00
Evangelism	(34)	352,513.00	595,513.50
Community Development expenses	(35)	561,453.50	415,730.50
Circumcision expenses		4,897,013.20	0.00
TOTAL		8,919,204.70	4,835,479.00
<u>SCHOOL CONSTRUCTION PROJECTS COSTS</u>			
Nasioya Primary School	(8)	475,509.00	50,110.00
Kamusinga A C K Primary School		12,520.00	1,851,155.10
Kimabole Laboratory Construction		0.00	561,665.00
Lutonyi Primary School		63,005.00	284,079.00
Buko Primary School		161,873.00	1,338,700.50
Kimingichi Primary School		2,057,745.00	1,000.00
Kimilili R C School		793,629.10	0.00
Public Primary School (Desk donation)		64,944.00	74,390.10
TOTAL		3,629,225.10	4,161,099.70
TOTAL OPERATING COSTS		21,494,092.95	17,395,643.50
OPERATING SURPLUS		2,238,761.65	-3,597,322.95
<u>FINANCE COSTS</u>			
General Bank charges	(9)	46,426.35	43,542.70
Interest on Bank overdraft		10,111.00	5,994.30
Withholding Tax		18.00	0.00
A F C - Loan expenses		12,910.00	0.00
Bad debts written off		736,860.00	0.00
Provision for bad debts		24,543.75	0.00
Depreciation	(10)	1,213,738.00	1,394,091.80
TOTAL		2,044,607.10	1,443,628.80
TOTAL EXPENDITURE		23,538,700.05	18,839,272.30
NET SURPLUS/ [DEFICIT]		194,154.55	-5,040,951.75

Report of the Independent Auditors - page 6

The notes on pages 11 to 35 form part of these financial statements.

JACKSON WETOSI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS OF KENYA

CLIENT: IcFEM

SUBJECT: OPENING JOURNAL FOR THE YEAR STARTING 1ST APRIL 2007

PARTICULARS	DR KSHS	CR KSHS
Land and Buildings	14,927,126.00	
Buildings under construction	30,287,115.00	
Motor Vehicle	5,458,684.00	
Equipments	5,647,040.00	
Furniture & Fittings	1,375,489.00	
Kitchen ware & Tools	197,245.00	
Motor Cycles & Bicycles	314,900.00	
Computers	1,344,924.00	
Other Fixed assets	153,086.00	
Depreciation - Land & Buildings		933,580.00
Depreciation - Motor vehicle		3,793,506.00
Depreciation - Equipments		1,805,516.00
Depreciation - Furniture & fittings		940,692.00
Depreciation - Kitchen ware & Tools		117,025.00
Depreciation - Motor cycles & Bicycles		283,468.00
Depreciation - Computers		203,960.00
Depreciation - Other fixed assets		92,756.00
Biological assets	57,000.00	
Receivables	3,674,832.55	
Inventories	1,467,012.10	
Cash and Cash equivalents	2,554,502.80	
Bank Overdraft		104,882.70
Payables		6,387,816.35
General fund		44,853,649.80
Restricted Fund		2,587,951.00
Revaluation Reserve Fund		22,000.00
Borrowings		5,332,153.60
	<u>67,458,956.45</u>	<u>67,458,956.45</u>

JACKSON WETOSI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS OF KENYA

CLIENT: IcFEM

STATEMENT OF RECEIVABLES

PARTICULARS	2007 KSHS
D E C Tuition fee receivable	421,332.00
D E C Boarding fee receivable	510,594.00
D E C Transport charges receivable	131,439.00
D E C Lunch receivable	98,637.00
D E C Registration fee receivable	1,240.00
D E C Mission Fund receivable	19,713.50
Khalayi Nursery School Tution fee receivable	75,126.00
Khalayi Nursery School Snacks receivable	13,887.00
Khalayi Nursery School Mission Fund	3,324.00
Khalayi Nursery School Transport fee receivable	300.00
Liason office rent deposit	30,000.00
COREL Advances	605,588.00
D E C fees receivable	67,186.00
DMCC receivables	80,347.00
Sundry debtors	73,536.80
Trade debtors	490,875.30
Taurian Communications Ltd	663,324.00
Nursery School fees receivables	6,119.00
Higher education Loan scheme	440,004.50
Prepayments	132,908.00
Staff Salary Advances	249,595.00
Premises Rent prepayment	7,500.00
Kenya Power & Lighting Co. Ltd	94,502.35
Trevor & Lesley Sankey	137,480.00
Rogders Kamidi	153,139.00
	4,507,697.45
LESS:	
Specifi Bad debts provision	-736,860.80
Head office General Bad debts provision	-24,543.75
General Bad debts provision	-71,460.35
	-832,864.90
TOTAL	3,674,832.55

JACKSON WETOSI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS OF KENYA

CLIENT: IcFEM

STATEMENT OF PAYABLES

PARTICULARS	2007 KSHS
Khalayi fees prepaid	51,028.00
COREL members shares	407,122.00
General Creditors	881,242.85
DMCC provision for gratuity	420,207.00
D E C Gratuity payable	299,768.00
Audit fee payable	60,000.00
Kamusinga ACK Primary School- Accrued Labour	69,425.00
N S S F payable	30,402.00
N H I F payable	15,020.00
P A Y E payable	32,041.00
IcFEM staff welfare	235,356.00
IcFEM Sacco Ltd	401,799.00
HQ Net salary suspense account	1,215,364.00
DMCC Net salary suspense account	426,871.00
DEC Net salary suspense account	199,824.50
KNS Fees prepayment	2,113.00
DEC Fees prepayment	53,520.00
Circumcision Project accruals	1,011,630.00
Roel and U Meifers	147,680.00
Lorry deposit	363,500.00
Khalayi Nursery School fees prepayment	4,800.00
Dismas Mabuku	59,103.00
TOTAL	6,387,816.35

INTERCHRISTIAN FELLOWSHIPS' EVANGELICAL

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2007 - CONTINUED

10) **PROPERTY, PLANT AND EQUIPMENT**
YEAR ENDED 31ST MARCH 2006

	LAND & BUILDINGS	BUILDINGS UNDER CONSTRUCTION	MOTOR VEHICLE	EQUIPMENTS
	KSHS	KSHS	KSHS	KSHS
<u>COST:</u>				
At 1.4.2005	12,593,355.75	23,387,229.70	4,547,864.05	3,063,361.45
Additions	2,033,142.50	959,680.00	0.00	1,004,712.00
Disposals	0.00	0.00	0.00	0.00
At 31.3.2006	14,626,498.25	24,346,909.70	4,547,864.05	4,068,073.45
<u>DEPRECIATION:</u>				
At 1.4.2005	462,730.60	0.00	3,195,227.25	901,245.25
Charge for the year	245,125.70	0.00	338,159.20	475,024.20
Disposals	0.00	0.00	0.00	0.00
At 31.3.2006	707,856.30	0.00	3,533,386.45	1,376,269.45
<u>NET BOOK VALUE:</u>				
At 31.3.2006	13,918,641.95	24,346,909.70	1,014,477.60	2,691,804.00

.MISSION
(IcFEM)

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FURNITURE & FITTINGS KSHS	KITCHEN WARE & TOOLS KSHS	MOTOR CYCLES & BICYCLES KSHS	COMPUTERS KSHS	OTHER FIXED ASSETS KSHS	TOTAL KSHS
1,012,475.70	177,700.50	314,900.00	93,137.00	147,186.25	45,337,210.40
245,307.00	13,779.00	0.00	215,550.00	5,900.00	4,478,070.50
0.00	0.00	0.00	0.00	0.00	0.00
1,257,782.70	191,479.50	314,900.00	308,687.00	153,086.25	49,815,280.90
538,596.30	87,229.65	259,021.20	49,039.40	69,584.40	5,562,674.05
215,755.90	15,637.50	13,969.70	77,894.30	12,525.30	1,394,091.80
0.00	0.00	0.00	0.00	0.00	0.00
754,352.20	102,867.15	272,990.90	126,933.70	82,109.70	6,956,765.85
503,430.50	88,612.35	41,909.10	181,753.30	70,976.55	42,858,515.05

PARTICULARS	2003	2002
	KSHS	KSHS
Salaries	2,977,350.00	2,082,055.00
Staff House Rent	164,300.00	118,700.00
Staff Welfare Expenses	28,725.00	22,361.00
Training expenses	75,804.00	34,003.00
N.S.S.F	110,755.00	0.00
Staff Uniforms	2,972.00	0.00
TOTAL	<u>3,359,906.00</u>	<u>2,257,119.00</u>

9) **OTHER EXPENSES:**

Water Drilling	20,890.00
Withholding Tax	486.50
Quest House expenses	93,732.00
Micro -Enterprise expenses	3,557.00
Shool leavers	25,942.00
Hospitality Expenses	31,457.00
Mattresses	32,500.00
Library Services expenses	6,602.00
Literacy Programme expenses	37,063.00
Affiliate Group Support	21,920.00
Road Maintenance	28,740.00
Other General Expense	238,909.00
TOTAL	<u>541,798.50</u>

10) **STOCKS:**

Medicinal Drugs	108,726.60
Bookshop Stocks	1,374,075.60
Farm Produce	29,550.00

TOTAL	<u>1,512,352.20</u>
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