



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

2026

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2025

ANNUAL DELEGATES CONFERENCE | **ADC**

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

**CHRIST IS THE ANSWER MINISTRIES [CITAM]
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
AS AT 31ST DECEMBER 2025**

CHRIST IS THE ANSWER MINISTRIES (CITAM)

ANNUAL FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

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

DEACON BOARD MEMBERS	<ul style="list-style-type: none"> : Rev. Calisto Odede - Chairman/Presiding Bishop : Rev. Justus Mugambi - Vice Chairman/Deputy Bishop : Mr. Michael Wamache - Treasurer -Term ended on 5/10/2025 : Mrs. Peris Mburu - Treasurer-Term commenced on 06/10/2025 : Mr. James Munene - Secretary : Dr. James Ogutu - Member : Mrs. Mercy Mukiiri - Member : Dr. Margaret Wainaina - Member : Mr. James Masinde - Member : Mr. George Morara - Member : Prof. Joseph Muliaro - Member : Mr. Martin Wanyama - Member : Mr. Harry Fanjo - Member : Mr. Patrick Otuoma - Member : Mrs. Grace Alande - Member -Joined on 06.10.2025 : Rev. Kenneth Isige - Director for Administration-Exited on 30.09.2025 : Mr Michael Wamache - Director for Administration-Joined on 06.10.2025
REGISTERED ADDRESS	<ul style="list-style-type: none"> : Christ Is The Answer Ministries 2nd Parklands Avenue P. O. Box 42254 - 00100 Nairobi, Kenya
PRINCIPAL BANKERS	<ul style="list-style-type: none"> : 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
LEGAL ADVISOR	<ul style="list-style-type: none"> : GMM Advocates Maharaja House, 2nd Floor Shivach Road, Opposite MP Shah Hospital P. O. Box 54073 - 00200 Nairobi, Kenya
INDEPENDENT AUDITOR	<ul style="list-style-type: none"> : RSM Eastern Africa LLP Certified Public 1st Floor, Pacis Centre Slip Road, off Waiyaki Way, Westlands P.O. Box 349 - 00606 Nairobi, Kenya
SUBSIDIARIES	<ul style="list-style-type: none"> Ark Properties and Investments Company Limited L.R. No 209/10329 4th floor, CITAM Valley Road P.O. Box 42254 - 00100 Nairobi, Kenya. Aardwolf International Holding Limited Patton, Moreno & Asvat (BVI) Ltd Palm Chambers, 197 Main Street P.O. Box 3174, Road Town Tortola, British Virgin Islands. Aardwolf International Holding Limited - Kenya Branch L.R. No 209/5847 17 Jakaya Kikwete Road P.O. Box 30147 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 2025.

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 unto the date of this report are set out on page 1.

Changes during the year were as follows :-

Joined on 06/10/2025

- Mrs. Grace Alande

Term ended on 05/10/2025

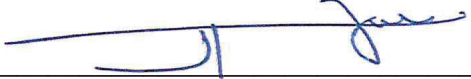
- Mr. Michael Wamache

INDEPENDENT AUDITORS

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

By Order of the Deacon Board

9th March 2026


Secretary

CHRIST IS THE ANSWER MINISTRIES (CITAM)

Report of the Treasurer

2025 OVERVIEW

Operating Environment

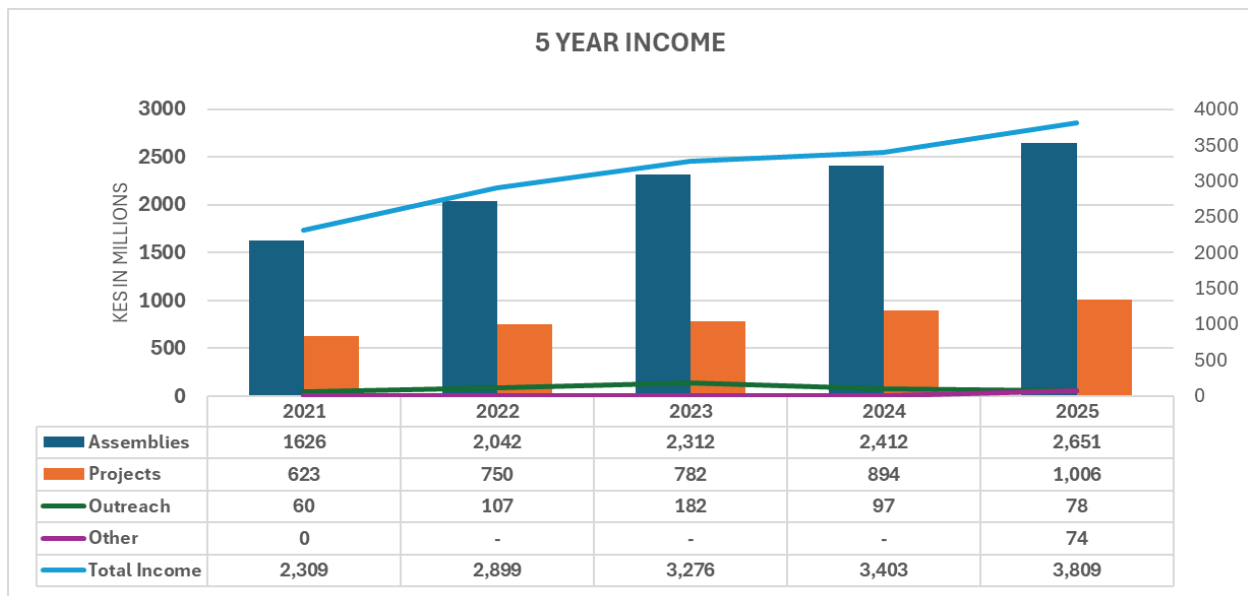
The year 2025, was marked by improving economic stability and growth despite the ongoing regional wars and other global pressures. According to Central bank of Kenya (CBK), real GDP growth averaged about 5% while inflation remained within the projected target of 4%. This slightly eased the pressure on household incomes and business operations. Additionally, the CBK gradually reduced the interest rates on borrowings which stimulated credit growth and increased economic activity. The Kenya shilling (KES) remained stable against other major currencies throughout the year thus providing exchange rate stability.

The Ministry recorded an impressive financial performance during the year under review reporting significant growth in income. This was attributable to the consistent and faithful generous giving by members, other partners and businesses increased sales. This in addition resulted to growth in asset base. The ministry's mid-year strategy plan review ensured that the ministry remains on track to achieve the set objectives.

The 2025 Financial statements have been consolidated with two subsidiaries namely Ark properties and Investments Limited and Aardwolf International Holdings Limited.

The Year-on-Year growth/change is as shown in the tables below.

Income



INCOME	2025	2024	GROWTH/ (DECLINE)	% GROWTH/ (DECLINE)
	Kshs (millions)	Kshs (millions)	Kshs (millions)	
ASSEMBLIES & HQ UNITS	2,651	2,412	239	10%
BUSINESS UNITS & SUNSIDIARIES (NET OR INTER-UNIT SALES)	1,006	894	112	13%
OUTREACH MINISTRIES	78	97	(19)	-20%
OTHER INCOME	74	-	74	
TOTAL INCOME NET OF INTER-UNIT SALES	3,809	3,403	406	12%

CHRIST IS THE ANSWER MINISTRIES (CITAM)

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

Income

Total income for the year 2025 increased by 12% to KShs. 3.8 billion up from KShs. 3.4 billion in 2024 net of inter-unit sales. This was attributed to the progressive expansion and growth of the ministry as well as proceeds from sale of land.

Assemblies' income increased by 10% to KShs. 2.651 billion up from KSh 2.412 billion in 2024, with most of the Assemblies recording income growth in 2025 compared to 2024. This was due to a significant increase in designated income and donations and increase in tithe and otherings.

Business units' income increased by 13% to KShs. 1.006 billion up from KShs. 894 million in 2024 net of inter-unit sales. This was due to increase in pupil enrolment in the schools, Kijito fresh report full year operations, increased sales in Kadolta resort as a result of a new income line (Kadolta adventure park) and establishment of a new unit, CITAM Events during the year.

Outreach ministries' income decreased by 20% to KShs.78 million down from KShs. 97 million in 2024 net of inter-unit sales. This is due to reduced donations for donor funded projects towards support of drought-stricken communities in Northern Kenya establishment and reclassification of Mission Creative Arts (previously Heaven's Gate Hells Flames) to Missions department.

Expenditure

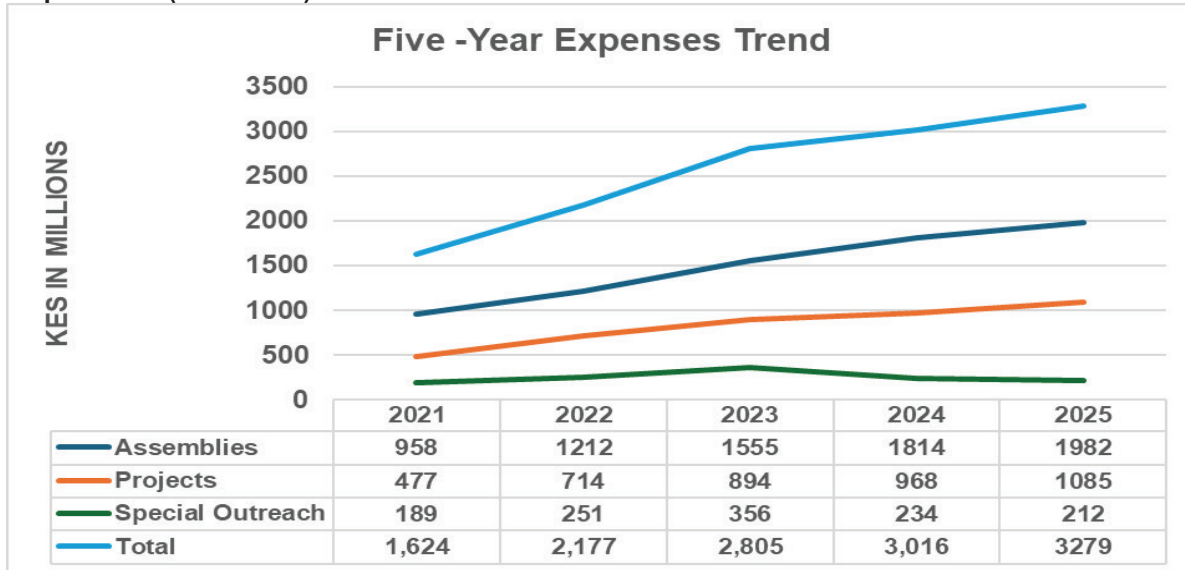
EXPENSES	2025	2024	GROWTH/ (DECLINE)	% GROWTH/ (DECLINE)
	Kshs (millions)	Kshs (millions)	Kshs (millions)	
ASSEMBLIES & HQ UNITS	1,982	1,814	168	9%
BUSINESS UNITS & SUNSIDIARIES	1,084	968	116	12%
OUTREACH MINISTRIES	213	234	(21)	-9%
TOTAL EXPENSES	3,279	3,016	263	9%

Total operating expenditure for the year 2025 grew by 9% to KShs. 3.279 billion up from KShs. 3.016 billion reported in 2024 net of intra-ministry expenditure. Compared to the year 2024, there was a general increase in operating expenses due to increased ministry's operations, increased staff costs due to new staff engagements, pastoral redeployment costs, assemblies' settlement costs and increased prices for commodities as evidenced by the trend below.

CHRIST IS THE ANSWER MINISTRIES (CITAM)

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

Expenditure (Continued)



EXPENSES BREAK DOWN	2025	2024	GROWTH/ (DECLINE)	% GROWTH/ (DECLINE)
	Kshs (millions)	Kshs (millions)	Kshs (millions)	
STAFF COSTS	1,400	1,283	117	9%
ADMINISTRATIVE COSTS	1,320	1,285	35	3%
MINISTRY COSTS	559	448	111	25%
TOTAL OPERATING EXPENSES	3,279	3,016	263	9%
CAPITAL EXPENDITURE	453	272	181	67%

Staff expenses increased by 9% to KShs.1.40 billion in 2025 from KShs. 1.28 billion in 2024. This is attributed to new staff engagements, promotions, relocations related costs, salary reviews, cushioning staff against rising taxes and increased NSSF contributions.

Administrative expenses increased marginally by 3% to KShs.1.32 billion from KShs.1.29 billion. While the ministry recorded a decrease in finance costs upon clearance of some loans, savings on rental charges upon relocation of some assemblies to own properties and continuous cost containment measures across the ministry, there was slight increase in costs for a number of other administrative activities resulting to marginal increase in the total administrative costs.

Ministry expenses net of inter-unit expenditure grew by 25% to KShs. 559 million from KShs. 448 million due to increased ministry activities, assemblies' various celebrations costs, increased cost of doing business and due to new strategic initiatives.

Capital expenditure financed from operating income increases by 67% to KShs. 453 million up from KShs. 272 million in 2024. The ministry completed the purchase of CITAM Kiambu Road land and CITAM Kikuyu land, completed the construction of CITAM Buruburu sanctuary and renovation of CITAM Embakasi premises some of which were fully and others partly financed by both Together in Generosity (TIG) fund and designated funds.

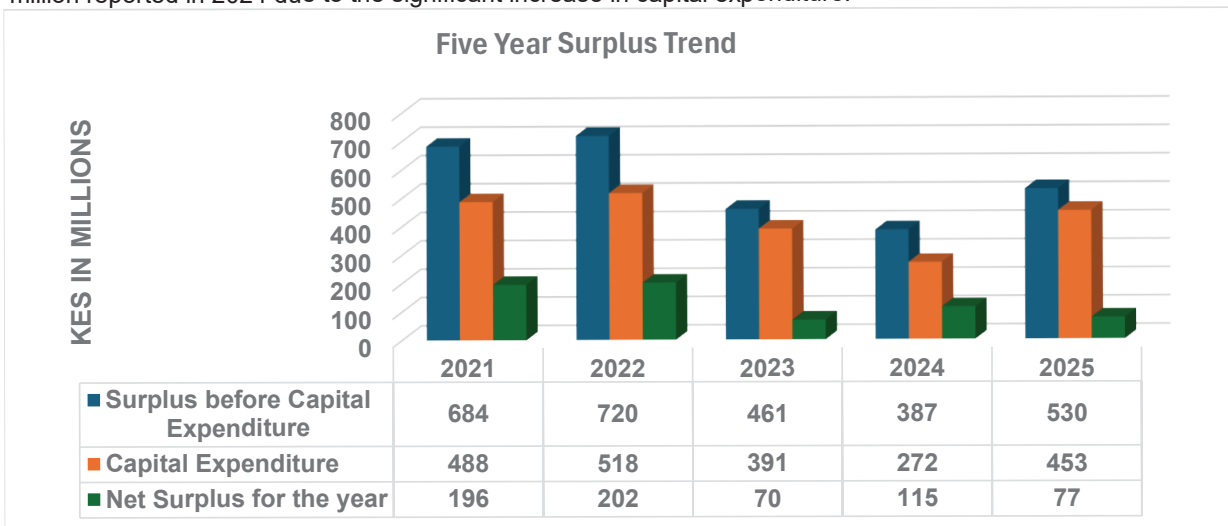
CHRIST IS THE ANSWER MINISTRIES (CITAM)

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

Surplus

Surplus before Capital Expenditure increased by 37% to KShs. 530 million from KShs. 387 million reported in 2024. This was attributable to the ministry's overall increase in operating income and other income from proceeds of sale of land and land donations to the ministry.

Net surplus after capital expenditure for the year however, decreased by 34% to KShs. 77 million from KShs. 115 million reported in 2024 due to the significant increase in capital expenditure.



Conclusion

As a Deacon Board, we wish to express our heartfelt gratitude to our congregants, partners and all stakeholders for your generous and faithful giving.

The Deacon Board and entire CITAM leadership is committed to financial stewardship of the ministry to ensure sustainability and continuity of the work of God.

We give all glory and thanksgiving to God for His grace, provision and unfailing favour throughout the year.

To all CITAM staff, we deeply appreciate your dedication and unwavering support.

May God richly bless each one of you for your commitment and sacrifice.

As the scripture says in 2 Corinthians 9:10

Now may He who supplies seed to the sower and bread for food also supply and increase your store of seed, and will enlarge the harvest of your righteousness.'

God bless you.

9th March 2026


Church Treasurer

CHRIST IS THE ANSWER MINISTRIES (CITAM)

Statement of Corporate Governance

Christ Is The Answer Ministries [CITAM] demonstrates a strong commitment to sound corporate governance and ethical leadership. Its dedication to responsible management and accountability highlights the ministry's focus on sustainability, growth, and adherence to its core values.

By establishing governance structures aligned with its Constitution, CITAM ensures that authority is exercised responsibly and strategically to achieve its long-term mission and vision. This structured approach enhances transparency, promotes accountability, and enables effective decision-making across the organization.

Integrity, transparency, and accountability remain at the heart of CITAM's operations, reinforcing its ethical foundation and commitment to serving its ministry with excellence. By upholding these values, CITAM sets a high standard for both faith-based and secular organizations.

Furthermore, the implementation of a Whistleblowing Policy reflects CITAM's dedication to fostering a culture of openness and trust. By providing a secure channel for reporting misconduct without fear of retaliation, the ministry safeguards the interests of its staff and stakeholders while strengthening organizational integrity.

Overall, CITAM's proactive governance framework and steadfast commitment to ethical leadership serve as a benchmark for other ministries and organizations striving for excellence and accountability.

ISO Compliance

The adoption of the ISO 9001:2015 standard has provided Christ Is The Answer Ministries [CITAM] with a well-structured framework to ensure consistent quality in its service delivery. Through systematic monitoring and performance evaluation, CITAM can identify opportunities for improvement and implement proactive solutions to address any challenges that may arise.

ISO certification enables CITAM to minimize errors, uphold high service standards, and enhance operational efficiency. By adhering to established procedures and best practices, the ministry effectively mitigates risks and ensures the smooth execution of its activities.

Committed to excellence and continuous improvement, CITAM sets a high standard for organizations within the religious sector and beyond, serving as a model of quality and efficiency in service delivery.

Deacon Board

The Deacon Board plays a vital role in promoting strong corporate governance within CITAM. Its active involvement in developing and implementing policies, strategies, and operational processes reflects a firm commitment to maintaining high governance standards.

Providing leadership in administrative, business, and legal affairs, the Deacon Board ensures effective governance and responsible stewardship of the ministry. Through its oversight function, the Board continuously monitors and evaluates the ministry's performance, ensuring alignment with its mission and strategic objectives.

Additionally, the Board's emphasis on internal controls is critical in protecting CITAM's resources. By establishing and maintaining robust control mechanisms, it helps mitigate risks and prevent potential misuse or mismanagement of assets, reinforcing accountability and financial integrity within the organization.

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.

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

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 9 Deacon Board meetings were held during the year. The table below shows the Deacon Board members who served during the year.

S. No	MEMBERS	REMARKS
1.	Bishop Calisto Odede	Chairman
2.	D. Bishop Justus Mugambi	Vice -Chairman
3.	Peris Mburu	Church Treasurer: (Term started on 27th September 2025)
4.	James Munene	Church Secretary
5.	Michael Wamache	Church Treasurer: (Term ended 26th September 2025)
6.	James Harrison Masinde	Member
7.	Mercy Mukiiri	Member
8.	James Opiyo Ogutu	Member
9.	Margaret Wainaina	Member
10.	Joseph Muliaro Wafula	Member
11.	George Morara Ondonga	Member
12.	Patrick Otuoma	Member
13.	Peris Mburu	Member
14.	Harry Fanjo	Member
15.	Martin Wanyama	Member
16.	Grace Alande	Member: (Joined on 6th October 2025)
17.	Rev. Kiribwa Isige	Ex Officio: (Exited on 30th September 2025)
18.	Michael Wamache	Ex officio: (Joined on 1st October 2025)

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

S. No	DATE OF MEETING	ATTENDANCE	MODE OF MEETING
1.	3rd February 2025	15	Virtual
2.	22nd February 2025	14	Physical
3.	15th March 2025	14	Physical
4.	26th April 2025	15	Physical
5.	7th July 2025	14	Virtual
6.	1st September 2025	11	Virtual
7.	27th September 2025	13	Physical
8.	24th November 2025	14	Physical
9.	6th December 2025	14	Physical

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 chairpersons during the year.

S. No	Committees	No. of members	CHAired BY:
1.	Finance & procurement committee	8	Deacon Peris Mburu
2.	Audit & Risk Management Committee	7	Deacon Mercy Mukiiri
3.	Human Resources Committee	9	Deacon Margaret Wainaina
4.	ICT committee	7	Deacon Joseph Muliaro
5.	Media Board	11	Deacon Joseph Muliaro
6.	Business Management Committee	9	Deacon James Masinde
7.	Building Committee	10	Deacon Martin Wanyama
8.	Legal Committee	9	Deacon James Munene
9.	CITAM Children Centre Committee	7	Deacon Harry Fanjo
10.	Education Committee	9	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 meet 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 2025.

S. No	COUNCIL MEMBER	COMMENT
1.	Bishop Calisto Odede	Chairman
2.	Rev. Justus Mugambi	Vice -Chairman
3.	Elder Joash Aloo	Secretary
4.	Elder Bethuel Masimane	Elder
5.	Elder Lawrence Oseje	Elder
6.	Elder Boniface Musembi	Elder
7.	Elder Agnes Mungai	Member
8.	Elder Agnes Omolo	Member
9.	Elder Emily Chengo	Member
10.	Elder Angelina Kioko	Member
11.	Elder Jwanesh	Elder
12.	Mr. Michael Wamache	Ex-officio: Joined on 6th October 2025
13.	Rev. Ken Isige	Ex-officio: Term ended on 30th September 2025

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

COUNCIL OF ELDERS MEETINGS FOR THE YEAR 2025			
S. No	DATE OF MEETING	ATTENDANCE	MODE OF MEETING
1.	31 January & 1st February 2025	10	Physical
2.	1st March 2025	10	Physical
3.	24th May 2025	10	Physical
4.	20th June 2025	10	Physical
5.	17th July 2025	9	Physical
6.	1st & 2nd August 2025	9	Physical
7.	7th & 8th November 2025	10	Physical
8.	19th December 2025	10	Physical

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.

NAME	COMMENT
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, Cap 108, 2012 (Laws of Kenya) 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 31st December 2025**

The Ministry's 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 IFRS Accounting 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.

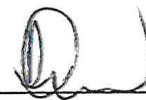
Having made an assesment of the Ministry's ability to continue as a going concern, the Deacon Board is not aware of any material uncertainties related to events or conditions that may cast doubt upon the Ministry's ability to continue as a going concern.

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 9th March..... 2026 and signed on its behalf by:-



Chairman



Treasurer



RSM Eastern Africa LLP
Certified Public Accountants

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 Off Waiyaki Way, Westlands
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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 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 2025, 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 group financial statements gives a true and fair view of the financial position of the Group and Ministry as at 31st December 2025 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting 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.

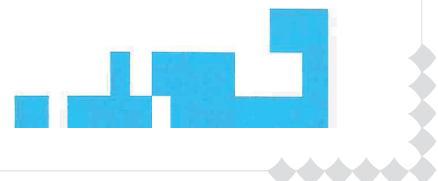
Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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.

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

Registration number: LLP-3A1VXM, a limited liability partnership under the Limited Liability Partnership Act, 2011.

Partners: Ashif Kassam, Elvis Ogeto, George Mutua





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

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 IFRS Accounting 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.

Those charged with governance are responsible for overseeing the Group and Ministry's financial reporting process.

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 Ministry's internal control.
- 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 presentation.

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

RSM Eastern Africa LLP
Certified Public Accountants
Nairobi

g Mutua

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CHRIST IS THE ANSWER MINISTRIES (CITAM)**Consolidated and Ministry Statement of Income and Expenditure****for the year ended 31st December 2025**

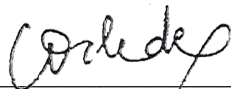
		GROUP	GROUP	CITAM	CITAM
		2025	2024	2025	2024
ASSEMBLIES INCOME	Note	KShs	KShs	KShs	KShs
Tithes and offerings		2,390,421,610	2,207,544,098	2,390,421,610	2,207,544,098
Fundraising and donations		186,286,676	135,446,910	186,286,676	135,446,910
Ministries and departments		36,925,442	28,636,904	36,925,442	28,636,904
Rental income		7,631,436	12,264,378	7,631,436	12,264,378
Interest income		29,610,403	28,033,189	29,610,403	28,033,189
Total assemblies income		2,650,875,567	2,411,925,479	2,650,875,567	2,411,925,479
Other Income	4(i)	74,000,000	-	74,000,000	-
ASSEMBLIES EXPENSES					
Staff costs		(787,848,710)	(698,584,520)	(787,848,710)	(698,584,520)
Administration costs		(669,294,960)	(711,967,302)	(669,294,960)	(711,967,302)
Ministries costs		(525,281,245)	(402,998,047)	(525,281,245)	(402,998,047)
Total assemblies expenditure	4	(1,982,424,915)	(1,813,549,869)	(1,982,424,915)	(1,813,549,869)
SURPLUS BEFORE PROJECTS AND CAPITAL EXPENDITURE		742,450,652	598,375,610	742,450,652	598,375,610
Projects net deficit	5	(78,528,265)	(74,422,684)	(71,016,199)	(69,032,864)
Special outreach activities net deficit	6	(134,558,513)	(136,914,862)	(134,558,513)	(136,914,862)
		(213,086,778)	(211,337,546)	(205,574,712)	(205,947,726)
SURPLUS BEFORE CAPITAL EXPENDITURE		529,363,874	387,038,064	536,875,940	392,427,884
Capital expenditure	8	(452,719,065)	(271,702,086)	(452,719,065)	(271,702,086)
SURPLUS FOR THE YEAR BEFORE TAX		76,644,809	115,335,978	84,156,875	120,725,798
Tax expense		-	-	-	-
SURPLUS FOR THE YEAR AFTER TAX		76,644,809	115,335,978	84,156,875	120,725,798

CHRIST IS THE ANSWER MINISTRIES (CITAM)
Consolidated and Statement of Financial Position
as at 31st December 2025

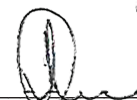
ASSETS	Note	GROUP 2025 KShs	GROUP 2024 KShs	CITAM 2025 KShs	CITAM 2024 KShs
Non-current assets					
Property and equipment	9	8,056,148,164	7,608,908,269	7,309,388,214	6,862,086,222
Right of use assets	10	6,697,785,946	6,790,055,281	6,696,815,445	6,790,055,281
Biological assets	11	1,973,500	3,101,000	1,973,500	3,101,000
Investment property	12	483,400,000	487,700,000	483,400,000	487,700,000
Work-in-progress	13	32,570,662	179,906,928	32,570,662	179,906,928
Intangible assets	14	9,669,414	21,795,920	9,611,790	21,713,600
Financial assets amortized at cost	15	5,959,855	5,959,855	5,959,855	5,959,855
Investment in subsidiaries	16	-	-	7,950,000	7,950,000
Due from subsidiaries	17	-	-	1,333,494,064	1,329,366,687
		15,287,507,541	15,097,427,253	15,881,163,530	15,687,839,573
Current assets					
Inventories	18	805,872,908	786,630,418	85,060,026	64,756,509
Trade receivables, deposits and prepayments	19	137,848,559	223,772,072	134,306,778	222,635,665
Short term fixed deposits	20 (a)	359,029,289	351,616,570	359,029,289	351,616,570
Cash and bank balances	20 (b)	137,068,624	134,995,816	136,537,804	133,210,272
		1,439,819,380	1,497,014,876	714,933,897	772,219,016
TOTAL ASSETS		16,727,326,921	16,594,442,129	16,596,097,427	16,460,058,589
FUNDS AND LIABILITIES					
Funds					
Capital fund		14,534,527,095	14,344,008,306	14,533,759,611	14,344,124,530
General fund		(6,204,624)	250,804,118	104,789,781	354,194,848
Reserve fund		165,868,610	96,437,219	165,868,610	96,437,219
Designated fund	21	728,143,909	676,935,162	728,143,909	676,935,162
		15,422,334,990	15,368,184,805	15,532,561,911	15,471,691,759
Non-current liabilities					
Borrowings	22	545,630,708	482,623,786	545,630,708	482,623,786
Lease liabilities	24	17,679,479	28,192,841	17,457,962	28,192,841
		563,310,187	510,816,627	563,088,670	510,816,627
Current liabilities					
Trade and other payables	23	636,587,784	625,183,916	396,397,679	387,293,421
Borrowings	22	88,257,252	67,900,158	88,257,252	67,900,158
Lease liabilities	24	16,836,708	22,356,624	15,791,915	22,356,624
		741,681,744	715,440,698	500,446,846	477,550,203
TOTAL FUNDS AND LIABILITIES		16,727,326,921	16,594,442,130	16,596,097,427	16,460,058,589

The financial statements on pages 15 to 46 were approved by the Deacon Board on th 9th March 2026 and signed on its behalf by:-

Chairman



Treasurer



CHRIST IS THE ANSWER MINISTRIES (CITAM)

Statement of Changes in Funds - Groupas at 31st December 2025

GROUP	Capital Fund	General Fund	Reserve Fund	Designated Fund (Note 21)	Total
	KShs	KShs	KShs	KShs	KShs
At 1 January 2024	14,670,073,168	205,533,588	48,576,310	449,696,321	15,373,879,387
Fixed assets additions	465,638,339	-	-	-	465,638,339
Fixed assets disposals	(176,705,000)	-	-	-	(176,705,000)
Biological assets (Note 11)	355,000	-	-	-	355,000
Transfer to designated fund (Note 20)	-	(23,658,312)	-	23,658,312	-
Depreciation (Note 9)	(385,638,515)	-	-	-	(385,638,515)
Amortization - Right of use (Note 10)	(212,174,742)	-	-	-	(212,174,742)
Amortization - Intangible assets (Note 14)	(17,539,944)	-	-	-	(17,539,944)
Prior year adjustments	-	(607,388)	-	-	(607,388)
Receipts during the year	-	35,164,590	2,038,826	525,790,189	562,993,605
Payments during the year	-	-	(13,042,100)	(565,064,225)	(578,106,325)
Transfers to designated fund	-	(22,100,155)	-	22,100,155	-
10% tithe allocation (Note 21)	-	-	-	220,754,410	220,754,410
Transfers to reserve fund	-	(58,864,183)	58,864,183	-	-
Surplus for the year	-	115,335,978	-	-	115,335,978
AT 31 DECEMBER 2024	14,344,008,306	250,804,118	96,437,219	676,935,162	15,368,184,805
At 1 January 2025	14,344,008,306	250,804,118	96,437,219	676,935,162	15,368,184,805
Revaluation of property and equipment	15,800,000	-	-	-	15,800,000
Fixed assets additions	720,922,902	-	-	-	720,922,902
Fixed assets disposals	(68,465,327)	-	-	-	(68,465,327)
Biological assets (Note 11)	(1,127,500)	-	-	-	(1,127,500)
Depreciation (Note 9)	(432,513,811)	-	-	-	(432,513,811)
Amortization - Right of use (Note 10)	(226,223,884)	-	-	-	(226,223,884)
Amortization - Intangible assets (Note 14)	(16,901,967)	-	-	-	(16,901,967)
Right of use assets	199,028,376	-	-	-	199,028,376
Transfer of funds	-	(150,868,767)	-	(297,136,835)	(448,005,602)
Transfers to designated fund	-	(113,353,393)	-	113,353,393	-
10% tithe allocation (Note 21)	-	-	-	234,992,189	234,992,189
Transfers to reserve fund	-	(69,431,391)	69,431,391	-	-
Surplus for the year	-	76,644,809	-	-	76,644,809
AT 31 DECEMBER 2025	14,534,527,095	(6,204,624)	165,868,610	728,143,909	15,422,334,990

CHRIST IS THE ANSWER MINISTRIES (CITAM)

Statement of Changes in Funds - Ministryas at 31st December 2025

CITAM	Capital Fund KShs	General Fund KShs	Reserve Fund KShs	Designated Fund (Note 21) KShs	Total KShs
At 1 January 2024	14,670,073,168	302,927,110	48,576,310	449,696,321	15,471,272,909
Fixed assets additions	433,415,207	-	-	-	433,415,207
Fixed assets disposals	(176,705,000)	-	-	-	(176,705,000)
Biological assets (Note 11)	29,000	-	-	-	29,000
Transfer to designated fund (Note 20)	-	(23,658,312)	-	23,658,312	-
Depreciation (Note 9)	(385,557,570)	-	-	-	(385,557,570)
Amortization - Right of use (Note 10)	(179,625,611)	-	-	-	(179,625,611)
Amortization - Intangible assets (Note 14)	(17,504,664)	-	-	-	(17,504,664)
Receipts during the year	-	35,164,590	2,038,826	525,790,189	562,993,605
Payments during the year	-	-	(13,042,100)	(565,064,225)	(578,106,325)
Transfers to designated fund	-	(22,100,155)	-	22,100,155	-
10% tithe allocation (Note 21)	-	-	-	220,754,410	220,754,410
Transfers to reserve fund	-	(58,864,183)	58,864,183	-	-
Surplus for the year	-	120,725,798	-	-	120,725,798
AT 31 DECEMBER 2024	14,344,124,530	354,194,848	96,437,219	676,935,162	15,471,691,759
At 1 January 2025	14,344,124,530	354,194,848	96,437,219	676,935,162	15,471,691,759
Revaluation of property and	15,800,000	-	-	-	15,800,000
Fixed assets additions	720,922,902	-	-	-	720,922,902
Fixed assets disposals	(68,465,327)	-	-	-	(68,465,327)
Biological assets (Note 11)	(1,127,500)	-	-	-	(1,127,500)
Depreciation (Note 9)	(432,451,714)	-	-	-	(432,451,714)
Amortization - Right of use (Note 10)	(223,312,377)	-	-	-	(223,312,377)
Amortization - Intangible assets (Note 14)	(16,877,271)	-	-	-	(16,877,271)
Right of use assets	195,146,368	-	-	-	195,146,368
Transfer of funds	-	(150,777,158)	-	(297,136,835)	(447,913,993)
Transfers to designated fund	-	(113,353,393)	-	113,353,393	-
10% tithe allocation (Note 20)	-	-	-	234,992,189	234,992,189
Transfers to reserve fund	-	(69,431,391)	69,431,391	-	-
Surplus for the year	-	84,156,875	-	-	84,156,875
AT 31 DECEMBER 2025	14,533,759,611	104,789,781	165,868,610	728,143,909	15,532,561,911

CHRIST IS THE ANSWER MINISTRIES (CITAM)

Consolidated and Ministry Statement of Cash Flowsfor the year ended 31st December 2025

	GROUP 2025	GROUP 2024	CITAM 2025	CITAM 2024
	KShs	KShs	KShs	KShs
CASH FLOWS FROM OPERATIONS				
Surplus for the year	76,644,809	115,335,978	84,156,875	120,725,798
Adjustments for:				
Capital expenditure	452,719,065	271,702,086	452,719,065	271,702,086
Depreciation of right of use asset	17,720,512	22,481,799	16,992,635	22,481,799
Depreciation of equipment	62,097	80,945	-	-
Gain on disposal of equipment	(5,617,173)	1,355,000	(5,617,173)	1,355,000
Amortisation of intangible assets	24,696	35,280	-	-
Change in fair value of biological assets	1,127,500	(355,000)	1,127,500	(355,000)
Interest income	(29,610,403)	(28,033,189)	(29,610,403)	(28,033,189)
Interest expense	101,282,261	110,150,144	101,282,261	110,150,144
Changes in operating assets and liabilities:				
Increase in inventories	(19,242,490)	(10,746,898)	(20,303,517)	(13,256,277)
Decrease/(increase) in trade and other receivables	85,923,513	(52,071,597)	88,328,887	(52,007,189)
Increase/(decrease) in trade and other payables	11,403,868	(4,026,037)	9,104,258	10,506,190
Cash flows from operating activities	692,438,255	425,908,511	698,180,388	443,269,362
Interest received	29,610,403	28,033,189	29,610,403	28,033,189
Net cash generated from operating activities	722,048,658	453,941,700	727,790,791	471,302,551
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(688,352,240)	(279,656,986)	(688,352,240)	(279,656,986)
Additions to work-in-progress	(32,570,662)	(138,651,124)	(32,570,662)	(138,651,124)
Additions to right of use	(199,028,376)	(13,042,100)	(195,146,368)	(13,042,100)
Purchase of intangible assets	-	(1,738,997)	-	(1,738,997)
Proceeds from disposal of property and equipment	30,121,000	176,355,000	30,121,000	176,355,000
Increase in due from related parties	-	-	(4,127,377)	(18,405,525)
Cash flows used in investing activities	(889,830,278)	(256,734,207)	(890,075,647)	(275,139,732)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceed /(repayment) in borrowings	83,364,016	(83,491,822)	83,364,016	(83,491,822)
(Decrease)/increase in funds	162,271,274	(7,161,538)	157,034,193	(6,339,048)
Payments of principal portion of the lease liability	(18,294,629)	(19,880,298)	(17,299,588)	(19,880,298)
Interest paid	(101,282,261)	(110,150,144)	(101,282,261)	(110,150,144)
Net cash movement in designated funds	51,208,747	205,641,690	51,208,747	205,641,690
Cash flows used in financing activities	177,267,147	(15,042,112)	173,025,107	(14,219,622)
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,485,527	182,165,381	10,740,251	181,943,197
Cash and cash equivalents at the beginning of the year	486,612,386	304,447,005	484,826,842	302,883,645
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note 20(b))	496,097,913	486,612,386	495,567,093	484,826,842

CHRIST IS THE ANSWER MINISTRIES (CITAM)**Notes to the Financial Statements**
for the year ended 31st December 2025**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 IFRS Accounting Standards issued by the International Accounting Standards Board. The financial statements are prepared under the historical cost convention, except for **investment property and biological assets which are measured at fair value**. 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 31st December 2025

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.2 New and revised financial reporting standards

i) New and revised standards

The following new and amended standards became effective for the first time for the financial year beginning 1 January 2025 and have been adopted by the Ministry: ***Amendments to IAS 1 Presentation of Financial Statements regarding classification of liabilities as current or non current***. The adoption of these amendments has not resulted in any material changes to the Ministry's accounting policies or financial statement amounts.

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

The Group and Ministry has not applied any of the new or revised Standards that have been published but are not yet effective for the year beginning 1st January 2025, 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 and expected impact.

1.3 Revenue recognition

The Group and 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 are recognised as revenue over the period in which the educational services are provided, in accordance with the academic term."

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 Group and 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 31st December 2025.... / (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 Ministry and its subsidiaries. All intergroup transactions, balances, income and expenses are eliminated on consolidation.

Consolidated financial statements for the year 31st December 2025 includes subsidiaries, Ark Properties Limited (100% owned by CITAM and incorporated in Nairobi, Kenya) and Aardwolf International Holdings Limited (100% owned by CITAM and incorporated in Tortola, BVI, with a branch in Kenya)

1.7 Property and equipment

Property 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 expensed to the relevant funds. For Internal management purposes, the Ministry maintains a Capital Fund to track assets purchased from General Fund and Designated Funds. Depreciation of the assets is reflected in both the assets and capital fund 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 over its estimated useful life based on the following rates:

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.

Disposal proceeds are recognized as revenue in the statement of comprehensive income. The cost of the asset and the accumulated depreciation are processed through the capital fund and the asset account.

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

CHRIST IS THE ANSWER MINISTRIES (CITAM)**Notes to the Financial Statements****for the year ended 31st December 2025.... / (Contd)****1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****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%.

1.9 Prepaid operating lease rentals

Payments to acquire leasehold interest in land are treated as prepaid operating lease rentals and are amortised 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.

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 capitalised as part of the cost of that asset.

CHRIST IS THE ANSWER MINISTRIES (CITAM)**Notes to the Financial Statements****for the year ended 31st December 2025... / (Contd)****1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****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 Group and 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.

Classification

The Group and 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 31st December 2025.... / (Contd)****1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****1.14 Financial instruments (Continued)****Impairment**

The Group and 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.

Management has reviewed the recoverability of the amounts due from subsidiaries. Ark Properties continues to generate profits and has a strong asset base (including land held for sale). Aardwolf is in a development phase and currently loss making, but its underlying assets are carried at fair value. Based on projected cash flows and the value of underlying collateral (where applicable), management believes no impairment is required as at 31 December 2025.

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 Group and 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 2025.... / (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

The Ministry holds a tax exemption certificate (KRAXM0286730925) valid for 5 years from 01/11/2024-01/11/2029. However, pursuant to the Income Tax (Charitable Organisations and Donations Exemption) Rules, 2024, certain profit-making activities do not qualify for tax exemption. The Ministry is in the process of separating its operations to ensure compliance. No tax provision has been made in these financial statements as management believes the exemption remains applicable for the period.

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 Group and 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 2025.... / (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, 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.

CHRIST IS THE ANSWER MINISTRIES (CITAM)**Notes to the Financial Statements****for the year ended 31st December 2025.... / (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. Key sources of estimation uncertainty include (i) the recoverability of the amounts due from subsidiaries (Note 17), which depends on future profitability and cash flows of those entities, (ii) the fair value of the investment property (Note 12), which is determined by external valuers using observable market data, (iii) the net realisable value of land held for sale (Note 18), which may be affected by property market conditions; and (iv) the measurement of expected credit losses for trade receivables (Note 19), which involves assumptions about future collections rates. 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 22.

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:-

- a) Provisions and contingencies
- b) The classification of financial assets and leases.
- c) Whether assets are impaired.
- d) whether credit risk on financial assets has increased significantly since initial recognition; and
- e) 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
Year ended 31st December 2025	51,285,195	73,848	416,816	51,775,859
Year ended 31st December 2024	100,810,180	724,498	127,736	101,662,415

Management considers that an appreciation of the United States Dollar, Romanian leu and Namibian Dollar against the Kenya Shilling of 1% and 1% respectively or a depreciation of the United States Dollar, Romanian leu and Namibian Dollar against the Kenya Shilling of 1% and 1% respectively in the year ending 31st December 2026 are both reasonably possible. If the United States Dollar, Romanian leu 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 517,759 (2024: KShs 1,016,624) respectively.

CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statements

for the year ended 31st December 2025.... / (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 2026 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 6,338,880 (2024: Kshs 5,505,239) 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 2026 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 3,590,293 (2024: Kshs 3,516,166) 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 21 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

	Less than one month KShs	Between 1-3 months KShs	Between 3-12 months KShs	Over 1 year KShs
31st December 2025				
Trade and other payables	636,587,784	-	-	-
Borrowings	7,354,771	14,709,542	66,192,938	545,630,708
Lease liabilities	1,403,059	4,209,177	11,224,472	17,679,479
	645,345,614	18,918,719	77,417,410	563,310,187
31st December 2024				
Trade and other payables	625,183,916	-	-	-
Borrowings	5,658,347	11,316,693	50,925,119	482,623,786
Lease liabilities	1,863,052	3,726,104	16,767,468	28,192,841
	632,705,315	15,042,797	67,692,587	510,816,627

CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statementsfor the year ended 31st December 2024.... / (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

	Less than one month KShs	Between 1-3 months KShs	Between 3-12 months KShs	Over 1 year KShs
31st December 2025				
Trade and other payables	389,769,589	-	-	-
Borrowings	7,354,771	14,709,542	66,192,939	545,630,708
Lease liabilities	1,315,993	3,947,979	10,527,943	17,457,962
	398,440,353	18,657,521	76,720,882	563,088,670
31st December 2024				
Trade and other payables	380,840,371	-	-	-
Borrowings	5,658,347	16,975,040	45,266,772	482,623,786
Lease liabilities	1,863,052	3,726,104	16,767,468	28,192,841
	388,361,770	20,701,144	62,034,240	510,816,627

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 Group and 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 Group and 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 Statements
for the year ended 31st December 2025.... / (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	
At 31st December 2025					
Deposits with financial institutions	5,959,855	-	-	-	5,959,855
Amounts due from related parties	1,341,344,064	-	-	-	1,341,344,064
Trade receivables	-	-	-	67,065,481	67,065,481
Other receivables	-	-	-	58,660,874	58,660,874
Deposits with financial ins	359,029,289	-	-	-	359,029,289
Cash at bank	137,068,624	-	-	-	137,068,624
Gross carrying amount	1,843,401,832	-	-	125,726,355	1,969,128,187
Loss allowance	-	-	-	(51,369,696)	(51,369,696)
Exposure to credit risk	1,843,401,832	-	-	74,356,659	1,917,758,491
At 31st December 2024					
Deposits with financial institutions	5,959,855	-	-	-	5,959,855
Amounts due from related parties	1,337,216,687	-	-	-	1,337,216,687
Trade receivables	-	-	-	59,297,108	59,297,108
Other receivables	-	-	-	11,200,833	11,200,833
Deposits with financial ins	351,616,570	-	-	-	351,616,570
Cash at bank	134,995,816	-	-	-	134,995,816
Gross carrying amount	1,829,788,928	-	-	70,497,941	1,900,286,869
Loss allowance	-	-	-	(49,102,585)	(49,102,585)
Exposure to credit risk	1,829,788,928	-	-	21,395,356	1,851,184,284

CHRIST IS THE ANSWER MINISTRIES (CITAM)
Notes to the Financial Statements
for the year ended 31st December 2025.... / (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

	12-month expected credit losses KShs	Lifetime expected credit losses (see note below)			Total KShs
		(a) KShs	(b) KShs	(c) KShs	
At 31st December 2025					
Deposits with financial institutions	5,959,855	-	-	-	5,959,855
Amount due from related party	1,341,344,064	-	-	-	1,341,344,064
Trade receivables	-	-	-	67,065,481	67,065,481
Other receivables	-	-	-	118,610,993	118,610,993
Deposits with banking institutions	359,029,289	-	-	-	359,029,289
Cash at bank	136,537,804	-	-	-	136,537,804
Gross carrying amount	1,842,871,012	-	-	185,676,474	2,028,547,486
Loss allowance	-	-	-	(51,369,696)	(51,369,696)
Exposure to credit risk	1,842,871,012	-	-	134,306,778	1,977,177,790
At 31st December 2024					
Deposits with financial institutions	5,959,855	-	-	-	5,959,855
Amount due from related party	1,337,216,687	-	-	-	1,337,216,687
Trade receivables	-	-	-	59,297,108	59,297,108
Other receivables	-	-	-	6,559,415	6,559,415
Deposits with banking institutions	484,826,842	-	-	-	484,826,842
Cash at bank	133,210,272	-	-	-	133,210,272
Gross carrying amount	1,961,213,656	-	-	65,856,523	2,027,070,179
Loss allowance	-	-	-	(49,102,585)	(49,102,585)
Exposure to credit risk	1,961,213,656	-	-	16,753,938	1,977,967,594

Financial assets for which the loss allowance has been measured at an amount equal to lifetime expected credit losses have been analysed above based on their credit risk ratings as follows:

- (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
- © 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 2025	3,241,083	4,718,269	38,756,123	20,350,006	67,065,481
At 31st December 2024	2,141,083	5,661,975	36,924,515	16,710,617	59,297,108

CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statements

for the year ended 31st December 2025.... / (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 2025.... / (Contd)

4. ASSEMBLIES INCOME AND EXPENDITURE	2025			2024		
	Income	Expenditure	Surplus/(Deficit	Income	Expenditure	Surplus/(Defi
	KShs	KShs) KShs	KShs	KShs	cit) KShs
CITAM Valley Road	395,746,638	(128,845,626)	266,901,012	403,688,766	(130,382,767)	273,305,999
CITAM Woodley	329,729,560	(86,403,382)	243,326,178	253,235,908	(74,874,517)	178,361,391
CITAM Karen	216,918,279	(89,550,678)	127,367,601	215,109,726	(84,540,669)	130,569,057
CITAM Thika Road	142,349,342	(79,438,888)	62,910,454	146,172,280	(72,082,546)	74,089,734
CITAM Buruburu	126,271,492	(86,775,874)	39,495,618	127,360,858	(84,531,298)	42,829,560
CITAM Ngong	106,109,783	(68,851,282)	37,258,501	104,414,668	(63,742,325)	40,672,343
CITAM Thika Town	68,835,865	(46,686,479)	22,149,386	67,433,669	(43,495,027)	23,938,642
CITAM Parklands	76,516,239	(54,958,962)	21,557,277	76,479,553	(46,738,302)	29,741,251
CITAM Kitengela	74,572,975	(45,660,483)	28,912,492	70,366,999	(42,707,261)	27,659,738
CITAM Athi River	65,009,771	(42,559,731)	22,450,040	63,752,473	(42,745,999)	21,006,474
CITAM Embakasi	67,065,176	(59,183,158)	7,882,018	66,840,498	(63,559,626)	3,280,872
CITAM Kiambu Road	82,484,464	(42,744,744)	39,739,720	70,530,939	(37,259,745)	33,271,194
CITAM Kikuyu	62,161,514	(50,930,795)	11,230,719	61,861,348	(43,034,305)	18,827,043
CITAM Rongai	61,120,329	(49,895,378)	11,224,951	51,247,581	(51,118,770)	128,811
CITAM Clay City	41,920,534	(37,500,632)	4,419,902	42,970,966	(32,581,505)	10,389,461
CITAM Nakuru	64,406,335	(63,542,858)	863,477	45,902,238	(44,409,592)	1,492,646
CITAM Eldoret	35,186,862	(34,086,852)	1,100,010	33,038,296	(32,619,445)	418,851
CITAM Kangundo Road	39,924,119	(38,517,831)	1,406,288	34,595,711	(33,597,621)	998,090
CITAM Nyeri	26,177,147	(27,840,765)	(1,663,618)	28,836,051	(26,274,967)	2,561,084
CITAM Kisumu	48,645,260	(47,540,916)	1,104,344	45,521,087	(46,157,042)	(635,955)
CITAM USA	45,173,574	(41,079,015)	4,094,559	31,735,566	(38,449,556)	(6,713,990)
CITAM Mombasa	30,844,644	(35,600,728)	(4,756,084)	30,209,589	(37,952,568)	(7,742,979)
CITAM Kakamega	11,518,687	(22,013,129)	(10,494,442)	9,202,204	(17,828,192)	(8,625,988)
CITAM Meru	22,448,824	(31,849,702)	(9,400,878)	21,320,047	(30,645,826)	(9,325,779)
CITAM Ruiru	48,022,905	(41,624,950)	6,397,955	33,607,252	(42,607,514)	(9,000,262)
CITAM Kisii	13,734,968	(26,778,591)	(13,043,623)	14,155,943	(24,048,116)	(9,892,173)
CITAM Syokimau	30,807,219	(37,138,603)	(6,331,384)	27,804,547	(33,796,279)	(5,991,732)
CITAM Embu	9,782,102	(20,411,898)	(10,629,796)	9,266,371	(19,625,632)	(10,359,261)
CITAM Naivasha	9,938,069	(20,414,267)	(10,476,198)	7,790,931	(19,288,490)	(11,497,559)
CITAM Machakos	13,164,688	(30,107,874)	(16,943,186)	11,226,130	(22,881,756)	(11,655,626)
CITAM Kapsabet	8,897,233	(23,094,480)	(14,197,247)	7,116,591	(19,657,597)	(12,541,006)
CITAM Romania	6,404,446	(26,055,873)	(19,651,427)	6,487,732	(19,499,602)	(13,011,870)
CITAM Kericho	6,482,282	(20,284,081)	(13,801,799)	5,759,612	(27,217,806)	(21,458,194)
CITAM Fellowships	720,505	(23,228,910)	(22,508,405)	-	-	-
Regional Secretariat	-	(9,557,956)	(9,557,956)	-	(8,048,158)	(8,048,158)
Head Office and CED	335,783,737	(391,669,543)	(55,885,806)	186,883,349	(355,549,447)	(168,666,098)
	2,724,875,567	(1,982,424,915)	742,450,652	2,411,925,479	(1,813,549,868)	598,375,611

(i) Head office income is inclusive of KShs 74m being proceeds from sale of Kisumu land and KShs 60.5m donations of land to the Ministry.

(ii) Head office expenses are net of inter-sales

CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statements

for the year ended 31st December 2025.... / (Contd)

5. PROJECTS INCOME AND EXPENDITURE	2025					2024				
	Income KShs	Expenditure KShs	Surplus /(deficit) KShs	inter-unit sales elimination KShs	Surplus /(deficit) KShs	Income KShs	Expenditure KShs	Surplus /(deficit) KShs	inter-unit sales elimination KShs	Surplus /(deficit) KShs
CITAM Schools Woodley	232,075,932	(146,825,146)	85,250,786	-	85,250,786	203,322,531	(124,520,007)	78,802,524	-	78,802,524
CITAM Schools Ngong	99,544,599	(73,506,285)	26,038,314	-	26,038,314	96,228,075	(64,216,470)	32,009,605	-	32,009,605
CITAM Schools Buruburu Primary	76,796,995	(67,073,567)	9,723,428	-	9,723,428	69,069,410	(62,655,127)	6,414,283	-	6,414,283
CITAM Schools Kisumu	45,095,596	(50,074,767)	(4,979,171)	-	(4,979,171)	48,704,907	(51,912,322)	(3,207,415)	-	(3,207,415)
CITAM Schools Nakuru	42,137,578	(53,803,332)	(11,665,754)	898,600	(12,564,354)	37,936,173	(47,258,661)	(9,322,488)	238,000	(9,560,488)
CITAM Schools Athi River	53,480,319	(48,474,045)	5,006,274	593,008	4,413,266	47,669,002	(39,420,211)	8,248,791	1,006,000	7,242,791
CITAM Schools Eldoret	41,244,593	(46,783,144)	(5,538,551)	127,500	(5,666,051)	33,802,624	(41,226,644)	(7,424,020)	49,134	(7,473,154)
CITAM Schools-Clay city	25,155,404	(23,899,511)	1,255,893	637,000	618,893	26,843,077	(23,283,231)	3,559,846	7,753,564	(4,193,718)
CITAM Schools Rongai	24,588,852	(21,037,002)	3,551,850	1,712,818	1,839,032	20,655,361	(18,396,418)	2,258,943	4,701,490	(2,442,547)
CITAM Schools Thika Town	14,786,428	(15,726,398)	(939,970)	1,110,200	(2,050,170)	8,294,907	(11,724,191)	(3,429,284)	4,565,282	(7,994,566)
CITAM Schools Kitengela	16,655,484	(16,263,657)	391,827	880,000	(488,173)	11,974,817	(13,077,537)	(1,102,720)	5,804,271	(6,906,991)
CITAM Schools Kiserian	14,757,350	(27,936,328)	(13,178,978)	347,750	(13,526,728)	13,400,725	(20,996,458)	(7,595,733)	6,298,100	(13,893,833)
	686,319,130	(591,403,182)	94,915,948	6,306,876	88,609,072	617,899,609	(518,687,277)	99,212,332	30,415,841	68,796,491
CITAM Schools Woodley Transport	29,596,538	(21,399,407)	8,197,131	3,452,300	4,744,831	29,564,081	(19,953,448)	9,610,633	5,666,401	3,944,232
CITAM Schools Ngong Transport	24,634,080	(20,581,579)	4,052,501	6,733,000	(2,680,499)	20,253,750	(20,727,290)	(473,540)	5,749,700	(6,223,240)
CITAM Schools Buruburu Transport	12,709,598	(15,764,899)	(3,055,301)	3,316,951	(6,372,252)	13,110,166	(16,112,991)	(3,002,825)	3,547,600	(6,550,425)
CITAM Schools Kisumu Transport	10,545,567	(10,239,139)	306,428	527,000	(220,572)	8,736,931	(9,703,892)	(966,961)	162,200	(1,129,161)
	77,485,783	(67,985,024)	9,500,759	14,029,251	(4,528,492)	71,664,928	(66,497,621)	5,167,307	15,125,901	(9,958,594)
CITAM Woodley Catering	57,200,998	(41,796,708)	15,404,290	16,702,160	(1,297,870)	52,453,842	(34,628,126)	17,825,716	11,860,360	5,965,356
CITAM Valley Road Catering	63,668,150	(55,317,895)	8,350,255	38,902,746	(30,552,491)	57,948,750	(51,825,949)	6,122,801	36,282,234	(30,159,433)
CITAM Buruburu Catering	49,715,049	(42,262,633)	7,452,416	24,346,495	(16,894,079)	42,036,401	(31,755,644)	10,280,757	17,932,011	(7,651,254)
CITAM Ngong Catering	39,582,631	(24,760,438)	14,822,193	13,409,841	1,412,352	36,950,355	(22,592,518)	14,357,837	11,676,230	2,681,607
CITAM Parklands Catering	28,870,022	(26,412,761)	2,457,261	24,648,648	(22,191,387)	24,687,594	(24,503,229)	184,365	21,594,321	(21,409,956)
CITAM Athiriver Catering	22,621,832	(19,075,050)	3,546,782	9,207,595	(5,660,813)	24,235,272	(19,043,088)	5,192,184	12,408,977	(7,216,793)
CITAM Kisumu Catering	18,296,045	(17,895,426)	400,619	4,518,320	(4,117,701)	20,418,081	(16,229,539)	4,188,542	3,210,785	977,757
CITAM Nakuru Catering	20,573,941	(19,430,064)	1,143,877	8,008,520	(6,864,643)	17,123,390	(15,548,618)	1,574,772	5,271,133	(3,696,361)
CITAM Eldoret Catering	18,912,881	(15,792,550)	3,120,331	4,272,000	(1,151,869)	15,761,093	(13,719,135)	2,041,958	2,569,590	(527,632)
	319,441,349	(262,743,525)	56,697,824	144,016,325	(87,318,501)	291,614,778	(229,845,846)	61,768,932	122,805,641	(61,036,709)
CITAM Kadolta Resort	60,421,962	(55,629,268)	4,792,694	36,928,539	(32,135,845)	48,952,238	(50,950,302)	(1,998,064)	31,888,746	(33,886,810)
CITAM Hope Recording Studio	1,616,490	(4,630,242)	(3,013,752)	103,000	(3,116,752)	1,761,227	(6,209,865)	(4,448,638)	325,000	(4,773,638)
CITAM Outfitters	44,927,736	(36,984,859)	7,942,877	2,180,511	5,762,366	43,610,446	(37,494,844)	6,115,602	1,327,820	4,787,782
CITAM Creative Department	22,221,794	(22,951,873)	(730,079)	21,310,615	(22,040,694)	19,884,381	(24,794,382)	(4,910,001)	19,437,153	(24,347,154)
CITAM Business Park	11,494,723	(3,893,246)	7,601,477	-	7,601,477	12,064,534	(4,272,863)	7,791,671	-	7,791,671
CITAM Carpentry	9,703,751	(8,712,156)	991,595	9,703,751	(8,712,156)	5,133,523	(4,937,987)	195,536	5,133,523	(4,937,987)
CITAM Farm	2,915,317	(5,174,252)	(2,258,935)	1,890,740	(4,149,675)	3,503,615	(5,794,927)	(2,291,312)	2,095,939	(4,387,251)
CITAM Water bottling plant	5,613,700	(8,117,357)	(2,503,657)	5,744,419	(8,248,076)	5,203,197	(7,080,665)	(1,877,468)	5,203,197	(7,080,665)
CITAM Events	6,255,284	(3,068,176)	3,187,108	5,926,031	(2,738,923)	-	-	-	-	-
	165,170,757	(149,161,429)	16,009,328	83,787,606	(67,778,278)	140,113,161	(141,535,835)	(1,422,674)	65,411,378	(66,834,052)
	1,248,417,019	(1,071,293,160)	177,123,859	248,140,058	(71,016,199)	1,121,292,476	(956,566,579)	164,725,897	233,758,761	(69,032,864)
i)The 'Inter-unit sales elimination' column represents transactions between project units and other parts of the Ministry (e.g., catering services provided to schools), which are eliminated on consolidation to avoid double counting.										
Ark PropertiesInvestment Limited	2,891,500	(9,849,097)	(6,957,597)	-	(6,957,597)	5,970,700	(8,288,780)	(2,318,080)	-	(2,318,080)
Aardwolf Holdings Limited	2,452,717	(3,007,186)	(554,469)	-	(554,469)	698,096	(3,769,836)	(3,071,740)	-	(3,071,740)
	5,344,217	(12,856,283)	(7,512,066)	-	(7,512,066)	6,668,796	(12,058,616)	(5,389,820)	-	(5,389,820)
Consolidated Totals	1,253,761,236	(1,084,149,443)	169,611,793	248,140,058	(78,528,265)	1,127,961,272	(968,625,195)	159,336,077	233,758,761	(74,422,684)

a) Breakdown of the projects expenses

Cost of sales	245,238,817	227,697,695
Staff costs	511,598,953	469,749,629
Administrative costs	327,311,673	271,177,871
	1,084,149,443	968,625,195

6. SPECIAL OUTREACH INCOME AND EXPENDITURE	2025					2024				
	Income Kshs	Expenditure Kshs	Surplus/(deficit) Kshs	inter-unit sales elimination Kshs	Surplus/(deficit) Kshs	Income Kshs	Expenditure Kshs	Surplus/(deficit) Kshs	inter-unit sales elimination Kshs	Surplus/(deficit) Kshs
Hope TV	9,806,952	(37,817,697)	(28,010,745)	6,569,138	(34,579,883)	25,982,119	(45,432,474)	(19,450,355)	24,020,000	(43,470,355)
Hope FM	29,417,262	(98,272,771)	(68,855,509)	3,233,084	(72,088,593)	49,036,725	(88,494,513)	(39,457,788)	20,069,481	(59,527,269)
ERDO Project	21,702,626	(21,702,626)	-	-	-	25,515,197	(25,515,197)	-	-	-
Social Action and Advocacy	8,923,693	(8,923,693)	-	-	-	10,789,909	(10,789,909)	-	-	-
Compassion International Kenya	16,476,957	(16,476,957)	-	-	-	18,082,404	(18,082,404)	-	-	-
Missions creative Arts	-	-	-	-	-	11,234,311	(11,234,311)	-	-	-
CITAM Children Centre Kiserian	1,385,321	(29,275,358)	(27,890,037)	-	(27,890,037)	458,808	(34,376,046)	(33,917,238)	-	(33,917,238)
	87,712,811	(212,469,102)	(124,756,291)	9,802,222	(134,558,513)	141,099,473	(233,924,854)	(92,825,381)	44,089,481	(136,914,862)

i) HGHF renamed Missions creative Arts has been classified under CITAM Missions department.

ii) The Inter-unit sales elimination column represents transactions between project units and other parts of the Ministry (e.g., catering services provided to schools), which are eliminated on consolidation to avoid double counting.

a) Breakdown of the outreach expenses

Staff costs	100,969,310	114,754,191
Administrative costs	77,653,131	74,170,017
Ministry expenses	33,846,660	45,000,645
	212,469,101	233,924,853

CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statements

for the year ended 31st December 2025.... / (Contd)

7. REGIONAL INCOME STATEMENTS	2025			2024		
	Income	Expenditure	Surplus/(deficit)	Income	Expenditure	Surplus/(deficit)
	KShs	KShs	KShs	KShs	KShs	KShs
(a) NORTHERN REGION						
CITAM Head Office	165,691,982	(121,054,595)	44,637,387	95,110,172	(97,481,082)	(2,370,910)
Regional Office	-	(3,538,519)	(3,538,519)	-	(2,253,503)	(2,253,503)
CITAM Valley Road	395,746,638	(128,845,626)	266,901,012	403,688,766	(130,382,767)	273,305,999
CITAM Woodley	329,729,560	(86,403,382)	243,326,178	253,235,908	(74,874,517)	178,361,391
CITAM Thika Road	142,349,342	(79,438,888)	62,910,454	146,172,280	(72,082,546)	74,089,734
CITAM Thika Town	68,835,865	(46,686,479)	22,149,386	67,433,669	(43,495,027)	23,938,642
CITAM Parklands	76,516,239	(54,958,962)	21,557,277	76,479,553	(46,738,302)	29,741,251
CITAM Kiambu Road	82,484,464	(42,744,744)	39,739,720	70,530,939	(37,259,745)	33,271,194
CITAM Kikuyu	62,161,514	(50,930,795)	11,230,719	61,861,348	(43,034,305)	18,827,043
CITAM Clay City	41,920,534	(37,500,632)	4,419,902	42,970,966	(32,581,505)	10,389,461
CITAM Nyeri	26,177,147	(27,840,765)	(1,663,618)	28,836,051	(26,274,967)	2,561,084
CITAM Meru	22,448,824	(31,849,702)	(9,400,878)	21,320,047	(30,645,826)	(9,325,779)
CITAM Ruiru	48,022,905	(41,624,950)	6,397,955	33,607,252	(42,607,514)	(9,000,262)
CITAM Embu	9,782,102	(20,411,898)	(10,629,796)	9,266,371	(19,625,632)	(10,359,261)
CITAM Fellowship	-	(5,956,801)	(5,956,801)	-	-	-
	1,471,867,116	(779,786,738)	692,080,377	1,310,513,322	(699,337,238)	611,176,084

The 'Head Office' and 'Regional Office' lines represent central ministry income and costs allocated to this region for management reporting purposes and do not represent separate assemblies

(b) SOUTHERN REGION	2025			2024		
	Income	Expenditure	Surplus/(deficit)	Income	Expenditure	Surplus/(deficit)
	KShs	KShs	KShs	KShs	KShs	KShs
CITAM Head Office	104,136,539	(97,500,257)	6,636,282	62,832,398	(91,233,528)	(28,401,130)
Regional Office	-	(3,469,523)	(3,469,523)	-	(3,896,930)	(3,896,930)
CITAM Karen	216,918,279	(89,550,678)	127,367,601	215,109,726	(84,540,669)	130,569,057
CITAM Buruburu	126,271,492	(86,775,874)	39,495,618	127,360,858	(84,531,298)	42,829,560
CITAM Ngong	106,109,783	(68,851,282)	37,258,501	104,414,668	(63,742,325)	40,672,343
CITAM Kitengela	74,572,975	(45,660,483)	28,912,492	70,366,999	(42,707,261)	27,659,738
CITAM Athi River	65,009,771	(42,559,731)	22,450,040	63,752,473	(42,745,999)	21,006,474
CITAM Embakasi	67,065,176	(59,183,158)	7,882,018	66,840,498	(63,559,626)	3,280,872
CITAM Rongai	61,120,329	(49,895,378)	11,224,951	51,247,581	(51,118,770)	128,811
CITAM Kangundo Road	39,924,119	(38,517,831)	1,406,288	34,595,711	(33,597,621)	998,090
CITAM Mombasa	30,844,644	(35,600,728)	(4,756,084)	30,209,589	(37,952,568)	(7,742,979)
CITAM Machakos	13,164,688	(30,107,874)	(16,943,186)	11,226,130	(22,881,756)	(11,655,626)
CITAM Syokimau	30,807,219	(37,138,603)	(6,331,384)	27,804,547	(33,796,279)	(5,991,732)
CITAM Fellowships	720,505	(5,790,119)	(5,069,614)	-	-	-
	936,665,519	(690,601,519)	246,064,000	865,761,178	(656,304,630)	209,456,548

The 'Head Office' and 'Regional Office' lines represent central ministry income and costs allocated to this region for management reporting purposes and do not represent separate assemblies

CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statements

for the year ended 31st December 2025.... / (Contd)

7. REGIONAL INCOME STATEMENTS (CONTINUED)	2025			2024		
	Income KShs	Expenditure KShs	Surplus/(deficit) KShs	Income KShs	Expenditure KShs	Surplus/(deficit) KShs
c) WESTERN REGION						
CITAM Head Office	24,854,229	(49,647,820)	(24,793,591)	13,184,776	(37,591,875)	(24,407,099)
Regional Office	-	(2,549,914)	(2,549,914)	-	(1,898,094)	(1,898,094)
CITAM Kisumu	48,645,260	(47,540,916)	1,104,344	45,521,087	(46,157,042)	(635,955)
CITAM Nakuru	64,406,335	(63,542,858)	863,477	45,902,238	(44,409,592)	1,492,646
CITAM Eldoret	35,186,862	(34,086,852)	1,100,010	33,038,296	(32,619,445)	418,851
CITAM Kisii	13,734,968	(26,778,591)	(13,043,623)	14,155,943	(24,048,116)	(9,892,173)
CITAM Kapsabet	8,897,233	(23,094,480)	(14,197,247)	7,116,591	(19,657,597)	(12,541,006)
CITAM Naivasha	9,938,069	(20,414,267)	(10,476,198)	7,790,931	(19,288,490)	(11,497,559)
CITAM Kakamega	11,518,687	(22,013,129)	(10,494,442)	9,202,204	(17,828,192)	(8,625,988)
CITAM Kericho	6,482,282	(20,284,081)	(13,801,799)	5,759,612	(27,217,806)	(21,458,194)
CITAM Fellowships	-	(8,484,052)	(8,484,052)	-	-	-
	223,663,925	(318,436,961)	(94,773,035)	181,671,678	(270,716,249)	(89,044,571)

The 'Head Office' and 'Regional Office' lines represent central ministry income and costs allocated to this region for management reporting purposes and do not represent separate assemblies

(d) INTERNATIONAL ASSEMBLIES

CITAM Head Office	6,448,035	(12,523,124)	(6,075,088)	2,991,126	(9,421,150)	(6,430,024)
CITAM USA	45,173,574	(41,079,015)	4,094,559	31,735,566	(38,449,556)	(6,713,990)
CITAM Romania	6,404,446	(26,055,873)	(19,651,427)	6,487,732	(19,499,602)	(13,011,870)
	58,026,055	(79,658,012)	(21,631,956)	41,214,424	(67,370,308)	(26,155,884)

The 'Head Office' and 'Regional Office' lines represent central ministry income and costs allocated to this region for management reporting purposes and do not represent separate assemblies

8. CAPITAL EXPENDITURE

	2025 KShs	2024 KShs
Furniture and equipment	155,317,658	86,489,933
Construction work-in-progress	32,570,662	138,651,124
Land and buildings	152,819,093	22,779,704
Tents	18,654,881	9,719,669
Computers	18,194,464	14,910,054
Freehold land	309,509,510	115,550,190
Motor vehicles	31,694,634	27,383,800
Right of use assets additions	195,146,368	13,042,100
Computer software/LAN	-	1,738,997
Boreholes	2,162,000	2,823,636
Biological assets	196,500	326,000
	916,265,770	433,415,207
Less capital expenditure funded by CITAM missions fund	(5,881,231)	(30,127,731)
Less capital expenditure funded by Local Assembly Development Fund (LADF)	(30,276,051)	(21,744,570)
Less capital expenditure funded by Reserve fund	-	(13,042,100)
Less capital expenditure funded by designated fund	(97,323,606)	(27,171,149)
Less capital expenditure funded by TIG fund	(164,138,167)	(69,627,571)
Less capital expenditure funded by Loan	(165,927,650)	-
	452,719,065	271,702,086

CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statements

for the year ended 31st December 2025... (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
COST OR VALUATION									
At 1 January 2024	2,838,327,459	4,007,021,788	24,261,426	355,885,850	284,287,561	469,907,827	116,876,355	154,889,582	8,251,457,848
Additions	115,550,190	22,779,704	2,823,636	27,383,800	21,775,827	64,714,106	14,910,054	9,719,669	279,656,986
Disposals	(175,000,000)	-	-	(1,460,000)	-	-	(245,000)	-	(176,705,000)
At 31st December 2024	2,778,877,649	4,029,801,492	27,085,062	381,809,650	306,063,388	534,621,933	131,541,409	164,609,251	8,354,409,834
DEPRECIATION									
At 1 January 2024	-	99,528,026	-	88,971,463	42,752,908	70,570,385	35,245,331	23,233,437	360,301,550
Charge for the year	-	100,097,518	-	95,452,412	45,872,804	80,161,531	39,362,862	24,691,388	385,638,515
Disposal	-	-	-	(365,000)	-	-	(73,500)	-	(438,500)
At 31st December 2024	-	199,625,544	-	184,058,875	88,625,712	150,731,916	74,534,693	47,924,825	745,501,565
NET BOOK VALUE									
At 31 DECEMBER 2024	2,778,877,649	3,830,175,948	27,085,062	197,750,775	217,437,676	383,890,017	57,006,716	116,684,426	7,608,908,269
COST OR VALUATION									
At 1 January 2025	2,778,877,649	4,029,801,492	27,085,062	381,809,650	306,063,388	534,621,933	131,541,409	164,609,251	8,354,409,834
Additions	309,509,510	152,819,093	2,162,000	31,694,634	38,484,442	116,833,216	18,194,464	18,654,881	688,352,240
Transfers from work-in-progress	-	175,131,466	-	-	-	-	-	-	175,131,466
Revaluation surplus	9,000,000	11,100,000	-	-	-	-	-	-	20,100,000
Disposals	-	-	-	(880,000)	-	-	-	(5,600,000)	(6,480,000)
At 31st December 2025	3,097,387,159	4,368,852,051	29,247,062	412,624,284	344,547,830	651,455,149	149,735,873	177,664,132	9,231,513,540
DEPRECIATION									
At 1 January 2025	-	199,625,544	-	184,058,875	88,625,712	150,731,916	74,534,693	47,924,825	745,501,565
Charge for the year	-	108,573,782	-	103,156,071	51,652,033	97,676,068	44,806,237	26,649,620	432,513,811
Disposal	-	-	-	(550,000)	-	-	-	(2,100,000)	(2,650,000)
At 31st December 2025	-	308,199,326	-	286,664,946	140,277,745	248,407,984	119,340,930	72,474,445	1,175,365,376
NET BOOK VALUE									
At 31 DECEMBER 2025	3,097,387,159	4,060,652,725	29,247,062	125,959,338	204,270,085	403,047,165	30,394,943	105,189,687	8,056,148,164

(i) The Ministry performs revaluations with sufficient regularity to ensure that the carrying amount does not differ materially from fair value. Except for CITAM Kisii land which was revalued in December 2025, the most recent revaluation for the other assets was performed by Icon Valuers Limited in December 2023. Management has assessed that there has been no material change in fair values as at 31 December 2025."

(ii) Freehold land includes donated lands valued at Kshs 17,760,000 whose transfer of ownership is in process and on the finalization stages, as at the year end.

CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statements

for the year ended 31st December 2025..../(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
COST OR VALUATION									
At 1 January 2024	2,117,740,000	3,981,121,022	24,261,426	355,885,850	283,969,561	469,683,827	116,378,210	154,889,582	7,503,929,478
Additions	115,550,190	22,779,704	2,823,636	27,383,800	21,775,827	64,714,106	14,910,054	9,719,669	279,656,986
Disposals	(175,000,000)	-	-	(1,460,000)	-	-	(245,000)	-	(176,705,000)
At 31st December 2024	2,058,290,190	4,003,900,726	27,085,062	381,809,650	305,745,388	534,397,933	131,043,264	164,609,251	7,606,881,464
DEPRECIATION									
At 1 January 2024	-	99,528,026	-	88,971,463	42,595,434	70,434,349	34,913,463	23,233,437	359,676,172
Charge for the year	-	100,097,518	-	95,452,412	45,861,808	80,141,465	39,312,979	24,691,388	385,557,570
Disposals	-	-	-	(365,000)	-	-	(73,500)	-	(438,500)
At 31st December 2024	-	199,625,544	-	184,058,875	88,457,242	150,575,814	74,152,942	47,924,825	744,795,242
NET BOOK VALUE									
At 31 DECEMBER 2024	2,058,290,190	3,804,275,182	27,085,062	197,750,775	217,288,146	383,822,119	56,890,322	116,684,426	6,862,086,222
COST OR VALUATION									
At 1 January 2025	2,058,290,190	4,003,900,726	27,085,062	381,809,650	305,745,388	534,397,933	131,043,264	164,609,251	7,606,881,464
Additions	309,509,510	152,819,093	2,162,000	31,694,634	38,484,442	116,833,216	18,194,464	18,654,881	688,352,240
Transfers from work-in-progress	-	175,131,466	-	-	-	-	-	-	175,131,466
Revaluation surplus	9,000,000	11,100,000	-	-	-	-	-	-	20,100,000
Disposals	-	-	-	(880,000)	-	-	-	(5,600,000)	(6,480,000)
At 31st December 2025	2,376,799,700	4,342,951,285	29,247,062	412,624,284	344,229,830	651,231,149	149,237,728	177,664,132	8,483,985,170
DEPRECIATION									
At 1 January 2025	-	199,625,544	-	184,058,875	88,457,242	150,575,814	74,152,942	47,924,825	744,795,242
Charge for the year	-	108,573,782	-	103,156,071	51,634,475	97,666,447	44,771,319	26,649,620	432,451,714
Disposals	-	-	-	(550,000)	-	-	-	(2,100,000)	(2,650,000)
At 31st December 2025	-	308,199,326	-	286,664,946	140,091,717	248,242,261	118,924,261	72,474,445	1,174,596,956
NET BOOK VALUE									
At 31 DECEMBER 2025	2,376,799,700	4,034,751,959	29,247,062	125,959,338	204,138,113	402,988,888	30,313,467	105,189,687	7,309,388,214

(i) The Ministry performs revaluations with sufficient regularity to ensure that the carrying amount does not differ materially from fair value. Except for CITAM Kisii land which was revalued in December 2025, the most recent revaluation for the other assets was performed by Icon Valuers Limited in December 2023. Management has assessed that there has been no material change in fair values as at 31 December 2025."

(ii) Freehold land includes donated lands valued at Kshs 17,760,000 whose transfer of ownership is in process and on the finalization stages, as at the year end.

CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statementsfor the year ended 31st December 2025.... / (Contd)

10. RIGHT OF USE ASSETS - GROUP	<u>2025</u> KShs	<u>2024</u> KShs
Group		
At 1 January	8,037,609,757	7,992,018,525
Additions	199,028,376	45,591,232
Disposals	(76,000,000)	-
	<u>8,160,638,133</u>	<u>8,037,609,757</u>
AMORTIZATION		
At 1 January	1,247,554,476	1,035,379,734
Charge for the year	226,223,884	212,174,742
Accumulated amortization on disposal	(10,926,173)	-
	<u>1,462,852,187</u>	<u>1,247,554,476</u>
NET BOOK VALUE		
At 31 DECEMBER	<u>6,697,785,946</u>	<u>6,790,055,281</u>
RIGHT OF USE ASSETS - CITAM	<u>2025</u> KShs	<u>2024</u> KShs
At 1 January	8,037,609,757	7,992,018,525
Additions	195,146,368	45,591,232
Disposals	(76,000,000)	-
	<u>8,156,756,125</u>	<u>8,037,609,757</u>
AMORTIZATION		
At 1 January	1,247,554,476	1,035,379,734
Charge for the year	223,312,377	212,174,742
Accumulated amortization on disposal	(10,926,173)	-
	<u>1,459,940,680</u>	<u>1,247,554,476</u>
NET BOOK VALUE		
At 31 DECEMBER	<u>6,696,815,445</u>	<u>6,790,055,281</u>

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.

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 right of use assets and carried at cost less amortization over the lease period.

11. BIOLOGICAL ASSETS	<u>Cattle</u> KShs	<u>Sheep, Goats & Rabbits</u> KShs	<u>2025</u> KShs	<u>2024</u> KShs
Group and Ministry				
Carrying amount at 1 January	3,030,000	71,000	3,101,000	2,746,000
Increase due to growth and new births	185,000	11,500	196,500	326,000
Fair value	(870,000)	74,000	(796,000)	313,000
Decrease due to deaths and sales during the year	(510,000)	(18,000)	(528,000)	(284,000)
Carrying amount at 31st December	<u>1,835,000</u>	<u>138,500</u>	<u>1,973,500</u>	<u>3,101,000</u>

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

The Ministry had a total of 27 cows (2024 - 28), 5 sheep (2024- 4 and 6 goats (2024 - 8) during the year. Fair value of the biological assets was determined by using market values of comparable livestock in the market.

CHRIST IS THE ANSWER MINISTRIES (CITAM)**Notes to the Financial Statements****for the year ended 31st December 2025.... / (Contd)**

12. INVESTMENT PROPERTY	<u>2025</u>	<u>2024</u>
Group and Ministry	KShs	KShs
COST		
At start and end of year	487,700,000	487,700,000
Fair value loss	(4,300,000)	-
At start and end of year	<u>483,400,000</u>	<u>487,700,000</u>

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 2025. Based on the Deacon Board assessment, fair value as at 31st December 2025, approximates the carrying value in the financial statements.

13. WORK-IN-PROGRESS	<u>Balance at</u>	<u>Additions</u>	<u>Transfers</u>	<u>Balance at</u>
Group and Ministry	<u>01.01.2025</u>	KShs	KShs	<u>31.12.2025</u>
	KShs	KShs	KShs	KShs
CITAM Nakuru	925,102	1,706,013	925,102	1,706,013
CITAM Kiserian	-	4,114,918	-	4,114,918
CITAM Woodley	248,379	-	248,379	-
CITAM Buruburu	167,739,482	-	167,739,482	-
CITAM Karen	-	863,016	-	863,016
CITAM Athi River	1,071,710	8,385,236	1,071,710	8,385,236
CITAM Eldoret	762,798	3,051,821	762,798	3,051,821
CITAM Clay City	-	5,003,865	-	5,003,865
CITAM Kericho	-	4,114,918	-	4,114,918
CITAM Ngong	447,756	1,264,551	447,756	1,264,551
CITAM Embakasi	1,028,681	-	1,028,681	-
CITAM machakos	2,353,856	-	2,353,856	-
CITAM Kikuyu	-	1,317,553	-	1,317,553
CITAM Kangundo Rd	-	400,003	-	400,003
CITAM Syokimau	-	399,999	-	399,999
CITAM Missions	553,703	-	553,703	-
CITAM Head Office	4,775,461	1,948,769	4,775,461	1,948,769
	<u>179,906,928</u>	<u>32,570,662</u>	<u>179,906,928</u>	<u>32,570,662</u>

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

14. INTANGIBLE ASSETS - GROUP	<u>2025</u>	<u>2024</u>
COST	KShs	KShs
At 1 January	136,144,719	134,405,722
Additions	-	1,738,997
Transfer from WIP	4,775,461	-
	<u>140,920,180</u>	<u>136,144,719</u>
AMORTIZATION		
At 1 January	114,348,799	96,808,855
Charge for the year	16,901,967	17,539,944
	<u>131,250,766</u>	<u>114,348,799</u>
NET BOOK VALUE		
At 31 DECEMBER	<u>9,669,414</u>	<u>21,795,920</u>

CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statementsfor the year ended 31st December 2025.... / (Contd)

14. INTANGIBLE ASSETS - CITAM	<u>2025</u> KShs	<u>2024</u> KShs
COST		
At 1 January	135,844,719	134,105,722
Additions	-	1,738,997
Transfer from WIP	4,775,461	-
	<u>140,620,180</u>	<u>135,844,719</u>
AMORTIZATION		
At 1 January	114,131,119	96,626,455
Charge for the year	16,877,271	17,504,664
	<u>131,008,390</u>	<u>114,131,119</u>
NET BOOK VALUE		
At 31 DECEMBER	<u>9,611,790</u>	<u>21,713,600</u>

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

15. LONG-TERM INVESTMENTS -GROUP AND CITAM	<u>2025</u> KShs	<u>2024</u> KShs
(a) Financial assets carried at amortized cost	<u>5,959,855</u>	<u>5,959,855</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%.

16. INVESTMENT IN SUBSIDIARIES

Ark Properties and Investments Limited	100,000	100,000
Aardwolf International Holdings Limited	7,850,000	7,850,000
	<u>7,950,000</u>	<u>7,950,000</u>

* Ark Properties & Investments Limited and Aardwolf International Holdings Limited are 100% owned by CITAM.

17. DUE FROM SUBSIDIARIES

	<u>2025</u> KShs	<u>2024</u> KShs
Ark Properties and Investments Limited (16(a))	590,862,989	586,875,277
Aardwolf International Holdings Limited (16(b))	742,631,075	742,491,410
	<u>1,333,494,064</u>	<u>1,329,366,687</u>
a) Ark Properties Investments Limited		
At 1 January	586,875,277	572,322,937
Increase during the year	3,987,712	14,552,340
	<u>590,862,989</u>	<u>586,875,277</u>
b) Aardwolf International Holdings Limited		
At 1 January	742,491,410	738,638,225
Increase during the year	139,665	3,853,185
	<u>742,631,075</u>	<u>742,491,410</u>

The amounts due from subsidiaries represent loans advanced by CITAM to provide working capital and fund property acquisitions. The increase during the year represents additional working capital support (KShs 0.14M to Aardwolf) and (KShs 4M to Ark Properties)

CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statements

for the year ended 31st December 2025.... / (Contd)

	<u>GROUP</u> <u>2025</u> <u>KShs</u>	<u>GROUP</u> <u>2024</u> <u>KShs</u>	<u>CITAM</u> <u>2025</u> <u>KShs</u>	<u>CITAM</u> <u>2024</u> <u>KShs</u>
18. INVENTORIES				
Safari books	17,470,428	15,386,284	17,470,428	15,386,284
Outfitters	37,821,170	40,677,355	37,821,170	40,677,355
Land held for sale	720,812,882	721,873,909	-	-
Consumables	36,653,421	14,300,849	36,653,421	14,300,849
Together in Generosity Merchandise	447,012	1,724,026	447,012	1,724,026
Less: Provision for slow moving inventories	(7,332,005)	(7,332,005)	(7,332,005)	(7,332,005)
	805,872,908	786,630,418	85,060,026	64,756,509

* Land held for sale of KES 720.8M (2024: KES 721.9M) relates to property held by the subsidiary Ark Properties & Investments Limited for development and resale in the ordinary course of its business.

	<u>2025</u> <u>KShs</u>	<u>2024</u> <u>KShs</u>	<u>2025</u> <u>KShs</u>	<u>2024</u> <u>KShs</u>
19. TRADE AND OTHER RECEIVABLES				
School fees debtors	40,724,761	33,949,767	40,724,761	33,949,767
CITAM Hope Media debtors	26,340,720	25,347,341	26,340,720	25,347,341
	67,065,481	59,297,108	67,065,481	59,297,108
Provision for impairment	(51,369,696)	(49,102,585)	(51,369,696)	(49,102,585)
Net trade and other receivables	15,695,785	10,194,523	15,695,785	10,194,523
Staff debtors	4,137,278	3,505,011	4,137,278	3,505,011
Other receivables	53,792,889	6,559,415	50,981,815	6,559,415
Prepayments and deposits	64,222,607	203,513,123	63,491,900	202,376,716
	137,848,559	223,772,072	134,306,778	222,635,665

20. CASH AND CASH EQUIVALENTS

	<u>2025</u> <u>KShs</u>	<u>2024</u> <u>KShs</u>	<u>2025</u> <u>KShs</u>	<u>2024</u> <u>KShs</u>
a) Deposits with banking institutions				
Co-operative Bank of Kenya Ltd. (i)	212,148,928	226,138,677	212,148,928	226,138,677
KCB Bank Ltd (ii)	36,131,564	23,242,000	36,131,564	23,242,000
Bank of America (CITAM USA)	55,347,841	62,970,350	55,347,841	62,970,350
Burke & Herbert bank (CITAM USA)	27,302,555	26,268,893	27,302,555	26,268,893
Accrued interest	28,098,401	12,996,650	28,098,401	12,996,650
	359,029,289	351,616,570	359,029,289	351,616,570

i) Accrued interest relates to interests on short-term deposits that has been earned at as 31st December 2025 but not yet received

	<u>2025</u> <u>KShs</u>	<u>2024</u> <u>KShs</u>	<u>2025</u> <u>KShs</u>	<u>2024</u> <u>KShs</u>
b) Cash and bank balances				
Cash at bank	94,584,773	91,624,926	94,584,773	89,839,382
Mobile money wallets	39,750,899	40,728,703	39,750,899	40,728,703
Cash in hand	2,732,952	2,642,187	2,202,132	2,642,187
	137,068,624	134,995,816	136,537,804	133,210,272
Total cash and cash equivalents	496,097,913	486,612,386	495,567,093	484,826,842

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 8.88%.

ii) The average annual rate of interest with KCB Bank Ltd was 7.88%.

iii) Bank of America- average annual rate of interest is 2.96% and Burke & Herbert bank average annual rate of interest is 4.17%

	<u>Balance at</u> <u>01.01.2025</u> <u>KShs</u>	<u>Transfer in</u> <u>KShs</u>	<u>Receipts</u> <u>KShs</u>	<u>Payments</u> <u>KShs</u>	<u>Balance at</u> <u>31.12.2025</u> <u>KShs</u>
21. DESIGNATED FUNDS					
Alexander Tee fund	8,013,486	-	613,670	-	8,627,156
Text book fund	40,502,849	-	44,045,507	(42,316,773)	42,231,583
Mission support fund (i)	47,893,819	234,992,189	19,104,703	(227,819,623)	74,171,088
Other development funds	233,489,717	125,676,886	-	(110,419,352)	248,747,251
LADF	22,045,875	19,621,394	-	(30,276,051)	11,391,218
Staff welfare fund	6,110,228	122,065	5,222,452	(3,864,914)	7,589,831
Schools Repair & maintenance fund	13,756,082	-	15,136,765	(3,353,892)	25,538,955
PAOC mission support	227,658,544	-	-	(27,752,400)	199,906,144
Together in Generosity (TIG) fund	77,464,562	640,000	197,307,521	(165,471,400)	109,940,683
	676,935,162	381,052,534	281,430,618	(611,274,405)	728,143,909

i) 10% tithe allocation

ii) CITAM entered into a support agreement with PAOC to partner in Missions and Outreach in Africa in exchange for a property LR No. 209/386/7/8 in Hurlingham. CITAM committed to support PAOC in its ministry in Africa to a tune of KShs 324 million over a period of 150 months from September 2021.

CHRIST IS THE ANSWER MINISTRIES (CITAM)

Notes to the Financial Statements

for the year ended 31st December 2025... / (Contd)

	GROUP 2025 KShs	GROUP 2024 KShs	CITAM 2025 KShs	CITAM 2024 KShs
22. BORROWINGS				
The borrowings are analysed as follows:				
Non-current	545,630,708	482,623,786	545,630,708	482,623,786
Current	88,257,252	67,900,158	88,257,252	67,900,158
	633,887,960	550,523,944	633,887,960	550,523,944
Reconciliation of liabilities arising from financing				
At start of year	550,523,944	634,015,766	550,523,944	634,015,766
Additions in the year	165,927,650	-	165,927,650	-
Interest charged to the statement of income and expenditure	101,282,261	110,150,144	101,282,261	110,150,144
Cash flows:				
Operating activities (interest paid)	(101,282,261)	(110,150,144)	(101,282,261)	(110,150,144)
Repayments of long-term borrowings	(82,563,634)	(83,491,822)	(82,563,634)	(83,491,822)
At end of year	633,887,960	550,523,944	633,887,960	550,523,944

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.

	GROUP 2025 KShs	GROUP 2024 KShs	CITAM 2025 KShs	CITAM 2024 KShs
23. TRADE AND OTHER PAYABLES				
Trade payables	190,506,900	192,966,159	190,506,900	192,966,159
Prepaid school fees	68,242,445	54,697,992	68,242,445	54,697,992
Deferred income	75,660,000	77,056,800	-	-
Land deposit	139,989,811	140,243,953	-	-
Other payables and accruals	155,560,538	153,765,999	131,020,244	133,176,220
Withholding tax and catering levy	6,628,090	6,453,013	6,628,090	6,453,050
	636,587,784	625,183,916	396,397,679	387,293,421

*Deferred income relates of 30% of Ark Properties & Investments Limited annual revenue set aside to cater for developments and value additions for Kajjado land(Arkville) as per the sale agreements signed with customers.

*The land deposit of KES 140.2M represents amounts received from customers for land sales where the development obligations (the 'Arkville' project) have not yet been fulfilled. This amount will be recognised as revenue as the performance obligations are satisfied.

24. LEASE LIABILITIES - GROUP

Non-current liability	17,679,479	28,192,841	17,457,962	28,192,841
Current liability	16,836,708	22,356,624	15,791,915	22,356,624
	34,516,187	50,549,465	33,249,877	50,549,465
The total cash outflow for leases in the year was:				
Lease liability	51,815,775	70,429,763	50,549,465	70,429,763
Payment of the principal portion of lease liability	(17,299,588)	(19,880,298)	(17,299,588)	(19,880,298)
	34,516,187	50,549,465	33,249,877	50,549,465

CHRIST IS THE ANSWER MINISTRIES (CITAM)**Notes to the Financial Statements****for the year ended 31st December 2025.... / (Contd)**

25. CAPITAL COMMITMENTS	<u>2025</u> KShs	<u>2024</u> KShs
Authorised and contracted	173,490,933	266,284,776

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

26. SURPLUS FOR THE YEAR	<u>2025</u> KShs	<u>2024</u> KShs
The surplus for the year is arrived at after charging:-		
Finance costs	101,282,261	110,150,144
Provision expense for bad debts	2,267,110	(13,656,056)
Depreciation of right of use asset	16,992,634	22,481,799
Auditors' remuneration	3,800,000	3,500,000

27. INTER-UNIT SALES

Inter-unit sales of Kshs 257,942,279.51 (2024: Kshs 277,848,243) 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 is involved in various legal proceedings arising in the ordinary course of ministry. The outcomes of these matters are inherently uncertain. However, based on legal advice received, management believes that no material liability will arise. Accordingly, no provision has been recognised.

29. EVENTS AFTER REPORTING PERIOD

Pursuant to the requirements of the Income Tax (Charitable Organisation and Donations Exemption) Rules, 2024, not all activities carried out by the ministry qualify for income tax exemption as some are profit-making businesses. It is therefore not feasible for CITAM to operate under one PIN. The Deacon Board has embarked on separation of CITAM's operations to adopt new legal entities in compliance with Income Tax Rules, 2024. The Deacon Board further set up a task force to advise on the process. This process is at an advanced stage and this will result to CITAM having separate legal entities after 31st December 2025 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 31st December 2025.... / (Contd)****31. NEW AND REVISED FINANCIAL REPORTING STANDARDS**

The Company 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 2025. The Ministry is currently assessing the impact of these new standards and amendments on the Ministry's financial statements except IFRS 18, which will require changes to the presentation, and related disclosures, of the Profit and Loss Account and the Statement of Cash Flows

IFRS 18 titled Presentation and Disclosure in Financial Statements (issued in April 2024)

The new standard, applicable to annual periods beginning on or after 1st January 2027, replaces IAS 1 and sets out revised requirements for the presentation and disclosure of information in general purpose financial statements.

IFRS 19 titled Subsidiaries without Public Accountability: Disclosures (issued in May 2024)

The new standard, applicable to annual periods beginning on or after 1st January 2027, specifies the disclosure requirements a subsidiary without public accountability is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

Amendments to IFRS 9 and IFRS 7 titled *Amendments to the Classification and Measurement of Financial Instruments* (issued in May 2024)

The amendments, applicable to annual periods beginning on or after 1st January 2026, address diversity in accounting practice by making the requirements more understandable and consistent.

Annual Improvements to IFRS Accounting Standards - Volume 11 (issued in July 2024)

The document sets out minor amendments to five Standards, applicable to annual periods beginning on or after 1st January 2026.

Amendments to IFRS 9 and IFRS 7 titled *Contracts Referencing Nature-dependent Electricity* (issued in December 2024)

The amendments, applicable to annual periods beginning on or after 1st January 2026, help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements.

Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (issued in August 2025)

The amendments, applicable to annual periods beginning on or after 1st January 2027, provide reduced disclosure requirements for new or amended IFRS Accounting Standards issued between February 2021 and May 2024.



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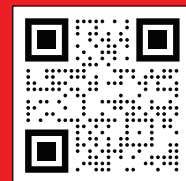
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