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**CHRIST IS THE  
ANSWER MINISTRIES  
[CITAM]**

# ANNUAL FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2023

2024

**ANNUAL DELEGATES  
CONFERENCE (ADC)**

**CHRIST IS THE ANSWER MINISTRIES (CITAM)**

**ANNUAL FINANCIAL STATEMENTS**

**AS AT 31 DECEMBER 2023**

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**Certified Public Accountants**  
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**CHRIST IS THE ANSWER MINISTRIES (CITAM)****Ministry Information**

<b>DEACON BOARD MEMBERS</b>	: Rev. Calisto Odede	-	Chairman/Presiding Bishop
	: Rev. Dr. John Karita	-	Vice Chairman/Deputy Bishop
	: Mr. Martin Munyu	-	Secretary
	: Mrs. Unny Nzioka	-	Treasurer
	: Mr. George Asoyo	-	Term ended on 29/04/2023
	: Mrs. Catherine Wahome	-	Term ended on 29/04/2023
	: Mrs. Christine Ojera	-	Term ended on 29/04/2023
	: Ms. Esther Chengo	-	Term ended on 29/04/2023
	: Mr. David Kitur		
	: Dr. James Ogutu		
	: Mr. Michael Wamache		
	: Mr. Richard Arina		
	: Mrs. Mercy Mukiiri		
	: Mr. James Munene		
	Dr. Margaret Wainaina	-	Joined on 29/04/2023
	Mr. James Masinde	-	Joined on 29/04/2023
	Mr. George Morara	-	Joined on 29/04/2023
	Prof. Joseph Muliaro	-	Joined on 29/04/2023
	Rev. Kenneth Isige	-	Director for Administration (Ex-officio)
<b>REGISTERED ADDRESS</b>	: Christ Is The Answer Ministries		
	2nd Parklands Avenue		
	P. O. Box 42254 - 00100		
	Nairobi, Kenya		
<b>PRINCIPAL BANKERS</b>	: Co-operative Bank of Kenya Limited		
	University Way Branch		
	P. O. Box 48231 - 00100		
	Nairobi, Kenya		
	: KCB Bank Kenya Limited		
	Sarit Centre Branch		
	P. O. Box 14959 - 00800		
	Nairobi, Kenya		
	: Stanbic Bank Kenya Limited		
	Waiyaki Way Branch		
	P. O. Box 30550		
	Nairobi, Kenya		
<b>LEGAL ADVISOR</b>	: GMM Advocates		
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	Nairobi, Kenya		
<b>INDEPENDENT AUDITOR</b>	: RSM Eastern Africa LLP		
	Certified Public Accountants, Kenya		
	1st Floor, Pacis Centre		
	Slip Road, off Waiyaki Way, Westlands		
	P.O. Box 349 - 00606		
	Nairobi, Kenya		

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

### Report of the Deacon Board

The Deacon Board has the pleasure in presenting its report together with the audited financial statements for the year ended 31st December 2023.

#### **REGISTRATION**

CITAM is registered under the Kenyan Societies Act under Certificate Number 8870.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Ministry is "to know God and make Him known through evangelism and discipleship".

#### **FINANCIAL PERFORMANCE OVERVIEW**

This is presented in the Treasurer's report, pages on 3 to 6.

#### **RESULTS**

The results for the year are set out in the Statement of Income and Expenditure on page 15.

#### **CITAM CORPORATE GOVERNANCE**

The statement of Corporate Governance is set out on pages 7 to 11.

#### **DEACON BOARD MEMBERS**

The names of the members who served during the year and upto the date of this report are set out on page 1.

Changes during the year were as follows :-

##### Joined on 29/04/2023

- Dr. Margaret Wainaina
- Mr. James Masinde
- Mr. George Morara
- Prof. Joseph Muliaro

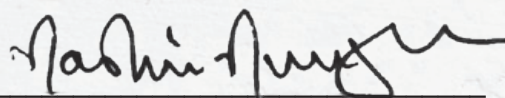
##### Term ended on 29/04/2023

- Mr. George Asoyo
- Mrs. Catherine Wahome
- Mrs. Christine Ojera
- Ms. Esther Chengo

#### **INDEPENDENT AUDITORS**

During the year, RSM Eastern Africa LLP was appointed as the Ministry's auditor and has expressed its willingness to continue in office.

By Order of the Deacon Board



Secretary

16<sup>th</sup> March .....2024

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

### Report of the Treasurer

#### 2023 OVERVIEW

##### Operating Environment

The operating environment in Kenya and globally experienced challenges and economic uncertainties. In Kenya, the year 2023 was a year of recovery from transitioning in to a new Government. This came with shifts in fiscal policy on taxation, Government operations and public debt management among others.

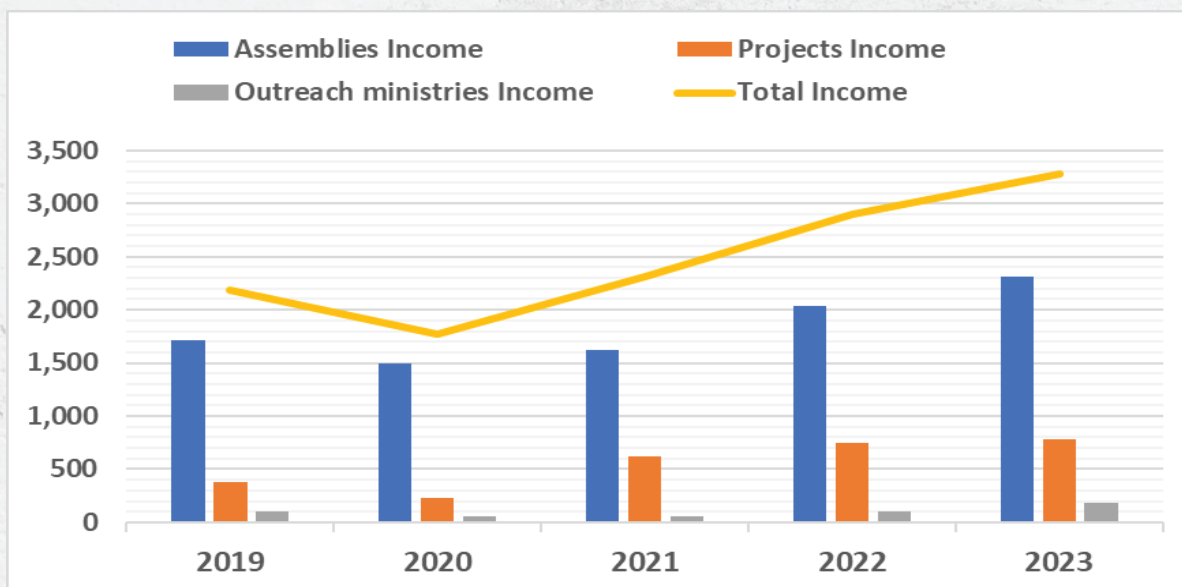
The 2023 economic landscape was characterised by rising inflation. The high cost of living was driven by increased food prices, high energy costs, depreciating shilling, and higher taxes. This affected business operations as well as household incomes. Towards the end of the year, there was a slight improvement in food and fuel prices.

The Ministry withstood economic shocks and recorded commendable growth in Ministry activities and financially. The consistent and faithful giving by members and other partners enabled the ministry to carry out its operations.

In the 2023 Financial statements, we have consolidated two subsidiaries namely Ark properties and Investments Limited and Aardwolf International Holdings Limited.

The Year-on-Year income growth is as shown below.

##### Five Year Income



##### Analysis of the total income for the last five (5) years

	2019	2020	2021	2022	2023
	Kshs. Millions	Kshs. Millions	Kshs. Millions	Kshs. Millions	Kshs. Millions
Assemblies Income	1,714	1,494	1,626	2,042	2,312
Projects Income	375	227	623	750	782
Outreach ministries Income	99	52	60	107	182
<b>Total Income</b>	<b>2,188</b>	<b>1,773</b>	<b>2,309</b>	<b>2,899</b>	<b>3,276</b>

**CHRIST IS THE ANSWER MINISTRIES (CITAM)**

**Report of the Treasurer..../(Contd.)**

**Income**

Total income for the year 2023 increased by 13% to KShs. 3.28 billion up from KShs. 2.89 billion in 2022 net of intra-ministry sales. This was attributed to the progressive economic recovery, full lifting of Covid-19 restrictions hence resumption of full operations in the business environment.

Assemblies' income increased by 23% to KShs. 2.312 billion up from KSh 2.042 billion, with most of the Assemblies recording income growth in 2023 compared to 2022. This was attributable to significant increase in tithe and offerings, full year performance for the new assemblies and strengthening of the USD to Kshs which was favourable for the international churches.

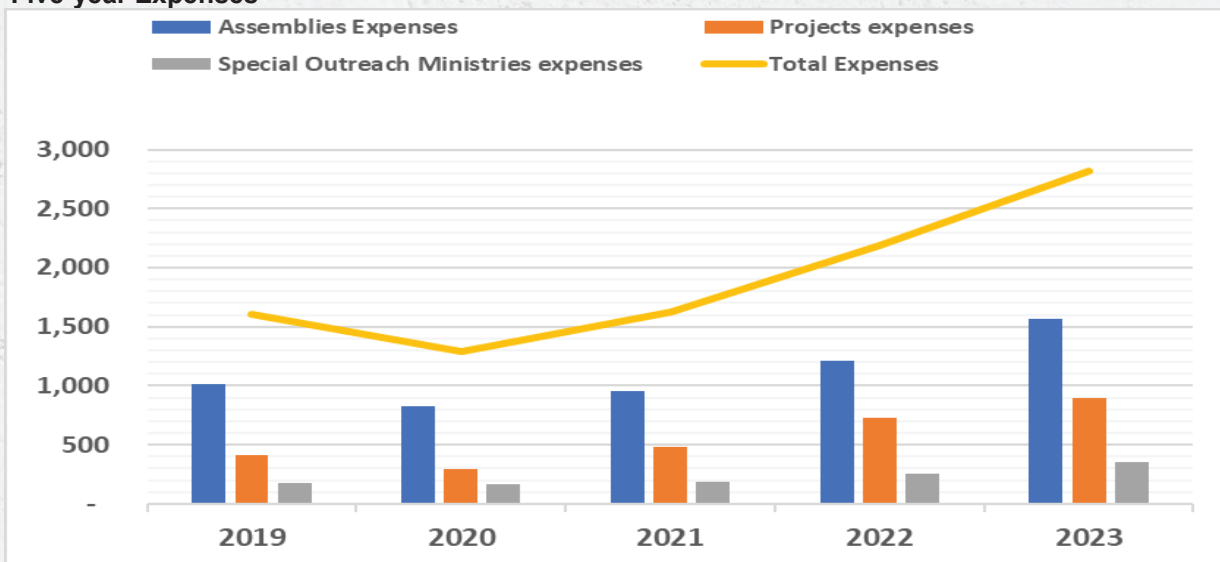
Business units' income increased by 4% to KShs. 782 million up from KShs. 750 million in 2022. This was due to increased sales in some business units (Kadolta, outfitters, business park, Kiserian farm and the increased pupil enrolment in Clay city and Rongai schools). However, the marginal growth of income was due to the decrease of schools' academic terms from 4 in 2022 to 3 terms in 2023.

Outreach ministries' income increased by 70% to KShs.182 million up from KSh 107 million in 2022. This is due to increased donations for donor funded projects towards support of drought-stricken communities in Northern Kenya.

**Expenditure**

Total operating expenditure for the year 2023 grew by 28% to KShs. 2.81 billion up from KShs. 2.19 billion reported in 2022 net of intra-ministry expenditure. Compared to the year 2022, there was a general increase in operating expenses due to increased ministry's operations, increased number of assemblies and units, and increased prices for commodities as evidenced by the trend below.

**Five-year Expenses**



**CHRIST IS THE ANSWER MINISTRIES (CITAM)**

Report of the Treasurer.../(Contd.)

**Expenditure (Continued)****Analysis of the total expenses for the last five (5) years**

	2019	2020	2021	2022	2023
	Kshs. Millions	Kshs. Millions	Kshs. Millions	Kshs. Millions	Kshs. Millions
Assemblies Expenses	1,013	829	958	1,212	1,564
Projects expenses	416	292	477	724	894
Special Outreach Ministries expenses	176	168	189	251	356
<b>Totals</b>	<b>1,605</b>	<b>1,289</b>	<b>1,624</b>	<b>2,187</b>	<b>2,814</b>

Staff expenses increased by 32% to KShs. 1,208 billion from KShs. 916 million. This is attributed to the full year impact of staff salary job evaluation exercise carried out and effected in July 2022, regularization of interns and temporary staff in year 2022 as well as new engagements and staff promotions.

Administrative expenses increased by 25% to KShs. 1,233 billion from KShs. 983 million. This was driven by the high costs of goods and services

Ministry expenses net of inter-unit expenditure grew by 30% to KShs. 373 million from KShs. 288 million due to increased ministry activities, new assemblies and units and increased cost of doing business.

**Surplus**

Surplus before Capital Expenditure decreased by 35% to KSh 461 million from KSh 712 million reported in 2022. This was attributable to the ministry's overall increase in operating expenditure.

There was a decrease in Capital expenditure financed from operating income by 24% to Ksh 391 million down from Ksh 517 million. However, the ministry purchased two prime properties (CITAM Valley Road parking and CITAM Embakasi premises) which were partly financed by reserve funds and loan.

Net surplus for the year decreased by 59% to Ksh. 70 million from Ksh. 171 million reported in 2022.

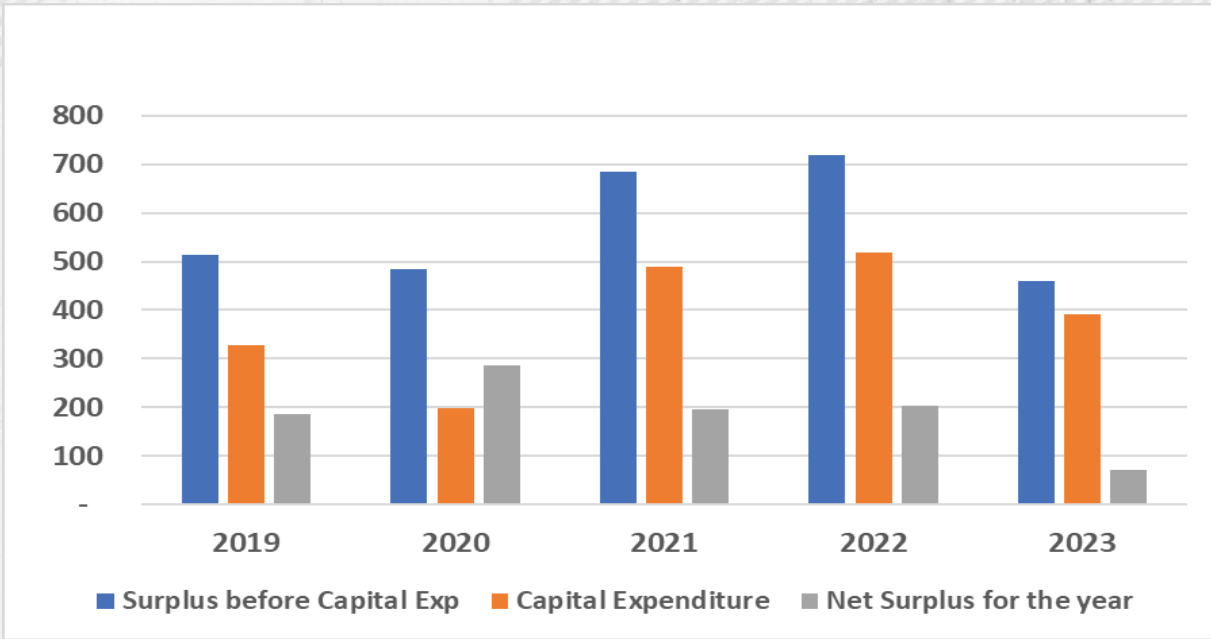
**Analysis of surplus before capital expenditure for the past 5 years**

	2019	2020	2021	2022	2023
	Kshs millions	Kshs millions	Kshs millions	Kshs millions	Kshs millions
Surplus before Capital Exp	514	485	684	720	461
Capital Expenditure	327	199	488	518	391
<b>Net Surplus for the year</b>	<b>187</b>	<b>286</b>	<b>196</b>	<b>202</b>	<b>70</b>

**CHRIST IS THE ANSWER MINISTRIES (CITAM)**

**Report of the Treasurer..../(Contd.)**

**Five years surplus (Kshs 'millions)**



**Conclusion**

As a Deacon Board, we are grateful to God for His unending favor and wisdom.

To all our stakeholders; our members and congregants; our partners and friends; thank you for praying and giving selflessly to the work of God.

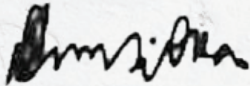
To all CITAM staff: Thank you for your faithful service and unwavering support.

May God give you the desires of your hearts and make all your plans succeed.

Not to us, Lord, not to us, but to your name be the glory, because of your love and faithfulness!

God bless you.

16<sup>th</sup> March 2024

  
\_\_\_\_\_  
Church Treasurer



## CHRIST IS THE ANSWER MINISTRIES (CITAM)

### Statement of Corporate Governance

The commitment of Christ Is The Answer Ministries [CITAM] to good corporate practices and high standards of Corporate Governance is commendable. It is evident that CITAM recognizes the importance of prudent management and accountability in achieving its objectives of enhancing prosperity and sustainability while upholding its core values.

The establishment of governance structures guided by the Ministry's Constitution reflects CITAM's dedication to ensuring that authority is appropriately directed and controlled to realize its long-term values and vision. This approach not only fosters transparency and accountability but also facilitates effective decision-making processes within the organization.

Moreover, CITAM's unwavering commitment to core values such as integrity, transparency, and accountability underscores its ethical foundation and dedication to serving its ministry with diligence. By adhering to these principles, CITAM sets a positive example for other organizations, both within and outside the religious sector

CITAM has continued to ensure, through the Whistle Blowing Policy, that its staff and other stakeholders are protected from any form of danger and victimization for exposing or revealing any form of violation.

Overall, CITAM's proactive approach to governance and commitment to ethical principles serves as a model for other ministries and organizations seeking to uphold similar standards of excellence and accountability.

#### **Assemblies ISO Certification.**

It is noteworthy that CITAM Assemblies have achieved ISO 9001:2015 standard certification, indicating a commitment to providing quality services. By obtaining ISO certification for the entire Ministry demonstrates CITAM's adherence to internationally recognized standards for quality management. This achievement not only enhances member and non-member satisfaction but also promotes continuous improvement and efficiency within the organization.

The implementation of ISO 9001:2015 standard provides CITAM with a structured framework for ensuring consistent quality in the provision of goods and services. By establishing processes for monitoring and evaluating performance, CITAM can identify areas for improvement and take proactive measures to address any issues that may arise. Moreover, ISO certification helps CITAM minimize errors and maintain high standards of service delivery. By adhering to established procedures and protocols, CITAM can mitigate risks and ensure that its operations run smoothly and effectively.

Admittedly, achieving ISO 9001:2015 certification is a significant milestone for CITAM, reflecting its commitment to excellence and continuous improvement and sets a benchmark for other organizations within the religious sector and beyond.

#### **Ministry's New ERP system**

We have put in place a comprehensive and robust ERP system which has simplified operations and enhanced efficiency for CITAM. The system has Sage X3 (Finance, Purchasing, Projects Management, Fixed Assets, Inventory Management and Sales), Sage 300 People (human resources management system), Sage Enterprise Intelligence (SEI) for generating reports and Xenesis for our schools. Plans are underway to include Customer Relationship Management (CRM) and Hospitality system. The new system has benefited CITAM because of its user-friendly features and it is web and cloud based, providing easy accessibility outside CITAM network.

#### **Deacon Board**

The Deacon Board plays its fundamental oversight role in the formulation and implementation of policies, strategies and processes that reflect good corporate governance. The board has consistently provided leadership in the administrative, business, and legal matters by ensuring effective governance and fiduciary oversight of the ministry. It has monitored and reviewed the performance of the ministry in their areas of mandate and ensured that the internal controls are adequate and strong enough to safeguard the ministry's resources.

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

Statement of Corporate Governance..../(Contd.)**Deacon Board (continued)**

There is an established clear separation of duties between the Board and management which is always maintained. The Deacon Board makes all policy decisions while management implements the decisions of the Board through daily operations.

The Deacon Board meets at least quarterly in a year, but additional meetings may be held on a need basis. This is aimed at receiving relevant information to make timely decisions affecting the ministry.

Where necessary Deacon Board appoints task forces and ad hoc committees with a given mandate and timelines.

A total of seven (7) Deacon Board meetings were held during the year. The table below shows the Deacon Board members who served during the year.

MEMBERS	REMARKS
Bishop Calisto Odede	Chairman
D. Bishop John Karita	Vice -Chairman (Term ended on 31 <sup>st</sup> October 2023)
D. Bishop Justus Mugambi	Vice -Chairman (Term appointed on 1 <sup>st</sup> November 2023)
Unny Nzioka	Church Treasurer
Martin Munyu	Church Secretary
George Asoyo	Member: Term ended on 29 <sup>th</sup> April 2023
James Harrison Masinde	Member
Catherine Wahome	Member: Term ended on 29 <sup>th</sup> April 2023
Christine Ojera	Member: Term ended on 29 <sup>th</sup> April 2023
David Kitur	Member
Richard Arina	Member
Esther Chengo	Member: Term ended on 29 <sup>th</sup> April 2023
Michael Wamache	Member
Mercy Mukiiri	Member
James Opiyo Ogutu	Member
James Munene	Member
Margaret Wainaina	Member
Joseph Muliario Wafula	Member
George Morara Ondonga	Member
Rev. Kiribwa Isige	Ex Officio

The table below shows the number of Deacon Board meetings held during the year.

#	DATE OF MEETING	ATTENDANCE
1	11 <sup>th</sup> February 2023	15
2	4 <sup>th</sup> March 2023	15
3	29 <sup>th</sup> April 2023	15
4	8 <sup>th</sup> May 2023	15
5	22 <sup>nd</sup> July 2023	15
6	12 <sup>th</sup> September 2023	14
7	25 <sup>th</sup> November 2023	14

**CHRIST IS THE ANSWER MINISTRIES (CITAM)****Statement of Corporate Governance..../(Contd.)****Composition of the Deacon Board**

The Deacon Board comprises of the Presiding Bishop (Chairman), the Deputy Bishop (Deputy Chairman), the Director For Administration (DFA), not more than 12 elected members, and 3 co-opted members where necessary, (for smooth and efficient running of the church business). The members are nominated at the Assembly level but are elected at the supreme organ of the Ministry which is the Annual Delegates Conference (ADC).

The Board members have a wide range of professional skills and experience, and each bring independent judgement and considerable knowledge which may be useful and helpful in the Board discussions.

**Delegation of Authority**

The Deacon Board has then (10) Board Committees with delegated authorities. The Committees assist the Board in discharging its responsibilities. They have clearly defined roles and terms of reference. The Committees meet regularly to deliberate on issues that fall under their mandate.

The table below shows the Deacon Board Committees and the respective chairperson during the year.

	<b>Committees</b>	<b>No. of members</b>	<b>Chaired by:</b>
1	<b>Finance committee</b>	9	Deacon Unny Nzioka
2	<b>Audit &amp; Risk Management Committee</b>	7	Deacon Mercy Mukiiri
3	<b>Human Resources Committee</b>	6	Deacon Martin Munyu
4	<b>ICT committee</b>	7	Deacon James Munene
5	<b>Media Board</b>	11	Deacon Michael Wamache
6	<b>Business Management Committee</b>	10	Deacon David Kitur
7	<b>Building Committee</b>	10	Deacon David Kitur
8	<b>Legal Committee</b>	8	Deacon Martin Munyu
9	<b>CITAM Children Centre Committee</b>	7	Deacon Margaret Wainaina
10	<b>Education Committee</b>	5	Deacon James Ogutu

In addressing certain unique needs that face the Ministry, the Board may constitute ad hoc committees, or taskforces to address the said issues.

**Council of Elders**

The Council of Elders takes the responsibility for safeguarding the vision and mission of the church and oversees all spiritual matters of the church. They perform all the duties as stipulated in the constitution.

The Council of Elders meets at least four (4) times a year, but the Presiding Bishop may convene more meetings on need basis. A total of 8 meetings were held during the year.

**CHRIST IS THE ANSWER MINISTRIES (CITAM)****Statement of Corporate Governance..../(Contd.)****Council of Elders (continued)**

The table below shows the Council of Elders members who served in the year 2023.

	<b>COUNCIL MEMBER</b>	<b>COMMENT</b>
1	Bishop Calisto Odede	Chairman
2	Rev. Dr. Karita Mbagara	Vice -Chairman (Term ended on 31st October 2023)
3	Rev. Justus Mugambi	Vice -Chairman (Term appointed on 1st November 2023)
4	Elder Don Odera	Secretary (served until 7th June 2023 when his term ended)
5	Elder James Maina	Secretary (served from 9th June 2023)
6	Elder Teresia Bui	Elder completed her term on 7th June 2023
7	Elder Lawrence Oseje	Elder
8	Elder Boniface Musembi	Elder
9	Elder Joash Aloo	Elder
10	Elder Agnes Mungai	Elder
11	Elder Agnes Omolo	Elder started her term on 9 <sup>th</sup> June 2023
12	Elder Emily Chengo	Elder started her term on 9 <sup>th</sup> June 2023
13	Rev. Ken Isige	Ex-officio

The table below shows the number of Council of Elders' meetings held during the year and the total attendance for each meeting.

<b>COUNCIL OF ELDERS MEETINGS FOR THE YEAR 2023</b>		
<b>S/No.</b>	<b>DATE OF MEETING</b>	<b>ATTENDANCE</b>
1	4th February 2023	10
2	14th April 2023	9
3	2nd May 2023	9
4	7th June 2023	8
5	9th June 2023	11
6	13th July 2023	10
7	29th July 2023	10
8	3rd November 2023	10

**CHRIST IS THE ANSWER MINISTRIES (CITAM)****Statement of Corporate Governance.../(Contd.)****Trustees**

All land, buildings and other immovable property including all investments and securities acquired by the CITAM are vested in a trust of the church.

The table below shows the current Board of Trustees.

<b>NAME</b>	<b>COMMENT</b>
Julius Kitheka	Trustee
Margaret Hutchinson	Trustee
David Tanki	Trustee
Bill Nyasio	Trustee
Nelson Kuria	Trustee

**Local Advisory Committee**

Every assembly has an advisory committee to support the management and coordination of the affairs of the assembly.

**Board of Management (BOM)**

Every school has board of management which supports the management and coordination of the affairs of the schools.

**Compliance statement**

CITAM ministry is guided by the Societies Act, 2012 and all other laws and regulations relevant to its operations.

**Internal controls**

The Deacon Board's responsibility for maintaining a system of internal control within the ministry is crucial for ensuring effective and efficient operations. Internal control policies and procedures are essential tools in safeguarding the ministry's assets, ensuring compliance with regulations, and minimizing the risk of errors or irregularities. The Deacon Board has reviewed and approved these internal control policies and procedures. This reflects the board's commitment to fulfilling its oversight responsibilities. By ensuring that appropriate procedures are in place, the Board helps establish a framework for conducting the church's business in a manner that is consistent with its objectives and values. In addition, the involvement of the Internal Audit Department and oversight by the Board Audit Committee further strengthens the internal control framework. The Internal Audit Department plays a critical role in independently evaluating the effectiveness of internal controls and identifying areas for improvement. Meanwhile, the Board Audit Committee provides additional oversight and ensures that internal control processes are robust and responsive to the ministry's needs.

In summary, the collaborative efforts of the Deacon Board, Internal Audit Department, and Board Audit Committee contribute to the establishment and maintenance of a strong system of internal control within the ministry. By working together, these entities help safeguard the ministry's resources and promote accountability and transparency in its operations.

**CHRIST IS THE ANSWER MINISTRIES (CITAM)**

**Statement of Deacon Board Responsibilities**

**for the year ended 31<sup>st</sup> December 2023**

The Ministry constitution requires the Deacon Board to prepare financial statements for each financial year that give a true and fair view of the financial position of the Ministry as at the end of the financial year and of its surplus or deficit for that year. It also requires the Deacon Board to ensure that the Ministry keeps proper accounting records that: (a) show and explain the transactions of the Ministry (b) disclose, with reasonable accuracy, the financial position of the Ministry; and (c) enable the Deacon Board to ensure that every financial statement required to be prepared complies with the requirements of the Societies Act, Cap 108, 2012 (Laws of Kenya).

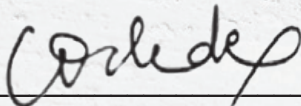
The Deacon Board accepts responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Societies Act, Cap 108, 2012 (Laws of Kenya). The Board also accepts responsibility for:

- i) Designing, implementing and maintaining such internal controls as they determine necessary to enable the presentation of financial statements that are free from material misstatements, whether due to fraud or error;
- ii) Selecting suitable accounting policies and applying them consistently; and
- iii) Making accounting estimates and judgements that are reasonable in the circumstances.

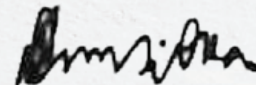
Having made an assesment of the Ministry's ability to continue as a going concern, the Deacon Board is not aware of any material uncertainties related to events or conditions that may cast doubt upon the Ministry's ability to continue as a going concern.

The Deacon Board acknowledges that the independent audit of the financial statements does not relieve the Board of its responsibilities.

Approved by the Deacon Board on ..... 16<sup>th</sup> March ..... 2024 and signed on its behalf by:-



Chairman



Treasurer



RSM Eastern Africa LLP  
Certified Public Accountants

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## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF CHRIST IS THE ANSWER MINISTRIES

### Opinion

We have audited the accompanying consolidated financial statements financial statements of **Christ Is The Answer Ministries (The Ministry) and its subsidiaries (together, the Group)** set out on pages 15 to 46, which comprise for both the Group and the Ministry the statement of financial position as at 31st December 2023, the statement of Income and Expenditure, the statement of changes in funds and statement of cash flows for the year then ended, and notes, including a summary of material accounting policies.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the Ministry as at 31st December 2023 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Societies Act, Cap 108, 2012 (Laws of Kenya).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Ministry in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Deacon Board is responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Deacon Board for the financial statements

The Deacon Board is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as the Deacon Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Deacon Board is responsible for assessing the Group and Ministry'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 the Deacon Board either intend to liquidate the Group and Ministry or to cease operations, or have no realistic alternative but to do so.

THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING

Registration number: LLP-3A1VXM, a limited liability partnership under the Limited Liability Partnership Act, 2011.  
Partners: Ashif Kassam, Lina Ratansi, Nihla Mazrui, Elvis Ogeto, George Mutua

RSM Eastern Africa LLP is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM Network. Each member of the RSM network is an independent accounting and consulting firm each of which practises in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.



**REPORT OF THE INDEPENDENT AUDITOR  
TO THE MEMBERS OF CHRIST IS THE ANSWER MINISTRIES**

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Deacon Board.
- Conclude on the appropriateness of the Deacon Board use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair

We communicate with the Deacon Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA George Mutua**, Practising Certificate No. **A/0011**.

*G. Mutua*

for and on behalf of RSM Eastern Africa LLP  
Certified Public Accountants  
Nairobi

*G. Mutua*  
..... 2024  
041/2024



**CHRIST IS THE ANSWER MINISTRIES (CITAM)****Statement of Income and Expenditure and Other Comprehensive Income****for the year ended 31st December 2023**

		<b>GROUP</b> <b>2023</b> <b>KSh</b>	<b>GROUP</b> <b>2022</b> <b>KSh</b>	<b>CITAM</b> <b>2023</b> <b>KSh</b>	<b>CITAM</b> <b>2022</b> <b>KSh</b>
<b>ASSEMBLIES INCOME</b>	<b>Note</b>				
Tithes and offerings		2,159,571,575	1,902,538,586	2,159,571,575	1,902,538,586
Fundraising and donations		64,710,077	53,683,205	64,710,077	53,683,205
Ministries and departments		50,962,562	31,338,406	50,962,562	31,338,406
Rental income		8,310,632	10,087,530	8,310,632	10,087,530
Interest income		28,136,771	43,486,356	28,136,771	43,486,356
Other income		-	1,043,082	-	1,043,082
<b>Total assemblies income</b>	<b>4</b>	<b>2,311,691,617</b>	<b>2,042,177,165</b>	<b>2,311,691,617</b>	<b>2,042,177,165</b>
<b>ASSEMBLIES EXPENSES</b>					
Staff costs		(633,206,763)	(484,293,952)	(633,206,763)	(484,293,952)
Administration costs		(566,303,257)	(446,380,245)	(566,303,257)	(446,380,245)
Ministries costs		(364,717,670)	(281,038,389)	(364,717,670)	(281,038,389)
<b>Total assemblies expenditure</b>	<b>4</b>	<b>(1,564,227,690)</b>	<b>(1,211,712,586)</b>	<b>(1,564,227,690)</b>	<b>(1,211,712,586)</b>
<b>SURPLUS BEFORE PROJECTS AND CAPITAL EXPENDITURE</b>		<b>747,463,927</b>	<b>830,464,579</b>	<b>747,463,927</b>	<b>830,464,579</b>
Projects net (deficit)/ surplus	5	(111,622,898)	25,306,666	(100,306,972)	33,355,179
Special outreach activities net deficit	6	(173,990,724)	(143,446,321)	(173,990,724)	(143,446,321)
		(285,613,622)	(118,139,655)	(274,297,696)	(110,091,142)
<b>SURPLUS BEFORE CAPITAL EXPENDITURE</b>		<b>461,850,305</b>	<b>712,324,924</b>	<b>473,166,231</b>	<b>720,373,437</b>
Capital expenditure	8	(391,363,646)	(517,868,614)	(391,363,646)	(517,868,614)
<b>SURPLUS FOR THE YEAR BEFORE TAX</b>		<b>70,486,659</b>	<b>194,456,310</b>	<b>81,802,585</b>	<b>202,504,823</b>
Tax expense		(98,877)	(22,697,906)	-	-
<b>SURPLUS FOR THE YEAR AFTER TAX</b>		<b>70,387,782</b>	<b>171,758,404</b>	<b>81,802,585</b>	<b>202,504,823</b>

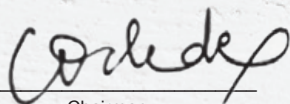
## CHRIST IS THE ANSWER MINISTRIES (CITAM)

## Statement of Financial Position

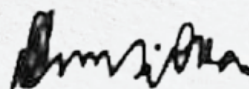
as at 31<sup>st</sup> December 2023

ASSETS	Note	GROUP	GROUP	CITAM	CITAM
		2023	2022	2023	2022
		Kshs	Kshs	Kshs	Kshs
<b>Non-current assets</b>					
Property and equipment	9	7,891,156,298	7,089,677,271	7,144,253,306	7,089,155,744
Right of use assets	10	33,746,855	29,100,509	33,746,855	29,100,509
Biological assets	11	2,746,000	402,400	2,746,000	402,400
Investment property	12	487,700,000	525,000,000	487,700,000	525,000,000
Work-in-progress	13	41,255,804	148,895,416	41,255,804	148,895,416
Prepaid operating lease rentals	14	6,922,891,936	5,238,768,889	6,922,891,936	5,238,768,889
Intangible assets	15	37,596,867	5,004,842	37,479,267	4,836,842
Deposits with banking institutions	16 (a)	5,959,855	5,959,855	5,959,855	5,959,855
Investment in subsidiaries	16 (b)	-	-	200,000	100,000
Due from subsidiaries	17	-	-	1,318,711,162	509,661,995
		<b>15,423,053,615</b>	<b>13,042,809,182</b>	<b>15,994,944,185</b>	<b>13,551,881,650</b>
<b>Current assets</b>					
Inventories	18	775,883,520	678,651,787	51,500,232	35,558,928
Trade and other receivables	19	171,700,475	83,510,111	170,628,476	83,510,111
Short term fixed deposits	20 (a)	32,928,100	652,455,307	32,928,100	652,455,307
Cash and bank balances	20 (b)	271,518,906	202,279,733	269,955,545	201,167,101
		<b>1,252,031,001</b>	<b>1,616,896,938</b>	<b>525,012,353</b>	<b>972,691,447</b>
<b>TOTAL ASSETS</b>		<b>16,675,084,616</b>	<b>14,659,706,120</b>	<b>16,519,956,538</b>	<b>14,524,573,097</b>
<b>FUNDS AND LIABILITIES</b>					
<b>Funds</b>					
Capital fund		14,802,976,241	13,007,059,289	14,802,976,241	13,007,059,289
General fund		72,630,515	162,269,397	170,024,037	248,248,120
Reserve fund		48,576,310	353,485,221	48,576,310	353,485,221
Designated fund	21	449,696,321	500,937,816	449,696,321	500,937,816
		<b>15,373,879,387</b>	<b>14,023,751,723</b>	<b>15,471,272,909</b>	<b>14,109,730,446</b>
<b>Non-current liabilities</b>					
Borrowings	22	550,461,846	60,603,120	550,461,846	60,603,120
Lease liabilities	24	16,139,368	10,717,228	16,139,368	10,717,228
		<b>566,601,214</b>	<b>71,320,348</b>	<b>566,601,214</b>	<b>71,320,348</b>
<b>Current liabilities</b>					
Trade and other payables	23	629,209,953	485,695,117	376,787,231	264,583,371
Borrowings	22	83,553,920	55,307,834	83,553,920	55,307,834
Current tax payable		98,878	-	-	-
Lease liabilities	24	21,741,264	23,631,098	21,741,264	23,631,098
		<b>734,604,015</b>	<b>564,634,049</b>	<b>482,082,415</b>	<b>343,522,303</b>
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>16,675,084,616</b>	<b>14,659,706,120</b>	<b>16,519,956,538</b>	<b>14,524,573,097</b>

The financial statements on pages 15 to 46 were approved by the Deacon Board on 16<sup>th</sup> March 2024 and signed on its behalf by:-



Chairman



Treasurer

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

Statement of Changes in Fundsas at 31st December 2023

GROUP	Capital	General	Reserve	Designated	Total
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund (Note 21)</u>	
	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 January 2022	11,990,401,793	132,785,502	221,105,710	521,002,180	12,865,295,185
Fixed Assets Valuation	504,670,275	-	-	-	504,670,275
Fixed assets additions	607,826,908	-	-	-	607,826,908
Biological assets	(20,000)	-	-	-	(20,000)
Transfer to designated fund (Note 21)	-	(34,218,493)	-	34,218,493	-
Depreciation (Note 9)	(151,634,094)	-	-	-	(151,634,094)
Amortization - Leasehold property (Note 14)	(134,621,560)	-	-	-	(134,621,560)
Amortization - Intangible assets (Note 15)	(10,564,033)	-	-	-	(10,564,033)
Fair value gains on investment property	201,000,000	-	-	-	201,000,000
Receipts during the year	-	-	24,323,495	85,373,942	109,697,437
Payments during the year	-	-	-	(329,908,658)	(329,908,658)
10% tithe allocation	-	-	-	190,251,859	190,251,859
Transfers to reserve fund	-	(108,056,016)	108,056,016	-	-
Surplus for the year	-	171,758,404	-	-	171,758,404
<b>AT 31 DECEMBER 2022</b>	<b>13,007,059,289</b>	<b>162,269,397</b>	<b>353,485,221</b>	<b>500,937,816</b>	<b>14,023,751,723</b>
At 1 January 2023	13,007,059,289	162,269,397	353,485,221	500,937,816	14,023,751,723
Fixed assets revaluation	1,555,889,926	-	-	-	1,555,889,926
Fixed assets additions	668,004,321	-	-	-	668,004,321
Fixed assets disposals	(831,250)	-	-	-	(831,250)
Biological assets (Note 12)	(223,400)	-	-	-	(223,400)
Transfer to designated fund (Note 21)	-	(36,018,672)	-	36,018,672	-
Depreciation (Note 10)	(359,676,172)	-	-	-	(359,676,172)
Amortization - Leasehold property (Note 14)	(179,334,045)	-	-	-	(179,334,045)
Amortization - Intangible assets (Note 15)	(17,100,653)	-	-	-	(17,100,653)
Investment in subsidiary	746,488,225	-	-	-	746,488,225
Fair value gains on investment property	(37,300,000)	-	-	-	(37,300,000)
Capital expenditure funded by term loan	(580,000,000)	-	-	-	(580,000,000)
Receipts during the year	-	-	24,116,154	67,977,699	92,093,853
Payments during the year	-	(53,033,057)	(400,000,000)	(371,195,024)	(824,228,081)
10% tithe allocation (Note 21)	-	-	-	215,957,158	215,957,158
Transfers to reserve fund	-	(70,974,935)	70,974,935	-	-
Surplus for the year	-	70,387,782	-	-	70,387,782
<b>AT 31 DECEMBER 2023</b>	<b>14,802,976,241</b>	<b>72,630,515</b>	<b>48,576,310</b>	<b>449,696,321</b>	<b>15,373,879,387</b>

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

Statement of Changes in Funds

as at 31st December 2023

CITAM	Capital	General	Reserve	Designated	Total
	<u>Fund</u> Kshs	<u>Fund</u> Kshs	<u>Fund</u> Kshs	<u>Fund (Note 21)</u> Kshs	
At 1 January 2022	11,990,401,793	188,017,806	221,105,710	521,002,180	12,920,527,489
Fixed Assets Valuation	504,670,275	-	-	-	504,670,275
Fixed assets additions	607,826,908	-	-	-	607,826,908
Biological assets	(20,000)	-	-	-	(20,000)
Transfer to designated fund (Note 22)	-	(34,218,493)	-	34,218,493	-
Depreciation (Note 10)	(151,634,094)	-	-	-	(151,634,094)
Amortization - Leasehold property (Note 15)	(134,621,560)	-	-	-	(134,621,560)
Amortization - Intangible assets (Note 15)	(10,564,033)	-	-	-	(10,564,033)
Fair value gains on investment property	201,000,000	-	-	-	201,000,000
Receipts during the year	-	-	24,323,495	85,373,942	109,697,437
Payments during the year	-	-	-	(329,908,658)	(329,908,658)
10% tithe allocation	-	-	-	190,251,859	190,251,859
Transfers to reserve fund	-	(108,056,016)	108,056,016	-	-
Surplus for the year	-	202,504,823	-	-	202,504,823
<b>AT 31 DECEMBER 2022</b>	<b>13,007,059,289</b>	<b>248,248,120</b>	<b>353,485,221</b>	<b>500,937,816</b>	<b>14,109,730,446</b>
At 1 January 2023	13,007,059,289	248,248,120	353,485,221	500,937,816	14,109,730,446
Fixed assets revaluation	1,555,889,926	-	-	-	1,555,889,926
Fixed assets additions	668,004,321	-	-	-	668,004,321
Fixed assets disposals	(831,250)	-	-	-	(831,250)
Biological assets (Note 11)	(223,400)	-	-	-	(223,400)
Transfer to designated fund (Note 22)	-	(36,018,672)	-	36,018,672	-
Depreciation (Note 10)	(359,676,172)	-	-	-	(359,676,172)
Amortization - Leasehold property (Note 15)	(179,334,045)	-	-	-	(179,334,045)
Amortization - Intangible assets (Note 16)	(17,100,653)	-	-	-	(17,100,653)
Investment in subsidiary	746,488,225	-	-	-	746,488,225
Fair value gains on investment property	(37,300,000)	-	-	-	(37,300,000)
Capital expenditure funded by term loan	(580,000,000)	-	-	-	(580,000,000)
Receipts during the year	-	-	24,116,154	67,977,699	92,093,853
Payments during the year	-	(53,033,061)	(400,000,000)	(371,195,024)	(824,228,085)
10% tithe allocation (Note 22)	-	-	-	215,957,158	215,957,158
Transfers to reserve fund	-	(70,974,935)	70,974,935	-	-
Surplus for the year	-	81,802,585	-	-	81,802,585
<b>AT 31 DECEMBER 2023</b>	<b>14,802,976,241</b>	<b>170,024,037</b>	<b>48,576,310</b>	<b>449,696,321</b>	<b>15,471,272,909</b>

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

## Statement of Cash Flows

for the year ended 31<sup>st</sup> December 2023

	<b>GROUP 2023 Kshs</b>	<b>GROUP 2022 Kshs</b>	<b>CITAM 2023 Kshs</b>	<b>CITAM 2022 Kshs</b>
<b>CASH FLOWS FROM OPERATIONS</b>				
Surplus for the year	70,387,782	171,758,404	81,802,585	202,504,823
<b>Adjustments for:</b>				
Tax expense	98,877	22,697,906	-	-
Capital expenditure	391,363,646	517,868,614	391,363,646	517,868,614
Depreciation of right of use asset	21,414,091	23,620,987	21,414,091	23,620,987
Depreciation of equipment	106,760	166,233	-	-
Amortisation of intangible assets	50,400	72,000	-	-
Change in fair value of biological assets	(1,272,000)	(2,400)	(1,272,000)	(2,400)
Interest income	(28,136,771)	(43,325,709)	(28,136,771)	(43,325,709)
Interest expense	30,724,849	14,922,313	30,724,849	14,922,313
<b>Changes in operating assets and liabilities:</b>				
Increase in inventories	(15,941,304)	(3,966,882)	(15,941,304)	(3,966,882)
(Increase)/decrease in trade and other receivables	(87,849,072)	8,144,938	(87,118,365)	8,144,938
Increase in trade and other payables	61,883,120	59,599,513	112,203,860	76,714,800
<b>Cash flows from operating activities</b>	<b>442,830,378</b>	<b>771,555,917</b>	<b>505,040,591</b>	<b>796,481,484</b>
Interest received	28,136,771	43,325,709	28,136,771	43,325,709
<b>Net cash generated from operating activities</b>	<b>470,967,149</b>	<b>814,881,626</b>	<b>533,177,362</b>	<b>839,807,193</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property and equipment	(415,840,376)	(391,782,151)	(415,840,376)	(391,782,151)
Additions to work-in-progress	(32,406,075)	(120,393,461)	(32,406,075)	(120,393,461)
Additions to operating lease	(205,111,540)	(678,067)	(205,111,540)	(678,067)
Purchase of intangible assets	(12,979,330)	(5,112,537)	(12,979,330)	(5,012,537)
Purchase of subsidiary	(746,488,225)	-	(746,488,225)	-
Increase in due from related parties	-	-	(62,660,942)	(23,001,423)
<b>Cash flows used in investing activities</b>	<b>(1,412,825,546)</b>	<b>(517,966,216)</b>	<b>(1,475,486,488)</b>	<b>(540,867,639)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net proceed/(repayment) in borrowings	518,104,812	(78,110,397)	518,104,812	(78,110,397)
Increase in reserve fund	13,978,699	24,323,495	13,978,699	24,323,495
Payments of principal portion of the lease liability	(22,528,132)	(26,488,095)	(22,528,132)	(26,488,095)
Interest paid	(30,724,849)	(14,922,313)	(30,724,849)	(14,922,313)
Net cash movement in designated funds	(87,260,167)	(54,282,857)	(87,260,167)	(54,282,857)
<b>Cash flows generated from/(used in) financing activities</b>	<b>391,570,363</b>	<b>(149,480,167)</b>	<b>391,570,363</b>	<b>(149,480,167)</b>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVAL</b>	<b>(550,288,034)</b>	<b>147,435,243</b>	<b>(550,738,763)</b>	<b>149,459,387</b>
Cash and cash equivalents at the beginning of the year	854,735,040	707,299,797	853,622,408	704,163,021
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note 20(b))</b>	<b>304,447,006</b>	<b>854,735,040</b>	<b>302,883,645</b>	<b>853,622,408</b>

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

### Notes to the Financial Statements

#### for the year ended 31st December 2023

#### 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

##### 1.1 Basis of preparation

The financial statements are prepared on a going concern basis and in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. They are presented in Kenyan Shillings, which is also the functional currency (see (c) below) (Kshs).

The financial statements comprise the statement of Income and Expenditure, statement of comprehensive income, statement of financial position, statement of changes in Funds, statement of cash flows, and notes. Income and expenses, excluding the components of other comprehensive income, are recognised in the Statement of Income and expenditure account. Other comprehensive income is recognised in the statement of comprehensive income and comprises items of income and expense (including reclassification adjustments) that are not recognised in the statement of income and expenditure account as required or permitted by IFRS. Reclassification adjustments are amounts reclassified to the profit and loss account in the current period that were recognised in other comprehensive income in the current or previous periods.

##### Measurement basis

The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies summarised below.

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or, in some cases, at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Ministry uses market observable data as far as possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Ministry using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

Fair values are categorised into three levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the Ministry at the end of the reporting period during which the change occurred.

**CHRIST IS THE ANSWER MINISTRIES (CITAM)****Notes to the Financial Statements****for the year ended 31<sup>st</sup> December 2023****1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****1.2 New and revised financial reporting standards****i) New and revised standards**

One new Standard and five Amendments to standards became effective for the first time in the financial year beginning 1st January 2023 and have been adopted by the Ministry. None of the Amendments has had an impact on the Ministry's financial statements.

**ii) New and revised standards that have been issued but are not yet effective**

The Ministry has not applied any of the new or revised Standards and Interpretations that have been published but are not yet effective for the year beginning 1st January 2023, and the Deacon Board do not plan to apply any of them until they become effective. Note 31 lists all such new or revised standards and interpretations, with their effective dates, none of which is expected to have a significant impact on the Ministry's financial statements in the period of initial application.

**1.3 Revenue recognition**

The Ministry recognises revenue as and when it satisfies a performance obligation by transferring control of a product or service to a customer. The amount of revenue recognised is the amount the Ministry expects to receive in accordance with the terms of the contract, and excludes amounts collected on behalf of third parties, such as Value Added Tax.

Tithes, offerings and gifts from members are recognized when received.

Fundraising and donations income are recognized when received.

Hospitality and media revenue is recognised upon delivery of goods/performance of services and upon customer acceptance.

School fees and is accounted for in the period in which the service is provided.

Interest income is recognised on a time proportion basis using the effective interest method.

Rental income from lease of properties is recognised on a straight-line basis over the respective lease term.

Other income earned is recognized as it accrues.

**1.4 Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average method.

**1.5 Provisions for liabilities**

Provisions are recognised when the Ministry has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

**CHRIST IS THE ANSWER MINISTRIES (CITAM)****Notes to the Financial Statements****for the year ended 31<sup>st</sup> December 2023.... / (Contd)****1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****1.6 Consolidation of Group entities**

Subsidiaries are companies controlled by the parent. The consolidated financial statements incorporate the financial statements of the Mimistry and its subsidiaries. All intergroup transactions, balances, income and expenses are eliminated on consolidation.

Consolidated financial statements for the year 31st December 2023 includes a subsidiary, Ark Properties Limited and Aardwolf International holdings Limited.

**1.7 Property and equipment**

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Property and equipment purchased from general fund are fully expensed in the statement of comprehensive income in the year of purchase. Those purchased from designated funds are debited to the relevant funds. For purposes of control, they are held in property and equipment and capital fund accounts, so that any change in the assets can be traced. Depreciation of the assets is reflected in both the property and equipment and capital funds accounts. The effect of this is to reduce the value of the fixed assets and capital fund as a result of diminution due to use.

Plant and equipment are subsequently carried at a revalued amount, based on periodic valuation by external independent valuers, less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on a straight line basis at annual rates to write down the cost of each asset to its residual value over its estimated useful life on the following basis:

Freehold land	Nil
Buildings	2.5%
Boreholes	Nil
Motor vehicles	25%
Computers & I.T equipment	30%
Equipment	15%
Furniture & fittings	15%
Tents	15%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in the statement of comprehensive income.

Increases in the carrying amount arising on revaluation are recognised in accumulated in funds under the heading of capital fund.

**1.8 Intangible assets**

Computer software license costs and computer software are initially recognised at cost less accumulated amortisation and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by CITAM are recognised as intangible assets. Intangible assets purchased from general fund are fully expensed in the statement of comprehensive income in the year of purchase. Those purchased from designated funds are debited to the relevant funds. Amortisation is calculated using the straight line method to write down the cost of each license or item of software to its residual value over its estimated useful life at an annual rate of 30%.



**CHRIST IS THE ANSWER MINISTRIES (CITAM)****Notes to the Financial Statements****for the year ended 31<sup>st</sup> December 2023.... / (Contd)****1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****1.9 Prepaid operating lease rentals**

Payments to acquire leasehold interest in land are treated as prepaid operating lease rentals and are amortized over the period of the lease.

**1.10 Investment property**

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is initially recognised at cost including the transaction costs. Investment Property purchased from general fund are fully expensed in the statement of comprehensive income in the year of purchase. Those purchased from designated funds are debited to the relevant funds. Subsequently, investment property is carried at fair value representing the open market value at the balance sheet date determined by annual valuations carried out by external registered valuers (Level 2). Gains or losses arising from changes in the fair value are recognised in accumulated in funds under the heading of capital fund.

Subsequent expenditure on investment property where such expenditure increases the future economic value in excess of the original assessed standard of performance is added to the carrying amount of the investment property. All other subsequent expenditure is recognised as an expense in the year in which it is incurred.

During the year under review, the accounting policy for investment property was changed from the cost model to the fair value model.

**1.11 Impairment of non-financial assets**

Non-financial assets that are carried at amortised cost are reviewed at the end of each reporting period for any indication that an asset may be impaired. If any such indication exists, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

**1.12 Borrowing costs**

Borrowing costs are recognised in the statement of comprehensive income in the period which they are incurred. However, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset.

**1.13 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank, cash in hand, cash held in paybills and short-term deposits with an original maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents comprise of cash and cash equivalents as defined above.

**1.14 Financial instruments**

Financial instruments are recognised when, and only when, the Ministry becomes party to the contractual provisions of the instrument. All financial assets are recognised initially using the trade date accounting which is the date the Ministry commits itself to the purchase or sale.

**CHRIST IS THE ANSWER MINISTRIES (CITAM)**

**Notes to the Financial Statements**

**for the year ended 31<sup>st</sup> December 2023.... / (Contd)**

**1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**1.14 Financial instruments (Continued)**

**Classification**

The Ministry classifies its financial instruments into the following categories:

- i) Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which 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, are classified and measured **at amortised cost**;
- ii) Financial liabilities are classified and measured at amortised cost.

Financial instruments held during the year were classified as follows:

- Demand and term deposits with banking institutions, trade and other receivables, and investments in government securities were classified as at amortised cost:
- Borrowings and trade and other liabilities were classified as at amortised cost.

**Initial measurement**

On initial recognition:

- i) Financial assets or financial liabilities classified as at fair value through statement of income and expenditure are measured at fair value.
- ii) Trade receivables are measured at their transaction price.
- iii) All other categories of financial assets and financial liabilities are measured at the fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the instrument.

**Subsequent measurement**

Financial assets and financial liabilities after initial recognition are measured either at amortised cost, at fair value through other comprehensive income, or at fair value through Statement of income and expenditure according to their classification.

Interest income, dividend income, and exchange gains and losses on monetary items are recognised in statement of income and expenditure.

**CHRIST IS THE ANSWER MINISTRIES (CITAM)****Notes to the Financial Statements****for the year ended 31<sup>st</sup> December 2023.... / (Contd)****1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****1.14 Financial instruments (Continued)****Impairment**

The Ministry recognises a loss allowance for expected credit losses on debt instruments that are measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which: (a) the credit risk has increased significantly since initial recognition; or (b) there is observable evidence of impairment (a credit-impaired financial asset). If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in statement of income and expenditure as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

**Presentation**

All financial assets are classified as non-current except those that are held for trading, those with maturities of less than 12 months from the balance sheet date, those which management has the express intention of holding for less than 12 months from the balance sheet date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

All financial liabilities are classified as non-current except those held for trading, those expected to be settled in the Ministry's normal operating cycle, those payable or expected to be paid within 12 months of the balance sheet date and those which the Ministry does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

**Derecognition/write off**

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired, when the Ministry has transferred substantially all risks and rewards of ownership, or when the Ministry has no reasonable expectations of recovering the asset.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or expires.

**Offsetting**

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**CHRIST IS THE ANSWER MINISTRIES (CITAM)****Notes to the Financial Statements****for the year ended 31st December 2023.... / (Contd)****1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****1.15 Contingent liabilities**

Contingent liabilities arise if there is possible obligation; or present obligation that may, but probably will not, require an outflow of economic resources; or there is a present obligation, but there is no reliable method of estimating the monetary value of the obligation.

**1.16 Capital fund**

A capital fund is created to represent the funds invested in property and equipment, intangible assets, investment property and leasehold land. Assets purchased from the said categories are credited in the capital fund while the corresponding debit is taken to the general fund. Depreciation and amortisation are debited to the capital fund and credited to the accumulated depreciation of the respective asset.

**1.17 General fund**

This represents amounts which are expendable at the discretion of CITAM in furtherance of its objectives. Such funds may be held in order to finance working capital or capital investment.

**1.18 Reserve fund**

During the year, the allocation for reserve funds was increased from 10% to 15% of the surplus before capital expenditure from the general funds. 50% of the allocated funds is set aside for the purchase of land and settling of assemblies effective in the year 2022.

**1.19 Designated fund**

Funds held for specially defined purposes are classified as designated funds.

**1.20 Mission fund**

The 10% tithe allocation is designated as / or is used for mission fund.

**1.21 Taxation**

No income tax provisions are made in these financial statements. The Ministry is exempt from income tax for a period of 5 years from 1st November 2019. The tax exemption certificate number is KRAEXM0080030222 .

**1.22 Post employment benefit obligation**

The Ministry operates a defined contribution pension scheme for its staff. The assets of the pension scheme were administered by Britam Life Assurance (Kenya) Ltd upto May 2022. Insurance Company of East Africa Ltd (ICEA) took over from June 2022. The scheme is funded by contributions from both the employees and the Ministry. The Ministry's contributions to the scheme are charged to the statement of comprehensive income in the year to which they relate.

The Ministry and its employees also contribute to a statutory defined scheme, the National Social Security Fund (NSSF). Contributions are determined by local statute and the Ministry's contributions are charged to the statement of comprehensive income in the year in which they relate.

**CHRIST IS THE ANSWER MINISTRIES (CITAM)****Notes to the Financial Statements****for the year ended 31st December 2023.... / (Contd)****1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****1.23 Foreign exchange gain/loss**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income.

**1.24 Biological assets**

Biological assets are measured at fair value less estimated point of sale costs.

Any changes to the fair value are recognised in the statement of income and expenditure in the year which they arise.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All costs incurred relating to biological assets are recognised in statement of income and expenditure in the year in which they are incurred.

**1.25 Leases****Leases under which the Ministry is the lessee**

On the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the Ministry recognises a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Ministry is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Ministry's incremental borrowing rate is used.

For leases that contain non-lease components, the Ministry allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently the lease liability is measured at amortised cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value, the total lease payments are recognised in the statement of income and expenditure on a straight-line basis over the lease period.

**1.26 Comparatives**

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

**Notes to the Financial Statements****for the year ended 31st December 2023.... / (Contd)****2. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the process of applying the accounting policies adopted by the Ministry, the Deacon Board make certain judgements and estimates that may affect the amounts recognised in the financial statements. Such judgements and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. However, actual results may differ from those estimates. The judgements and estimates are reviewed at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available, and any revisions to such judgements and estimates are recognised in the year in which the revision is made.

**i) Critical accounting estimates and assumptions****Property and equipment**

Critical estimates are made by the Deacon Board in determining depreciation rates for property and equipment. The rates used are as set out in Note 1.6 on page 38.

**ii) Critical judgements in applying the entity's accounting policies**

In the process of applying the Ministry's accounting policies, management has made judgements in determining:-

- Provisions and contingencies
- The classification of financial assets and leases.
- Whether assets are impaired.
- whether credit risk on financial assets has increased significantly since initial recognition; and
- how to determine the incremental borrowing rate used in the discounting of lease liabilities.

**3. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS****a) Financial Risks Management Objectives and Policies**

The Ministry's activities expose it to a variety of financial risks. These include market risk, credit risk, liquidity risk and the effects of changes in foreign currency rates. The Ministry's overall risk management programme focuses on the unpredictability of changes in operating environment and seeks to minimise potential adverse effects of such risks on its financial performance by setting acceptable levels of risks, but the Ministry does not hedge any risk.

**i) Market risk**

Market risk is the risk that changes in market prices, such as interest rate, equity prices, and foreign exchange rates will affect the Ministry's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

**ii) Foreign exchange risk**

Currency risk arises on financial instruments denominated in foreign currency. The Ministry has cash and bank that are denominated in foreign currency.

**GROUP AND CITAM**

	US\$ Kshs	RON Kshs	NAD Kshs	Total Kshs
<b>Year ended 31st December 2023</b>	<u>100,173,912</u>	<u>369,558</u>	<u>382,706</u>	<u>100,926,175</u>
<b>Year ended 31st December 2022</b>	<u>57,344,955</u>	<u>139,561</u>	<u>708,598</u>	<u>58,193,114</u>

Management considers that an appreciation of the United States Dollar, Romanian New Leu and Namibian Dollar against the Kenya Shilling of 1% and 1% respectively or a depreciation of the United States Dollar, Romanian New Leu and Namibian Dollar against the Kenya Shilling of 1% and 1% respectively in the year ending 31st December 2024 are both reasonably possible. If the United States Dollar, Romanian New Lue and Namibian Dollar were to appreciate/depreciate against the Kenya Shilling by the said percentages, with all other factors remaining constant, the surplus and fund balance would be lower/higher by Kshs 1,009,262 (2022: Kshs 581,931) respectively.

**Notes to the Financial Statements****for the year ended 31st December 2023.... / (Contd)****3. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)****a) Financial Risks Management Objectives and Policies (Continued)****iii) Price risk**

The Ministry does not hold investments that would be subject to price risk.

**iv) Interest rate risk**

Interest rate risk is the risk that the Ministry's financial condition may be adversely affected as a result of changes in interest rate levels. The Ministry's interest rate risk arises

The Ministry is exposed to cash flow interest rate risk on its variable rate borrowings resulting from changes in market interest rates. The Ministry manages this exposure by maintaining a high interest cover ratio, which is the extent to which surplus are available to service borrowing costs. Management consider that a change in interest rates of 1% percentage points in the year ending 31st December 2024 is reasonably possible. If the interest rates on the Ministry's borrowings at the year-end were to increase/decrease by this number of percentage points, with all other factors remaining constant, the surplus and fund balance would be lower/higher by Kshs 6,340,158 (2022: Kshs 1,159,110 ) respectively.

Risk arises from deposits with banking institutions. This exposes the Ministry to cash flow interest rate risk. Management considers that a change in interest rates of 1 basis points in the year ending 31st December 2024 is reasonably possible. If the interest rates on the Ministry's deposit with financial institution at the year-end were to increase/decrease by this number of percentage points, with all other factors remaining constant, the surplus and fund balance would be higher/lower by Kshs 329,281 (2022: Kshs 6,524,553) respectively.

**v) Liquidity risk**

Liquidity risk is the risk that the Ministry will encounter difficulty in meeting obligations associated with financial liabilities. The board has developed a risk management framework for the management of the Ministry's short, medium and long-term liquidity requirements thereby ensuring that all financial liabilities are settled as they fall due. The Ministry manages liquidity risk by continuously reviewing forecasts and actual cash flows, and maintaining banking facilities to cover any shortfalls. Note 22 provides details of additional undrawn facilities that may be utilised by the Ministry to further reduce liquidity risk.

The table below summarises the maturity analysis for financial liabilities to their remaining contractual maturities. The amounts disclosed are the contractual undiscounted cash flows.

**GROUP**

	<b>Less than one month Kshs</b>	<b>Between 1-3 months Kshs</b>	<b>Between 3-12 months Kshs</b>	<b>Over 1 year Kshs</b>
<b>31st December 2023</b>				
Trade and other payables	580,046,738	-	-	-
Borrowings	6,962,827	13,925,653	62,665,440	550,461,846
Lease liabilities	1,811,772	3,623,544	16,305,948	16,139,368
	<b>588,821,337</b>	<b>17,549,197</b>	<b>78,971,388</b>	<b>566,601,214</b>
<b>31st December 2022</b>				
Trade and other payables	383,501,509	74,041,100	-	-
Borrowings	4,608,986	9,217,972	41,480,876	60,603,120
Lease liabilities	23,631,098	23,631,098	23,631,098	10,717,228
	<b>411,741,593</b>	<b>106,890,170</b>	<b>65,111,974</b>	<b>71,320,348</b>

**CHRIST IS THE ANSWER MINISTRIES (CITAM)****Notes to the Financial Statements****for the year ended 31st December 2023.... / (Contd)****3. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)****a) Financial Risks Management Objectives and Policies (Continued)****v) Liquidity risk (continued)****CITAM**

	<b>Less than one month Kshs</b>	<b>Between 1-3 months Kshs</b>	<b>Between 3-12 months Kshs</b>	<b>Over 1 year Kshs</b>
<b>31st December 2023</b>				
Trade and other payables	362,851,378	-	-	-
Borrowings	6,962,827	13,925,653	62,665,440	550,461,846
Lease liabilities	1,811,772	3,623,544	16,305,948	16,139,368
	<b>371,625,977</b>	<b>17,549,197</b>	<b>78,971,388</b>	<b>566,601,214</b>
<b>31st December 2022</b>				
Trade and other payables	163,584,407	74,041,100	-	-
Borrowings	4,608,986	9,217,972	41,480,876	60,603,120
Lease liabilities	23,631,098	23,631,098	23,631,098	10,717,228
	<b>191,824,491</b>	<b>106,890,170</b>	<b>65,111,974</b>	<b>71,320,348</b>

**vi) Credit risk and expected credit losses**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from financial assets, and is managed on a Ministry-wide basis.

Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings and placing limits on deposits that can be held with each institution.

Credit risk on trade receivables is managed by ensuring that credit is extended to customers with an established credit history. The credit history is determined by taking into account the financial position, past experience and other relevant factors. Credit is managed by setting a credit limit and credit period for each customer. The utilisation of the credit limits and the credit period is monitored by management on a monthly basis.

In assessing whether the credit risk on a financial asset has increased significantly, the Ministry compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the Ministry considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

For these purposes default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor is unlikely to be able to meet its obligations. However, there is a rebuttable assumption that that default does not occur later than when a financial asset is 90 days past due.



## CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statementsfor the year ended 31st December 2023.... / (Contd)**3. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)****a) Financial Risks Management Objectives and Policies (Continued)****vi) Credit risk and expected credit losses**

If the Ministry does not have reasonable and supportable information to identify significant increases in credit risk and/or to measure lifetime credit losses when there has been a significant increase in credit risk on an individual instrument basis, lifetime expected credit losses are recognised on a collective basis. For such purposes, the Ministry groups financial assets on the basis of shared credit risk characteristics, such as:

- type of instrument
- industry in which the debtor operates
- nature of collateral.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired include observable data about the following events:

- significant financial difficulty of the debtor
- a breach of contract
- it is probable that the debtor will enter bankruptcy
- the disappearance of an active market for the financial asset because of financial difficulties.

The gross carrying amount of financial assets with exposure to credit risk at the balance sheet date was as follows:

**GROUP**

	12-month expected credit losses Kshs	Lifetime expected credit losses (see note below)			Total Kshs
		(a) Kshs	(b) Kshs	(c) Kshs	
<b>At 31st December 2023</b>					
Treasury bonds	5,959,855	-	-	-	5,959,855
Amount due from related party	1,318,811,162	-	-	-	1,318,811,162
Trade receivables	-	-	-	61,280,475	61,280,475
Other receivables	-	-	-	188,055,801	188,055,801
Short term fixed deposits	32,928,100	-	-	-	32,928,100
Cash at bank	271,518,906	-	-	-	271,518,906
Gross carrying amount	1,629,218,023	-	-	249,336,276	1,878,554,299
Loss allowance	-	-	-	(78,707,800)	(78,707,800)
Exposure to credit risk	1,629,218,023	-	-	170,628,476	1,799,846,499
<b>At 31st December 2022</b>					
Treasury bonds	5,959,855	-	-	-	5,959,855
Amount due from related party	509,661,995	-	-	-	509,661,995
Trade receivables	-	-	-	68,693,148	68,693,148
Other receivables	-	-	-	46,964,302	46,964,302
Short term fixed deposits	652,455,307	-	-	-	652,455,307
Cash at bank	202,279,733	-	-	-	202,279,733
Gross carrying amount	1,370,356,890	-	-	115,657,450	1,486,014,340
Loss allowance	-	-	-	(78,921,714)	(78,921,714)
Exposure to credit risk	1,370,356,890	-	-	36,735,736	1,407,092,626

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statements

for the year ended 31st December 2023.... / (Contd)

## 3. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

## a) Financial Risks Management Objectives and Policies (Continued)

## vi) Credit risk and expected credit losses

## CITAM

At 31st December 2023	12-month expected credit losses Kshs	Lifetime expected credit losses (see note below)			Total Kshs
		(a) Kshs	(b) Kshs	(c) Kshs	
Treasury bonds	5,959,855	-	-	-	5,959,855
Amount due from related party	1,318,811,162	-	-	-	1,318,811,162
Trade receivables	-	-	-	61,280,475	61,280,475
Other receivables	-	-	-	188,055,801	188,055,801
Deposits with banking institutions	32,928,100	-	-	-	32,928,100
Cash at bank	269,955,545	-	-	-	269,955,545
Gross carrying amount	1,627,654,662	-	-	249,336,276	1,876,990,938
Loss allowance	-	-	-	(78,707,800)	(78,707,800)
Exposure to credit risk	1,627,654,662	-	-	170,628,476	1,798,283,138
<b>At 31st December 2022</b>					
Treasury bonds	5,959,855	-	-	-	5,959,855
Amount due from related party	509,661,995	-	-	-	509,661,995
Trade receivables	-	-	-	68,693,148	68,693,148
Other receivables	-	-	-	46,964,302	46,964,302
Deposits with banking institutions	652,455,307	-	-	-	652,455,307
Cash at bank	201,167,101	-	-	-	201,167,101
Gross carrying amount	1,369,244,258	-	-	115,657,450	1,484,901,708
Loss allowance	-	-	-	(78,921,714)	(78,921,714)
Exposure to credit risk	1,369,244,258	-	-	36,735,736	1,405,979,994

Financial assets for which the loss allowance has been measured at an amount

(a) financial assets for which credit risk has increased significantly since initial recognition but that are not credit impaired;

(b) financial assets that are credit impaired at the balance sheet date; and

(c) trade receivables, contract assets and lease receivables for which the loss allowance is always measured at an amount equal to lifetime expected credit losses, based, as a practical expedient, on provision matrices.

The age analysis of the trade receivables at the end of each year was as follows:

## GROUP AND CITAM

	Not past due Kshs	30 to 90 days past due Kshs	90 to 180 days past due Kshs	Over 180 days past due Kshs	Total Kshs
At 31st December 2023	2,141,083	5,661,975	36,924,515	16,552,902	61,280,475
At 31st December 2022	-	297,739	20,560,941	47,834,468	68,693,148

**CHRIST IS THE ANSWER MINISTRIES (CITAM)****Notes to the Financial Statements****for the year ended 31st December 2023.... / (Contd)****3. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)****a) Financial Risks Management Objectives and Policies (Continued)****vii) Operational risk**

Operational risk is the risk of indirect loss arising from a wide variety of causes associated with the Ministry's processes, personnel, technology, infrastructure and external factors other than credit and liquidity risks such as those arising from legal and regulatory requirements and if generally acceptable standard.

The Ministry's objective is to manage operational risks so as to balance the avoidance of financial losses and damage to the Ministry's reputation with overall cost effectiveness and to avoid any control procedures that restrict initiative and creativity in the Ministry.

The primary responsibility of the development and implementation of controls to address operational risk is assigned to the Deacon Board.

This responsibility is supported by the development of overall Ministry's standards for the management of operational risks in the following areas:-

- Requirements for appropriate segregation of duties including the independent authorization and approval of transactions.
- Requirements for the reconciliation and monitoring transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of control and procedures.
- Requirements for the periodic assessment of operational risks faced by the institution, and adequacy of controls and procedures to address the risks identified.
- Development of contingency plans.
- Training and professional development of its personnel and
- Adherence to ethical and business standard.

Review of compliance with Ministry's standards is done on an ongoing basis.

**b) Capital management**

The Ministry's objective in managing its capital is to ensure that it supports the development of its business and is able to continue as a going concern, while at the same time maximising the return to its members. The Ministry is not subject to any external capital requirements.

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

## Notes to the Financial Statements

for the year ended 31st December 2023...(Contd)

4. ASSEMBLIES INCOME AND EXPENDITURE	2023			2022		
	Income Kshs	Expenditure Kshs	Surplus/ (Deficit) Kshs	Income Kshs	Expenditure Kshs	Surplus/ (Deficit) Kshs
CITAM Valley Road	383,181,095	(128,068,542)	255,112,553	396,477,308	(124,277,281)	272,200,027
CITAM Woodley	226,993,056	(77,432,784)	149,560,272	236,450,768	(65,316,938)	171,133,830
CITAM Karen	181,187,769	(79,889,124)	101,298,645	158,554,003	(69,784,720)	88,769,283
CITAM Thika Road	142,851,112	(70,270,615)	72,580,497	128,482,377	(60,407,643)	68,074,734
CITAM Buruburu	131,407,625	(71,446,569)	59,961,056	120,019,491	(64,272,121)	55,747,370
CITAM Ngong	102,796,754	(70,375,416)	32,421,338	84,527,545	(53,968,082)	30,559,463
CITAM Thika Town	73,586,303	(46,289,321)	27,296,982	62,673,413	(35,933,044)	26,740,369
CITAM Parklands	71,167,462	(45,429,155)	25,738,307	68,222,949	(41,446,907)	26,776,042
CITAM Kitengela	68,865,221	(38,690,431)	30,174,790	54,486,528	(29,237,575)	25,248,953
CITAM Athi River	67,026,869	(39,151,597)	27,875,272	60,024,767	(38,622,437)	21,402,330
CITAM Embakasi	60,842,735	(60,023,993)	818,742	51,768,406	(48,060,906)	3,707,500
CITAM Kiambu Road	58,527,124	(35,647,984)	22,879,140	45,778,451	(27,117,086)	18,661,365
CITAM Kikuyu	53,230,909	(38,296,354)	14,934,555	40,149,776	(33,056,967)	7,092,809
CITAM USA	51,476,075	(39,999,052)	11,477,023	22,826,833	(27,590,795)	(4,763,962)
CITAM Rongai	51,472,957	(46,136,654)	5,336,303	43,960,816	(36,482,384)	7,478,432
CITAM Kisumu	45,827,056	(42,466,102)	3,360,954	39,634,243	(38,019,949)	1,614,294
CITAM Clay City	44,335,486	(35,806,716)	8,528,770	37,225,673	(27,910,986)	9,314,687
CITAM Nakuru	40,179,205	(39,234,424)	944,781	41,366,548	(31,405,668)	9,960,880
CITAM Eldoret	33,987,418	(35,573,388)	(1,585,970)	28,293,338	(26,562,850)	1,730,488
CITAM Kangundo Road	29,893,230	(31,430,145)	(1,536,915)	27,051,049	(26,059,123)	991,926
CITAM Mombasa	29,230,662	(33,292,486)	(4,061,824)	26,276,147	(29,843,999)	(3,567,852)
CITAM Nyeri	25,072,082	(27,737,734)	(2,665,652)	16,813,387	(22,178,908)	(5,365,521)
CITAM Meru	18,705,277	(29,047,495)	(10,342,218)	13,377,533	(22,151,341)	(8,773,808)
CITAM Ruiru	14,173,345	(26,984,427)	(12,811,082)	701,857	(3,643,049)	(2,941,192)
CITAM Kisii	10,090,419	(22,071,437)	(11,981,018)	9,021,766	(20,275,996)	(11,254,230)
CITAM Syokimau	9,818,799	(15,138,448)	(5,319,649)	873,425	(3,277,652)	(2,404,227)
CITAM Machakos	8,479,820	(27,262,156)	(18,782,336)	798,888	(4,032,511)	(3,233,623)
CITAM Kapsabet	8,422,777	(18,956,031)	(10,533,254)	5,924,688	(15,300,020)	(9,375,332)
CITAM Naivasha	7,605,102	(20,906,063)	(13,300,961)	7,416,895	(15,007,365)	(7,590,470)
CITAM Kakamega	7,106,779	(21,912,849)	(14,806,070)	1,326,300	(3,312,534)	(1,986,234)
CITAM Embu	6,262,148	(18,270,949)	(12,008,801)	1,089,744	(4,478,132)	(3,388,388)
CITAM Romania	5,821,611	(12,980,395)	(7,158,784)	2,879,697	(12,260,128)	(9,380,431)
CITAM Kericho	5,789,939	(15,503,888)	(9,713,949)	1,470,361	(5,312,322)	(3,841,961)
Regional Secretariat	179,880	(9,929,941)	(9,750,061)	-	(11,040,578)	(11,040,578)
Head Office and CED	236,097,516	(192,575,025)	43,522,491	206,232,195	(134,064,589)	72,167,606
	<b>2,311,691,617</b>	<b>(1,564,227,690)</b>	<b>747,463,927</b>	<b>2,042,177,165</b>	<b>(1,211,712,586)</b>	<b>830,464,579</b>

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

## Notes to the Financial Statements

for the year ended 31st December 2023...(Contd)

5. PROJECTS INCOME AND EXPENDITURE	2023					2022				
	Income Kshs	Expenditure Kshs	Surplus/(deficit) Kshs	Inter ministry elimination Kshs	Surplus/(deficit) Kshs	Income Kshs	Expenditure Kshs	Surplus/(deficit) Kshs	Inter ministry elimination Kshs	Surplus/(deficit) Kshs
CITAM Schools Woodley	179,345,605	(124,230,622)	55,114,983	-	55,114,983	182,021,829	(108,053,798)	73,968,031	-	73,968,031
CITAM Schools Ngong	84,640,036	(63,579,933)	21,060,103	-	21,060,103	79,096,859	(49,588,021)	29,508,838	-	29,508,838
CITAM Schools Buruburu Primary	62,398,178	(73,181,827)	(10,783,649)	-	(10,783,649)	76,087,016	(54,210,271)	21,876,745	-	21,876,745
CITAM Schools Kisumu	40,988,912	(52,418,984)	(11,430,072)	-	(11,430,072)	42,108,322	(43,447,580)	(1,339,258)	-	(1,339,258)
CITAM Schools Nakuru	38,452,410	(49,479,392)	(11,026,982)	343,200	(11,370,182)	35,904,352	(33,845,300)	2,059,052	-	2,059,052
CITAM Schools Athi River	36,049,173	(35,506,706)	542,467	168,000	374,467	34,088,279	(25,615,321)	8,472,958	-	8,472,958
CITAM Schools Eldoret	31,731,489	(43,124,775)	(11,393,286)	75,900	(11,469,186)	29,679,675	(33,794,822)	(4,115,147)	-	(4,115,147)
CITAM Schools-Clay city	17,130,427	(16,220,606)	909,821	3,841,255	(2,931,434)	6,960,534	(6,975,584)	(15,050)	-	(15,050)
CITAM Schools Ronqai	16,839,897	(17,195,412)	(355,515)	4,021,392	(4,376,907)	6,145,099	(6,446,455)	(301,356)	-	(301,356)
	<b>507,576,127</b>	<b>(474,938,257)</b>	<b>32,637,870</b>	<b>8,449,747</b>	<b>24,188,123</b>	<b>492,091,965</b>	<b>(361,977,152)</b>	<b>130,114,813</b>	-	<b>130,114,813</b>
CITAM Schools Woodley Transport	24,117,551	(19,257,098)	4,860,453	4,989,700	(129,247)	25,791,650	(16,058,286)	9,733,364	7,388,300	2,345,064
CITAM Schools Ngong Transport	19,098,760	(16,957,536)	2,141,224	5,536,000	(3,394,776)	22,590,499	(13,797,633)	8,792,866	5,725,500	3,067,366
CITAM Schools Buruburu Transport	11,361,320	(13,647,167)	(2,285,847)	2,336,000	(4,621,847)	12,995,228	(10,487,622)	2,507,606	2,300,000	207,606
CITAM Schools Kisumu Transport	17,872,400	(9,025,660)	8,846,740	286,100	(1,439,360)	9,130,924	(7,378,112)	1,752,812	1,695,500	57,312
	<b>62,450,031</b>	<b>(58,887,461)</b>	<b>3,562,570</b>	<b>13,147,800</b>	<b>(9,585,230)</b>	<b>70,508,301</b>	<b>(47,721,653)</b>	<b>22,786,648</b>	<b>17,109,300</b>	<b>5,677,348</b>
CITAM Woodley Catering	56,108,927	(33,905,000)	22,203,927	15,620,062	6,583,865	55,296,517	(29,521,587)	25,774,930	15,303,780	10,471,150
CITAM Valley Road Catering	50,621,132	(43,944,536)	6,676,596	27,930,764	(21,254,168)	43,286,267	(42,545,544)	740,723	29,729,536	(28,988,813)
CITAM Buruburu Catering	43,589,807	(29,118,987)	14,470,820	18,657,315	(4,186,495)	41,915,599	(22,784,484)	19,131,115	15,671,226	3,459,889
CITAM Naong Catering	34,706,210	(21,846,864)	12,859,346	12,736,198	123,148	39,179,473	(19,495,463)	19,684,010	13,441,520	6,242,490
CITAM Parklands Catering	31,803,440	(22,776,244)	9,027,196	28,122,249	(19,095,053)	23,862,082	(24,255,830)	(393,748)	21,750,340	(22,144,088)
CITAM Athiriver Catering	22,944,380	(18,686,400)	4,257,980	12,290,785	(8,032,805)	19,338,800	(13,703,560)	5,635,240	8,945,474	(3,310,234)
CITAM Kisumu Catering	20,787,407	(18,573,471)	2,213,936	5,725,430	(3,511,494)	22,839,229	(16,312,151)	6,527,078	5,738,450	788,628
CITAM Nakuru Catering	18,007,917	(15,423,393)	2,584,524	6,966,665	(4,382,141)	19,146,418	(12,719,365)	6,427,053	6,130,430	296,623
CITAM Eldoret Catering	14,562,596	(13,264,579)	1,298,017	3,441,090	(2,143,073)	14,760,166	(12,403,403)	2,356,763	3,181,285	(824,522)
	<b>293,131,816</b>	<b>(217,539,474)</b>	<b>75,592,342</b>	<b>131,490,558</b>	<b>(55,898,216)</b>	<b>279,624,552</b>	<b>(193,741,387)</b>	<b>85,883,165</b>	<b>119,892,041</b>	<b>(34,008,876)</b>
CITAM Kadolla Resort	55,475,391	(48,457,861)	7,017,531	37,751,351	(30,733,821)	49,415,678	(44,027,916)	5,387,762	37,648,430	(32,260,668)
CITAM Hope Recording Studio	44,920,498	(7,252,518)	37,667,980	44,211,750	(6,543,770)	45,466,931	(3,121,489)	42,345,442	44,408,000	(2,062,558)
CITAM Outfitters	37,504,497	(28,658,473)	8,846,024	2,172,623	6,673,401	38,024,772	(36,981,538)	1,043,234	13,346,891	(12,303,657)
CITAM Creative Department	30,675,171	(25,489,782)	5,185,389	29,796,937	(24,611,548)	26,120,372	(18,537,415)	7,582,957	25,488,518	(17,905,561)
CITAM Business Park	9,577,967	(3,729,471)	5,848,496	-	5,848,496	4,716,107	(2,568,614)	2,147,493	-	2,147,493
CITAM Carpentry	7,458,090	(6,416,435)	1,041,655	7,458,090	(6,416,435)	6,870,465	(6,043,155)	827,310	6,870,465	(6,043,155)
CITAM Farm	2,990,847	(5,093,774)	(2,102,927)	1,125,045	(3,227,972)	-	-	-	-	-
	<b>188,602,461</b>	<b>(125,098,314)</b>	<b>63,504,148</b>	<b>122,515,797</b>	<b>(59,011,649)</b>	<b>170,614,325</b>	<b>(111,280,127)</b>	<b>59,334,198</b>	<b>127,762,304</b>	<b>(68,428,106)</b>
	<b>1,051,760,435</b>	<b>(876,463,506)</b>	<b>175,296,930</b>	<b>275,603,902</b>	<b>(100,306,972)</b>	<b>1,012,839,143</b>	<b>(714,720,319)</b>	<b>298,118,824</b>	<b>264,763,645</b>	<b>33,355,179</b>
Ark Properties Investment Limited	5,977,500	(17,473,015)	(11,495,515)	-	(11,495,515)	2,250,910	(10,299,423)	(8,048,513)	-	(8,048,513)
Aardwolf Holdings Limited	341,292	(161,703)	179,589	-	179,589	-	-	-	-	-
	<b>6,318,792</b>	<b>(17,634,718)</b>	<b>(11,315,926)</b>	<b>-</b>	<b>(11,495,515)</b>	<b>2,250,910</b>	<b>(10,299,423)</b>	<b>(8,048,513)</b>	<b>-</b>	<b>(8,048,513)</b>

## a) Breakdown of the projects expenses

Cost of sales	194,802,130	194,022,864
Staff costs	442,172,242	325,937,315
Administrative costs	257,123,852	205,059,563
	<b>894,098,224</b>	<b>725,019,742</b>

## 6. SPECIAL OUTREACH INCOME AND EXPENDITURE

6. SPECIAL OUTREACH INCOME AND EXPENDITURE	2023					2022				
	Income Kshs	Expenditure Kshs	Surplus/(deficit) Kshs	Inter ministry elimination Kshs	Surplus/(deficit) Kshs	Income Kshs	Expenditure Kshs	Surplus/(deficit) Kshs	Inter ministry elimination Kshs	Surplus/(deficit) Kshs
Hope TV	112,520,118	(47,656,325)	64,863,793	104,343,750	(39,479,957)	118,499,021	(45,991,198)	72,507,823	103,587,487	(31,079,664)
Hope FM	58,576,140	(112,754,362)	(54,178,222)	34,628,800	(88,807,022)	78,200,132	(99,300,620)	(21,100,488)	52,996,500	(74,096,988)
ERDO Project	98,285,019	(98,285,019)	-	-	-	19,368,374	(19,368,374)	-	-	-
Social Action and Advocacy	19,589,985	(19,589,985)	-	-	-	9,994,224	(9,994,224)	-	-	-
Compassion International Kenya	13,385,611	(13,385,611)	-	-	-	16,785,119	(16,785,119)	-	-	-
Heavens Gate and Hells Flames	11,834,485	(11,834,485)	-	-	-	14,080,015	(14,080,015)	-	-	-
Children Centre Kiserian School	6,058,651	(18,466,607)	(12,407,956)	-	(12,407,956)	5,783,689	(14,487,803)	(8,704,114)	-	(8,704,114)
CITAM Children Centre Kiserian	802,876	(34,098,665)	(33,295,789)	-	(33,295,789)	997,804	(30,563,359)	(29,565,555)	-	(29,565,555)
	<b>321,052,885</b>	<b>(356,071,059)</b>	<b>(35,018,174)</b>	<b>138,972,550</b>	<b>(173,990,724)</b>	<b>#REF!</b>	<b>(250,570,712)</b>	<b>13,137,666</b>	<b>156,583,987</b>	<b>(143,446,321)</b>

## a) Breakdown of the outreach expenses

Staff costs	133,101,103	106,164,473
Administrative costs	213,999,003	137,532,836
Ministry expenses	8,970,953	6,873,403
	<b>356,071,059</b>	<b>250,570,712</b>

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

## Notes to the Financial Statements

for the year ended 31st December 2023.../(Contd)

7. REGIONAL INCOME STATEMENTS	2023			2022		
	<u>Income</u>	<u>Expenditure</u>	<u>Surplus/(deficit)</u>	<u>Income</u>	<u>Expenditure</u>	<u>Surplus/(deficit)</u>
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
(a) NORTHERN REGION						
CITAM Head Office	121,141,468	(57,251,253)	63,890,215	108,566,911	(43,074,084)	65,492,827
Regional Office	179,880	(3,302,905)	(3,123,025)	-	(3,265,960)	(3,265,960)
CITAM Valley Road	383,181,095	(128,068,542)	255,112,553	396,477,308	(124,277,281)	272,200,027
CITAM Woodley	226,993,056	(77,432,784)	149,560,272	236,450,768	(65,316,938)	171,133,830
CITAM Thika Road	142,851,112	(70,270,615)	72,580,497	128,482,377	(60,407,643)	68,074,734
CITAM Thika Town	73,586,303	(46,289,321)	27,296,982	62,673,413	(35,933,044)	26,740,369
CITAM Parklands	71,167,462	(45,429,155)	25,738,307	68,222,949	(41,446,907)	26,776,042
CITAM Kiambu Road	58,527,124	(35,647,984)	22,879,140	45,778,451	(27,117,086)	18,661,365
CITAM Kikuyu	53,230,909	(38,296,354)	14,934,555	40,149,776	(33,056,967)	7,092,809
CITAM Clay City	44,335,486	(35,806,716)	8,528,770	37,225,673	(27,910,986)	9,314,687
CITAM Nyeri	25,072,082	(27,737,734)	(2,665,652)	16,813,387	(22,178,908)	(5,365,521)
CITAM Meru	18,705,277	(29,047,495)	(10,342,218)	13,377,533	(22,151,341)	(8,773,808)
CITAM Ruiru	14,173,345	(26,984,427)	(12,811,082)	701,857	(3,643,049)	(2,941,192)
CITAM Embu	6,262,148	(18,270,949)	(12,008,801)	1,089,744	(4,478,132)	(3,388,388)
	<b>1,239,406,747</b>	<b>(639,836,234)</b>	<b>599,570,513</b>	<b>1,156,010,147</b>	<b>(514,258,326)</b>	<b>641,751,821</b>

(b) SOUTHERN REGION	2023			2022		
	<u>Income</u>	<u>Expenditure</u>	<u>Surplus/(deficit)</u>	<u>Income</u>	<u>Expenditure</u>	<u>Surplus/(deficit)</u>
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
CITAM Head Office	80,287,737	(50,684,395)	29,603,342	65,127,203	(37,254,495)	27,872,709
Regional Office	-	(2,148,605)	(2,148,605)	-	(2,892,075)	(2,892,075)
CITAM Karen	181,187,769	(79,889,124)	101,298,645	158,554,003	(69,784,720)	88,769,283
CITAM Buru Buru	131,407,625	(71,446,569)	59,961,056	120,019,491	(64,272,121)	55,747,370
CITAM Ngong	102,796,754	(70,375,416)	32,421,338	84,527,545	(53,968,082)	30,559,463
CITAM Kitengela	68,865,221	(38,690,431)	30,174,790	54,486,528	(29,237,575)	25,248,953
CITAM Athi River	67,026,869	(39,151,597)	27,875,272	60,024,767	(38,622,437)	21,402,330
CITAM Embakasi	60,842,735	(60,023,993)	818,742	51,768,406	(48,060,906)	3,707,500
CITAM Rongai	51,472,957	(46,136,654)	5,336,303	43,960,816	(36,482,384)	7,478,432
CITAM Kangundo Road	29,893,230	(31,430,145)	(1,536,915)	27,051,049	(26,059,123)	991,926
CITAM Mombasa	29,230,662	(33,292,486)	(4,061,824)	26,276,147	(29,843,999)	(3,567,852)
CITAM Machakos	9,818,799	(27,262,156)	(17,443,357)	798,888	(4,032,511)	(3,233,623)
CITAM Syokimau	8,479,820	(15,138,448)	(6,658,628)	873,425	(3,277,652)	(2,404,227)
	<b>821,310,178</b>	<b>(565,670,019)</b>	<b>255,640,159</b>	<b>693,468,268</b>	<b>(443,788,080)</b>	<b>249,680,189</b>

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

## Notes to the Financial Statements

for the year ended 31st December 2023...(Contd)

7. REGIONAL INCOME STATEMENTS (CONTINUED)	2023			2022		
	Income Kshs	Expenditure Kshs	Surplus/(deficit) Kshs	Income Kshs	Expenditure Kshs	Surplus/(deficit) Kshs
c) WESTERN REGION						
CITAM Head Office	17,228,153	(21,490,311)	(4,262,158)	13,936,097	(14,286,588)	(350,491)
Regional Office	-	(4,478,431)	(4,478,431)	-	(4,882,543)	(4,882,543)
CITAM Kisumu	45,827,056	(42,466,102)	3,360,954	39,634,243	(38,019,949)	1,614,294
CITAM Nakuru	40,179,205	(39,234,424)	944,781	41,366,548	(31,405,668)	9,960,880
CITAM Eldoret	33,987,418	(35,573,388)	(1,585,970)	28,293,338	(26,562,850)	1,730,488
CITAM Kisii	10,090,419	(22,071,437)	(11,981,018)	9,021,766	(20,275,996)	(11,254,230)
CITAM Kapsabet	8,422,777	(18,956,031)	(10,533,254)	5,924,688	(15,300,020)	(9,375,332)
CITAM Naivasha	7,605,102	(20,906,063)	(13,300,961)	7,416,895	(15,007,365)	(7,590,470)
CITAM Kakamega	7,106,779	(21,912,849)	(14,806,070)	1,326,300	(3,312,534)	(1,986,234)
CITAM Kericho	5,789,939	(15,503,888)	(9,713,949)	1,470,361	(5,312,322)	(3,841,961)
	<b>176,236,848</b>	<b>(242,592,924)</b>	<b>(66,356,076)</b>	<b>148,390,236</b>	<b>(174,365,835)</b>	<b>(25,975,599)</b>
(d) INTERNATIONAL ASSEMBLIES						
CITAM Head Office	6,208,046	(5,236,032)	972,014	2,664,468	(3,668,465)	(1,003,997)
CITAM USA	51,476,075	(39,999,052)	11,477,023	22,826,833	(27,590,795)	(4,763,962)
CITAM Romania	5,821,611	(12,980,395)	(7,158,784)	2,879,697	(12,260,128)	(9,380,431)
	<b>63,505,732</b>	<b>(58,215,479)</b>	<b>5,290,253</b>	<b>28,370,998</b>	<b>(43,519,388)</b>	<b>(15,148,390)</b>
8. CAPITAL EXPENDITURE				<b>2023 Kshs</b>	<b>2022 Kshs</b>	
Furniture and equipment				136,827,367	156,354,707	
Construction work-in-progress				32,406,075	120,393,461	
Land and buildings				230,254,083	140,276,863	
Tents				3,205,401	10,484,181	
Computers				26,742,021	28,343,086	
Freehold land				1,750,000	1,390,000	
Motor vehicles				14,895,000	140,605,607	
Prepaid operating lease rentals				205,111,540	678,067	
Computer software/LAN				12,979,330	5,012,537	
Boreholes				2,166,504	4,286,000	
Biological assets				1,667,000	2,400	
Purchase of 100% shares in Aardwolf International Holdings Limited				746,488,225	-	
				<b>1,414,492,546</b>	<b>607,826,908</b>	
Less capital expenditure funded by designated fund				-	-	
Less capital expenditure funded by CITAM missions fund				(20,407,588)	(58,803,903)	
Less capital expenditure funded by Local Assembly Development Fund (LADF)				(22,721,312)	(31,154,391)	
Less capital expenditure funded by Reserve fund				(400,000,000)	-	
Less capital expenditure funded by Loan				(580,000,000)	-	
				<b>391,363,646</b>	<b>517,868,614</b>	

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

## Notes to the Financial Statements

for the year ended 31<sup>st</sup> December 2023.../(Contd)

9. PROPERTY AND EQUIPMENT- GROUP	Freehold land Kshs	Buildings Kshs	Boreholes Kshs	Motor vehicles Kshs	Furniture & fittings Kshs	Equipment Kshs	Computers Kshs	Tents Kshs	Total Kshs
<b>COST OR VALUATION</b>									
At 1 January 2022	2,209,119,790	3,499,280,788	17,808,922	272,509,683	263,845,867	850,403,958	119,319,510	235,039,916	7,467,128,434
Additions	1,390,000	140,276,863	4,286,000	140,605,607	24,257,017	132,639,690	28,841,231	10,484,181	482,780,589
Transfers from work-in-progress	-	17,024,890	-	-	-	-	-	-	17,024,890
Revaluation surplus	-	-	-	(71,293,190)	(35,588,102)	(617,990,409)	(58,026,407)	(93,839,916)	(876,738,024)
<b>At 31st December 2022</b>	<b>2,210,509,790</b>	<b>3,656,582,541</b>	<b>22,094,922</b>	<b>341,822,100</b>	<b>252,314,782</b>	<b>365,053,239</b>	<b>90,134,334</b>	<b>151,684,181</b>	<b>7,090,195,889</b>
<b>DEPRECIATION</b>									
At 1 January 2022	-	-	-	230,272,928	188,215,709	612,469,742	84,421,079	114,394,747	1,229,774,205
Charge for the year	-	-	-	60,303,463	20,829,726	40,899,398	17,957,498	12,162,627	152,152,712
Revaluation surplus	-	-	-	(290,576,391)	(208,910,894)	(653,245,670)	(102,117,970)	(126,557,374)	(1,381,408,299)
<b>At 31st December 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>134,541</b>	<b>123,470</b>	<b>260,607</b>	<b>-</b>	<b>518,618</b>
<b>NET BOOK VALUE</b>									
<b>At 31 December 2022</b>	<b>2,210,509,790</b>	<b>3,656,582,541</b>	<b>22,094,922</b>	<b>341,822,100</b>	<b>252,314,782</b>	<b>365,053,239</b>	<b>90,134,334</b>	<b>151,684,181</b>	<b>7,089,677,271</b>
<b>COST OR VALUATION</b>									
At 1 January 2023	2,210,509,790	3,656,582,541	22,094,922	341,822,100	252,314,782	365,053,239	90,134,334	151,684,181	7,090,195,889
Additions	722,337,459	256,154,849	2,166,504	14,895,000	31,972,779	104,854,588	26,742,021	3,205,401	1,162,328,601
Transfers from work-in-progress	-	103,120,234	-	-	-	-	-	-	103,120,234
Disposals	-	-	-	(831,250)	-	-	-	-	(831,250)
Revaluation surplus	(94,519,790)	(8,835,836)	-	-	-	-	-	-	(103,355,626)
<b>At 31st December 2023</b>	<b>2,838,327,459</b>	<b>4,007,021,788</b>	<b>24,261,426</b>	<b>355,885,850</b>	<b>284,287,561</b>	<b>469,907,827</b>	<b>116,876,355</b>	<b>154,889,582</b>	<b>8,251,457,848</b>
<b>DEPRECIATION</b>									
At 1 January 2023	-	-	-	-	134,541	123,470	260,607	-	518,618
Charge for the year	-	99,528,026	-	88,971,463	42,618,367	70,446,915	34,984,724	23,233,437	359,782,932
<b>At 31st December 2023</b>	<b>-</b>	<b>99,528,026</b>	<b>-</b>	<b>88,971,463</b>	<b>42,752,908</b>	<b>70,570,385</b>	<b>35,245,331</b>	<b>23,233,437</b>	<b>360,301,550</b>
<b>NET BOOK VALUE</b>									
<b>At 31 DECEMBER 2023</b>	<b>2,838,327,459</b>	<b>3,907,493,762</b>	<b>24,261,426</b>	<b>266,914,387</b>	<b>241,534,653</b>	<b>399,337,442</b>	<b>81,631,024</b>	<b>131,656,145</b>	<b>7,891,156,298</b>

Land and buildings were valued by Icon Valuers Limited an independent valuers, on the basis of open market value (Level 2) in December 2023. The carrying amount of the asset was restated to the revalued amount of the asset, and the resulting surplus arising on revaluation was credited to Capital Funds in the statement of changes in funds. Based on the Deacon Board assessment, fair value as at 31st December 2023, approximates the carrying value in the financial statements.



## CHRIST IS THE ANSWER MINISTRIES (CITAM)

## Notes to the Financial Statements

for the year ended 31<sup>st</sup> December 2023..../(Contd)

9. PROPERTY AND EQUIPMENT	Freehold land Kshs	Buildings Kshs	Boreholes Kshs	Motor vehicles Kshs	Furniture & fittings Kshs	Equipment Kshs	Computers Kshs	Tents Kshs	Total Kshs
<b>COST OR VALUATION</b>									
At 1 January 2022	2,209,119,790	3,499,280,788	17,808,922	272,509,683	263,645,867	850,403,958	119,319,510	235,039,916	7,467,128,434
Additions	1,390,000	140,276,863	4,286,000	140,605,607	23,939,017	132,415,690	28,343,086	10,484,181	481,740,444
Transfers from work-in-progress	-	17,024,890	-	-	-	-	-	-	17,024,890
Revaluation surplus	-	-	-	(71,293,190)	(35,588,102)	(617,990,409)	(58,026,407)	(93,839,916)	(876,738,024)
<b>At 31st December 2022</b>	<b>2,210,509,790</b>	<b>3,656,582,541</b>	<b>22,094,922</b>	<b>341,822,100</b>	<b>251,996,782</b>	<b>364,829,239</b>	<b>89,636,189</b>	<b>151,684,181</b>	<b>7,089,155,744</b>
<b>DEPRECIATION</b>									
At 1 January 2022	-	-	-	230,272,928	188,215,709	612,469,742	84,421,079	114,394,747	1,229,774,205
Charge for the year	-	-	-	60,303,463	20,695,185	40,775,928	17,696,891	12,162,627	151,634,094
Revaluation surplus	-	-	-	(290,576,391)	(208,910,894)	(653,245,670)	(102,117,970)	(126,557,374)	(1,381,408,299)
<b>At 31st December 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET BOOK VALUE</b>									
<b>At 31 DECEMBER 2022</b>	<b>2,210,509,790</b>	<b>3,656,582,541</b>	<b>22,094,922</b>	<b>341,822,100</b>	<b>251,996,782</b>	<b>364,829,239</b>	<b>89,636,189</b>	<b>151,684,181</b>	<b>7,089,155,744</b>
<b>COST OR VALUATION</b>									
At 1 January 2023	2,210,509,790	3,656,582,541	22,094,922	341,822,100	251,996,782	364,829,239	89,636,189	151,684,181	7,089,155,744
Additions	1,750,000	230,254,083	2,166,504	14,895,000	31,972,779	104,854,588	26,742,021	3,205,401	415,840,376
Transfers from work-in-progress	-	103,120,234	-	-	-	-	-	-	103,120,234
Disposals	-	-	-	(831,250)	-	-	-	-	(831,250)
Revaluation surplus	(94,519,790)	(8,835,836)	-	-	-	-	-	-	(103,355,626)
<b>At 31st December 2023</b>	<b>2,117,740,000</b>	<b>3,981,121,022</b>	<b>24,261,426</b>	<b>355,885,850</b>	<b>283,969,561</b>	<b>469,683,827</b>	<b>116,378,210</b>	<b>154,889,582</b>	<b>7,503,929,478</b>
<b>DEPRECIATION</b>									
At 1 January 2023	-	-	-	88,971,463	42,595,434	70,434,349	34,913,463	23,233,437	359,676,172
Charge for the year	-	99,528,026	-	88,971,463	42,595,434	70,434,349	34,913,463	23,233,437	359,676,172
<b>At 31st December 2023</b>	<b>-</b>	<b>99,528,026</b>	<b>-</b>	<b>88,971,463</b>	<b>42,595,434</b>	<b>70,434,349</b>	<b>34,913,463</b>	<b>23,233,437</b>	<b>359,676,172</b>
<b>NET BOOK VALUE</b>									
<b>At 31 DECEMBER 2023</b>	<b>2,117,740,000</b>	<b>3,881,592,996</b>	<b>24,261,426</b>	<b>266,914,387</b>	<b>241,374,127</b>	<b>399,249,478</b>	<b>81,464,747</b>	<b>131,656,145</b>	<b>7,144,253,306</b>

Land and buildings were valued by Icon Valuers Limited an independent valuers, on the basis of open market value (Level 2) in December 2023. The carrying amount of the asset was restated to the revalued amount of the asset, and the resulting surplus arising on revaluation was credited to Capital Funds in the statement of changes in funds. Based on the Deacon Board assessment, fair value as at 31st December 2023, approximates the carrying value in the financial statements.

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statementsfor the year ended 31<sup>st</sup> December 2023.... / (Contd)

	<u>2023</u> Kshs	<u>2022</u> Kshs
<b>10. RIGHT OF USE ASSETS</b>		
At 1 January	116,746,548	113,184,048
Additions	26,060,437	3,562,500
	<u>142,806,985</u>	<u>116,746,548</u>
<b>AMORTIZATION</b>		
At 1 January	87,646,039	64,025,052
Charge for the year	21,414,091	23,620,987
	<u>109,060,130</u>	<u>87,646,039</u>
<b>NET BOOK VALUE</b>		
<b>At 31 DECEMBER</b>	<b><u>33,746,855</u></b>	<b><u>29,100,509</u></b>

The right-of-use assets relate to leased premises by the Ministry where the lease is beyond 12 months in accordance with the requirements of IFRS 16 - Leases.

	<u>Cattle</u> Kshs	<u>Sheep, Goats &amp; Rabbits</u> Kshs	<u>2023</u> Kshs	<u>2022</u> Kshs
<b>11. BIOLOGICAL ASSETS</b>				
Carrying amount at 1 January	371,000	31,400	402,400	420,000
Increase due to growth and new births	-	-	372,000	2,400
Increase due to purchase	-	-	1,295,000	-
Fair value	-	-	900,000	-
Decrease due to deaths and sales during the year	-	-	(223,400)	(20,000)
<b>Carrying amount at 31st December</b>	<b><u>371,000</u></b>	<b><u>31,400</u></b>	<b><u>2,746,000</u></b>	<b><u>402,400</u></b>

Biological assets comprise of cattle, goats, sheep and rabbits.

The Ministry had a total of 22 cows (2022 - 10), 3 sheep (2022- 3), 9 goats (2022 - 4) and 0 rabbits (2022 - 6) during the year. Fair value of the biological assets was determined by using market values of comparable livestock in the market.

	<u>2023</u> Kshs	<u>2022</u> Kshs
<b>12. INVESTMENT PROPERTY</b>		
<b>a)</b>		
<b>COST</b>		
At start and end of year	525,000,000	324,000,000
Fair value (loss)/ gain	(37,300,000)	201,000,000
At start and end of year	<b><u>487,700,000</u></b>	<b><u>525,000,000</u></b>

The investment property relates to CITAM Business Park located in Hurlingham, Nairobi L.R. No. 209/386/7 and L.R. No. 209/386/8.

Investment property was valued by Icon Valuers Limited an independent valuers, on the basis of open market value (Level 2) in December 2023. Based on the Deacon Board assessment, fair value as at 31st December 2022, approximates the carrying value in the financial statements.

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statementsfor the year ended 31<sup>st</sup> December 2023.... / (Contd)

	<u>Balance at</u> <u>01.01.2023</u>	<u>Additions</u>	<u>Transfers</u>	<u>Balance at</u> <u>31.12.2023</u>
<b>13. WORK-IN-PROGRESS</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
CITAM Nakuru	12,738,794	-	(12,738,794)	-
CITAM Woodley	15,043,035	-	(15,043,035)	-
CITAM Kiserian	301,000	-	(301,000)	-
CITAM Kisumu	15,659,773	-	(15,659,773)	-
CITAM Buruburu	8,849,729	32,406,075	-	41,255,804
CITAM Karen	780,140	-	(780,140)	-
CITAM Athi River	21,815,780	-	(21,815,780)	-
CITAM Eldoret	2,995,625	-	(2,995,625)	-
CITAM Clay City	161,704	-	(161,704)	-
CITAM Kitengela	25,587,771	-	(25,587,771)	-
CITAM Romania	4,721,366	-	(4,721,366)	-
CITAM Head Office	40,240,699	-	(40,240,699)	-
	<b><u>148,895,416</u></b>	<b><u>32,406,075</u></b>	<b><u>(140,045,687)</u></b>	<b><u>41,255,804</u></b>

The work-in-progress relates to the various capital expenditure projects under construction.

**14. PREPAID OPERATING LEASE RENTALS****COST OR VALUATION**

	<u>2023</u> <u>Kshs</u>	<u>2022</u> <u>Kshs</u>
At 1 January	5,985,754,448	5,985,076,381
Additions	205,111,540	678,067
Revaluation surplus	1,658,345,552	-
	<u>7,849,211,540</u>	<u>5,985,754,448</u>

**AMORTIZATION**

At 1 January	746,985,559	612,363,999
Charge for the year	179,334,045	134,621,560
	<u>926,319,604</u>	<u>746,985,559</u>

**NET BOOK VALUE**

<b>At 31 DECEMBER</b>	<b><u>6,922,891,936</u></b>	<b><u>5,238,768,889</u></b>
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(i) Leasehold land was revalued in 2023 on an open market value basis by Icon Valuers Limited, a registered firm of professional valuers.

Leasehold land is disclosed as prepaid operating lease rentals and carried at cost less amortization over the lease period.

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statementsfor the year ended 31<sup>st</sup> December 2023.... / (Contd)

	<u>2023</u> Kshs	<u>2022</u> Kshs
<b>15. INTANGIBLE ASSETS - GROUP</b>		
<b>COST</b>		
At 1 January	84,662,644	78,372,227
Additions	12,979,330	5,312,537
Transfer from WIP	36,763,748	977,880
	<u>134,405,722</u>	<u>84,662,644</u>
<b>AMORTIZATION</b>		
At 1 January	79,657,802	68,961,769
Charge for the year	17,151,053	10,696,033
	<u>96,808,855</u>	<u>79,657,802</u>
<b>NET BOOK VALUE</b>		
<b>At 31 DECEMBER</b>	<u><b>37,596,867</b></u>	<u><b>5,004,842</b></u>
<b>INTANGIBLE ASSETS - CITAM</b>		
<b>COST</b>		
At 1 January	84,362,644	78,372,227
Additions	12,979,330	5,012,537
Transfer from WIP	36,763,748	977,880
	<u>134,105,722</u>	<u>84,362,644</u>
<b>AMORTIZATION</b>		
At 1 January	79,525,802	68,961,769
Charge for the year	17,100,653	10,564,033
	<u>96,626,455</u>	<u>79,525,802</u>
<b>NET BOOK VALUE</b>		
<b>At 31 DECEMBER</b>	<u><b>37,479,267</b></u>	<u><b>4,836,842</b></u>

The intangible assets relate to computer software and wide area network.

	<u>2023</u> Kshs	<u>2022</u> Kshs
<b>16. LONG-TERM INVESTMENTS -GROUP</b>		
16 (a) Financial assets carried at amortized cost	<u>5,959,855</u>	<u>5,959,855</u>
<b>LONG-TERM INVESTMENTS -CITAM</b>		
16 (a) Financial assets carried at amortized cost *	5,959,855	5,959,855
16 (b) Investments in subsidiaries	200,000	100,000
	<u><b>6,159,855</b></u>	<u><b>6,059,855</b></u>

\* Relates to a 10 year infrastructure bond invested with the Central Bank of Kenya, for the Alexander Tee Fund. The annual interest rate is 10.9%.

\* Ark Properties Investments Limited and Aardwolf International Holdings Limited are 100% owed by the CITAM.

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

## Notes to the Financial Statements

for the year ended 31st December 2023.... / (Contd)

## 17. DUE FROM SUBSIDIARIES

	2023 Kshs	2022 Kshs
Ark Properties and Investments Limited (17(a))	572,322,937	509,661,995
Aardwolf International Holdings Limited (17(b))	746,488,225	-
	<b>1,318,811,162</b>	<b>509,661,995</b>
<b>a) Ark Properties Investments Limited</b>		
At 1 January	509,661,995	486,660,572
Increase during the year	62,660,942	23,001,423
	<b>572,322,937</b>	<b>509,661,995</b>
<b>b) Aardwolf International Holdings Limited</b>		
At 1 January	-	-
Increase during the year	746,488,225	-
	<b>746,488,225</b>	<b>-</b>

The initial amount of advances was in relation to a loan CITAM borrowed on behalf of Ark properties and Investments Limited & Aardwolf International Holdings Limited. The increase in the balance over the years is the recharge of interest on the loan and working capital support by CITAM.

## 18. INVENTORIES

	GROUP 2023 Kshs	GROUP 2022 Kshs	CITAM 2023 Kshs	CITAM 2022 Kshs
Safari books	14,663,990	9,386,992	14,663,990	9,386,992
Outfitters	37,947,212	24,776,522	37,947,212	24,776,522
Land held for sale	724,383,288	643,092,859	-	-
Consumables	6,221,035	6,088,911	6,221,035	6,088,911
Less: Provision for slow moving inventories	(7,332,005)	(4,693,497)	(7,332,005)	(4,693,497)
	<b>775,883,520</b>	<b>678,651,787</b>	<b>51,500,232</b>	<b>35,558,928</b>

## 19. TRADE AND OTHER RECEIVABLES

School fees debtors	32,189,883	36,726,992	32,189,883	36,726,992
CITAM Hope Media debtors	29,090,592	31,966,156	29,090,592	31,966,156
Prepayments and deposits	159,772,806	74,442,459	158,700,807	74,442,459
Staff debtors	8,829,742	8,546,371	8,829,742	8,546,371
Other receivables	20,525,252	10,749,847	20,525,252	10,749,847
	250,408,275	162,431,825	249,336,276	162,431,825
Provision for impairment	(78,707,800)	(78,921,714)	(78,707,800)	(78,921,714)
	<b>171,700,475</b>	<b>83,510,111</b>	<b>170,628,476</b>	<b>83,510,111</b>

## 20. CASH AND CASH EQUIVALENTS

	2023 Kshs	2022 Kshs	2023 Kshs	2022 Kshs
<b>a) Deposits with banking institutions</b>				
Co-operative Bank of Kenya Ltd. (i)	23,200,000	606,038,549	23,200,000	606,038,549
KCB Bank Ltd (ii)	5,487,000	27,854,550	5,487,000	27,854,550
Standard Chartered Bank Ltd	4,000,000	4,000,000	4,000,000	4,000,000
Accrued interest	241,100	14,562,208	241,100	14,562,208
	<b>32,928,100</b>	<b>652,455,307</b>	<b>32,928,100</b>	<b>652,455,307</b>

i) The fixed deposit with Co-operative Bank Ltd was short term ranging from a period of 1 month to 3 months at an average annual rate of interest of 11.25%.

ii) The average annual rate of interest with KCB Bank Ltd was 7%.

iii) Standard Chartered- Average annual rate of interest is 5.8%

## b) Cash and bank balances

	2023 Kshs	2022 Kshs	2023 Kshs	2022 Kshs
Cash at bank	226,902,140	142,093,148	225,338,779	140,980,516
Safaricom paybill account	39,488,544	57,962,524	39,488,544	57,962,524
Cash in hand	5,128,222	2,224,061	5,128,222	2,224,061
	271,518,906	202,279,733	269,955,545	201,167,101
<b>Total cash and cash equivalents</b>	<b>304,447,006</b>	<b>854,735,040</b>	<b>302,883,645</b>	<b>853,622,408</b>

## 21. DESIGNATED FUNDS

	Balance at 01.01.2023 Kshs	Transfer in Kshs	Receipts Kshs	Payments Kshs	Balance at 31.12.2023 Kshs
Alexander Tee fund	6,788,471	-	599,500	-	7,387,971
Text book fund	25,352,669	-	22,967,177	(24,828,023)	23,491,823
Mission support fund (i)	44,640,043	215,957,158	8,976,356	(227,442,809)	42,130,748
Other development funds	112,520,683	-	28,440,865	(58,995,609)	81,965,939
LADF	7,244,013	36,018,672	-	(23,130,552)	20,132,133
Staff welfare fund	1,652,095	-	6,387,751	(4,404,240)	3,635,606
Caution fees	13,685,042	-	606,050	(86,032)	14,205,060
PAOC mission support	289,054,800	-	-	(32,307,759)	256,747,041
	<b>500,937,816</b>	<b>251,975,830</b>	<b>67,977,699</b>	<b>(371,195,024)</b>	<b>449,696,321</b>

i) 10% tithe allocation

## CHRIST IS THE ANSWER MINISTRIES (CITAM)

## Notes to the Financial Statements

for the year ended 31<sup>st</sup> December 2023.... / (Contd)

22. BORROWINGS	GROUP 2023 Kshs	GROUP 2023 Kshs	CITAM 2023 Kshs	CITAM 2022 Kshs
The borrowings are analysed as follows:				
Non-current	550,461,846	60,603,120	550,461,846	60,603,120
Current	83,553,920	55,307,834	83,553,920	55,307,834
	<b>634,015,766</b>	<b>115,910,954</b>	<b>634,015,766</b>	<b>115,910,954</b>
Breakdown of borrowings:				
Co-operative Bank of Kenya Limited	631,084,410	108,582,563	631,084,410	108,582,563
Co-operative Bank Ltd - Ark Properties and Investments Limited	2,931,356	7,328,391	2,931,356	7,328,391
	<b>634,015,766</b>	<b>115,910,954</b>	<b>634,015,766</b>	<b>115,910,954</b>
<b>Reconciliation of liabilities arising from financing activities:</b>				
At start of year	115,910,954	194,021,351	115,910,954	194,021,351
Additions in the year	580,000,000	-	580,000,000	-
Interest charged to the statement of income and expenditure	30,724,849	14,922,313	30,724,849	14,922,313
Cash flows:				
Operating activities (interest paid)	(30,724,849)	(14,922,313)	(30,724,849)	(14,922,313)
Repayments of long-term borrowings	(61,895,188)	(78,110,397)	(61,895,188)	(78,110,397)
At end of year	<b>634,015,766</b>	<b>115,910,954</b>	<b>634,015,766</b>	<b>115,910,954</b>

The facilities at Co-operative Bank of Kenya Limited are repayable at an interest rate of 12.5% p.a & 17.5%. Securities for the loan include existing legal charge over Kisumu municipality block L.R. No. 10/170, Karen land block L.R. No. 12409/05 and Parklands land block L.R. No. 209/10810/5.

At the year-end, the Ministry had Kshs 74,989,233 (2022: Kshs 593,089,046) of undrawn facilities which it may utilise to fund its obligations.

23. TRADE AND OTHER PAYABLES	2023 Kshs	2022 Kshs	2023 Kshs	2022 Kshs
Trade payables	226,690,537	197,749,218	226,690,537	196,663,080
Prepaid school fees	49,163,215	26,957,864	49,163,215	26,957,864
Deferred income	74,520,000	71,970,000	-	-
Land deposit	142,675,360	147,947,102	-	-
Accounts payable and accruals	133,243,438	35,426,767	98,016,076	35,426,767
Withholding tax and catering levy	2,917,403	5,535,660	2,917,403	5,535,660
	<b>629,209,953</b>	<b>485,586,611</b>	<b>376,787,231</b>	<b>264,583,371</b>
<b>24. LEASE LIABILITIES</b>				
Non-current liability	16,139,368	10,717,228	16,139,368	10,717,228
Current liability	21,741,264	23,631,098	21,741,264	23,631,098
	<b>37,880,632</b>	<b>34,348,326</b>	<b>37,880,632</b>	<b>34,348,326</b>
<b>The total cash outflow for leases in the year was:</b>				
Lease liability	60,408,764	60,836,421	60,408,764	60,836,421
Payment of the principal portion of lease liability	(22,528,132)	(26,488,095)	(22,528,132)	(26,488,095)
	<b>37,880,632</b>	<b>34,348,326</b>	<b>37,880,632</b>	<b>34,348,326</b>

This relates to the right-of use assets.

**CHRIST IS THE ANSWER MINISTRIES (CITAM)****Notes to the Financial Statements****for the year ended 31<sup>st</sup> December 2023.... / (Contd)**

<b>25. CAPITAL COMMITMENTS</b>	<b><u>2023</u></b> <b>Kshs</b>	<b><u>2022</u></b> <b>Kshs</b>
Authorised and contracted	<b><u>347,063,571</u></b>	<b><u>125,181,874</u></b>

The above are capital commitments authorised and contracted as at the balance sheet date but not recognized in the financial statements.

<b>26. SURPLUS FOR THE YEAR</b>	<b><u>2023</u></b> <b>Kshs</b>	<b><u>2022</u></b> <b>Kshs</b>
The surplus for the year is arrived at after charging:-		
Finance costs	30,724,849	14,922,313
Provision expense	2,479,255	1,957,465
Depreciation of right of use asset	21,414,091	23,620,987
Auditors' remuneration	<b><u>3,166,800</u></b>	<b><u>3,016,000</u></b>

**27. INTER-UNIT SALES**

Inter-unit sales of Kshs 414,576,452 (2022: Kshs 421,347,632) have been eliminated from the income reported by the projects and outreach. The costs relating to these have also been eliminated.

**28. CONTINGENT LIABILITIES**

The Ministry has pending litigations in court. However, the Ministry does not foresee a major liability arising from the suits.

**29. EVENTS AFTER REPORTING PERIOD**

The Deacon Board is not aware of any matters arising after 31st December 2023 that would significantly affect operations of the Ministry.

**30. CURRENCY**

The financial statements are presented in Kenya shillings (Kshs).

**CHRIST IS THE ANSWER MINISTRIES (CITAM)**

**Notes to the Financial Statements**

**for the year ended 31<sup>st</sup> December 2023.... / (Contd)**

**31. NEW AND REVISED FINANCIAL REPORTING STANDARDS**

The Ministry has not applied the following new and revised standards and interpretations that have been published but are not yet effective for the year beginning 1st January 2023.

**Amendments to IAS 1 titled *Classification of Liabilities as Current or Non-current* (issued in January 2020, amended in October 2022)**

The amendments, applicable to annual periods beginning on or after 1st January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

**Amendment to IFRS 16 titled *Lease Liability in a Sale and Leaseback* (issued in September 2022)**

The amendment, applicable to annual periods beginning on or after 1st January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss. that relates to the right of use it retains.

**Amendments to IAS 1 titled *Non-current Liabilities with Covenants* (issued in October 2022)**

The amendments, applicable to annual periods beginning on or after 1st January 2024, improve the information an entity provides about liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

**Amendments to IAS 7 and IFRS 7 titled *Supplier Finance Arrangements* (issued in May 2023)**

The amendments, applicable to annual periods beginning on or after 1st January 2024, require an entity to provide additional disclosures about its supplier finance arrangements

**Amendments to IAS 21 titled *Lack of Exchangeability* (issued in August 2023)**

The amendments, applicable to annual periods beginning on or after 1st January 2025, require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

**Amendments to IFRS 10 and IAS 28 titled *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (issued in September 2014)**

The amendments, applicable from a date yet to be determined, address a current conflict between the two standards and clarify that a gain or loss should be recognised fully when the transaction involves a business, and partially if it involves assets that do not constitute a business.

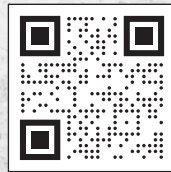




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**2024**

**ANNUAL DELEGATES  
CONFERENCE (ADC)**