

NAIROBI BAPTIST CHURCH

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

**Nairobi Baptist Church
Financial Statements
For the year ended 31 December 2017**

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**Nairobi Baptist Church
Church Information
For the year ended 31 December 2017**

Elders Court:

1. Prof. Timothy Wachira	Chairman
2. Dr. Bernard Aseto	Vice Chairman
3. Mr. Mbage Ng'ang'a	Hon. Secretary
4. Ms. Mwongeli Muthuku	Hon. Treasurer
5. Rev. Calisto Odede	Senior Pastor
6. Mrs. Caroline Krhoda	Member
7. Mrs. Eunice Mwongera	Member
8. Mr. John Makuta	Member
9. Ms. Lynette Walters	Member
10. Mr. Ndegwa Mbuthia	Member
11. Mr. Peter Okaalet Junior	Member
12. Mr. Solomon Osundwa	Member
13. Mr. Timm Njuguna	Member

Registered Office:

Nairobi Baptist Church,
P.O Box 44128-00100,
Nairobi.

Principal Bankers:

Kenya Commercial Bank,
Prestige plaza branch,
P.O Box 48400-00100,
Nairobi.

NIC Bank,
NIC House branch,
P.O Box 44599-00100,
Nairobi.

Independent Auditor:

MAZARS,
Certified Public Accountants (K),
The Green House,
3 Floor, Suite 8,
Adams Arcade along Ngong Road,
P.O. Box 61120-00200,
Nairobi.
Tel: +254 020 3861175/76/79
Wireless: +254 020 2517101/3
Cell phone: 0722 - 440270 / 0734 - 440270
Email: contact@mazars.co.ke
Website: www.mazars.co.ke

**Nairobi Baptist Church
Report of Elders Court
For the year ended 31 December 2017**

The Elders Court submits its report together with the audited financial statements for the year ended 31 December 2017, which disclose the state of the affairs of the Church.

1 Principal Activity

The Church's principal activity is to advance the kingdom of God through the power of the Holy spirit.

2 Financial Statements

At the date of this report, the Elders Court was not aware of any circumstances which would have rendered the values attributed to the assets in the financial statements misleading Church's results for the year.

3 Elders Court

The members who served in the Elders Court during the year are set out on page 1.


4 Auditor

The Church's auditor, Mazars, Certified Public Accountants was appointed during the year and has indicated willingness to continue in office in accordance with the terms of agreement.

**By order of the Elders Court
(For and on its behalf)**

Sign: _____

Name: Mr. Mbage Ng'ang'a
Designation: Hon. Church Secretary



17th February 2018

Nairobi Baptist Church
Statement of the Elders Court Responsibilities
For the year ended 31 December 2017

The Elders Court is responsible for the preparation and presentation of the financial statements of Nairobi Baptist Church set out on pages 6 to 17 which comprise of the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in funds and cash flow statements for the year ended and a summary of significant accounting policies and other explanatory notes.

The Elders Court responsibilities include: Determining that the basis of accounting described in note 1 is an acceptable basis for preparing and presenting the financial statements in the circumstances; designing, implementing and maintaining internal control relevant to the preparation of these financial statements that are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Elders Court is required to prepare financial statements for each financial year which give a true and fair view of the state of the Church as at the end of the financial year and of the operating results of the church for that year. It is also required that the Elders Court ensure that the church keeps proper accounting records which disclose with reasonable accuracy the financial position of the church.

The Elders Court accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. The Elders Court is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the church and of its operating results.

The Elders Court further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Elders Court has made an assessment of the Church's ability to continue as a going concern and have no reason to believe the church will not be a going concern for at least the next twelve months from the date of this statement.

Approval of the Financial Statements

The financial statements, as indicated above, were approved by the Elders Court on 17th February 2018 and were signed on its behalf by:

Sign: _____

Name: Prof. Timothy Wachira

Designation: Chairman

Sign: _____

Name: Ms. Mwongeli Muthuku

Designation: Hon. Church Treasurer

Sign: _____

Name: Mr. Mbage Ng'ahg'a

Designation: Hon. Church Secretary

**Nairobi Baptist Church
Report of the Independent Auditor
For the year ended 31 December 2017**

Opinion

We have audited the accompanying financial statements of Nairobi Baptist Church, set out on pages 6 to 17, which comprise the statements of comprehensive income, statement of financial position, statement of changes in fund and cash flows for the year then ended 31 December 2017, and notes, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the church as at 31 December 2017 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for small and medium sized entities.

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 church in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (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 Elders Court is responsible for the other information which comprises of; Other 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 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.

Elders Court responsibility for the financial statements

The Elders Court is responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Society's Act, and for such internal control as the Elders Court 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 Elders Court is responsible for assessing the church'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 Elders Court either intend to liquidate the church or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 ISAs 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.

Nairobi Baptist Church
Report of the Independent Auditor-continued
For the year ended 31 December 2017

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- i) 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.
- ii) 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 Church's internal control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv) Conclude on the appropriateness of management's 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 church's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 the auditor's report. However future events or conditions may cause the company to cease to continue as a going concern.
- v) 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.

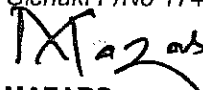
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal requirements

As required by the Society's Act, we report to you, based on our audit that;

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion proper books of account have been kept by the church, so far as appears from our examination of those books; and
- iii) The Church's statement of financial position and statement of comprehensive income are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent audit report is CPA Lucy Gichuki P/No 1740


MAZARS
Certified Public Accountants (K).
Nairobi

3 March 2018

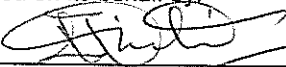
Nairobi Baptist Church
Statement of Comprehensive Income
For the year ended 31 December 2017

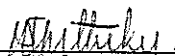
Income	Note	2017 Budget Kshs	2017 Actual Kshs	2016 Actual Kshs
General offering	4a	119,221,000	120,817,447	96,971,016
Gift days	4b	46,288,000	37,799,999	48,337,690
Income from fundraising	4c	12,000,000	8,387,669	11,916,089
Other income	4d	2,673,000	4,167,243	3,231,735
Net rental income	8	10,515,000	8,988,790	9,272,868
Income from ministry - self funding	13	10,501,800	10,340,762	8,975,429
Total income		201,198,800	190,501,910	178,704,827
Expenditure				
Operational costs				
Staff costs	5	50,832,000	48,017,160	43,574,856
Administration costs	6	23,320,000	27,933,696	27,692,400
Total operational costs		74,152,000	75,950,856	71,267,256
Operating balance before transfer		127,046,800	114,551,054	99,076,153
Ministries expenses (From budget)	7a	97,403,000	77,840,135	56,058,959
Loan repayment	7b	18,752,197	18,752,197	34,782,820
Ministries expenses (Self funding)	13	10,501,800	10,340,762	8,975,429
Project funds	14	-	6,926,085	3,756,619
Ministries allocation		126,656,997	113,859,179	103,573,827
Net operating balance for the year		389,803	691,875	3,863,744

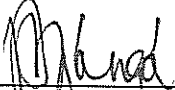
Nairobi Baptist Church
Statement of Financial Position
As at 31 December 2017

Assets	Note	2017 Kshs	2016 Kshs
Non - current assets	3	<u>1,993,024,645</u>	<u>2,007,202,443</u>
Current assets			
Cash and bank balances	9	27,685,109	16,403,158
Accounts receivable	10	<u>11,379,426</u>	<u>6,858,133</u>
Total current assets		<u>39,064,535</u>	<u>23,261,291</u>
Less : Current Liabilities			
Accounts payable	11	17,396,701	9,283,217
Short term portion of borrowings	12	<u>16,200,875</u>	<u>13,222,607</u>
Total current liabilities		<u>33,597,576</u>	<u>22,505,824</u>
Net current assets		<u>5,466,959</u>	<u>755,467</u>
Net assets		<u><u>1,998,491,604</u></u>	<u><u>2,007,957,910</u></u>
Funds and Liabilities			
Fund balances and reserves			
Capital fund		489,323,992	487,775,651
Revaluation reserve	16	1,503,700,650	1,519,426,793
Project funds	14	(36,724,043)	(62,443,625)
General fund	15	25,986,979	25,295,104
Ministry funds	13	2,401,912	2,391,111
Housing revolving fund		<u>4,569,669</u>	<u>4,569,669</u>
		<u>1,989,259,159</u>	<u>1,977,014,704</u>
Long term liabilities			
Borrowings	12	9,232,445	30,943,206
Total funds and long term liabilities		<u><u>1,998,491,604</u></u>	<u><u>2,007,957,910</u></u>

These financial statements were approved by the Elders Court on 17th February 2018
and signed on its behalf by:

Sign: 
Name: Prof. Timothy Wachira
Designation: Chairman

Sign: 
Name: Ms. Mwongeli Muthuku
Designation: Hon. Church Treasurer

Sign: 
Name: Mr. Mbage Ng'ang'a
Designation: Hon. Church-Secretary

Nairobi Baptist Church
Statement of Changes in Funds
For the year ended 31 December 2017

Fund Movements	Capital Fund	Revaluation reserve	General fund	Project funds	Ministry Funds	Revolving Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Fund balances at 01 - 01 - 2017	487,775,651	1,519,426,793	25,295,104	(62,443,624)	2,391,111	4,569,669	1,977,014,704
Property and equipment acquisition	11,933,468	-	-	-	-	-	11,933,468
Depreciation charge	(7,544,663)	(15,726,143)	-	-	-	-	(23,270,806)
Impairments	(2,840,464)	-	-	-	-	-	(2,840,464)
Net operating balance for the year	-	-	691,875	-	-	-	691,875
Receipts during the year	-	-	-	6,926,085	10,340,762	-	17,266,847
Spent during the year	-	-	-	(18,752,197)	(88,170,096)	-	(106,922,293)
General fund	-	-	-	18,752,197	97,403,000	-	116,155,197
Transfer to/from General fund	-	-	-	18,793,498	(19,562,865)	-	(769,367)
Fund Balances at 31 -12 - 2017	<u>489,323,992</u>	<u>1,503,700,650</u>	<u>25,986,979</u>	<u>-36,724,041</u>	<u>2,401,912</u>	<u>4,569,669</u>	<u>1,989,259,161</u>
Fund balances at 01 - 01 - 2016	486,807,825	1,535,152,936	21,431,360	(96,395,171)	2,115,811	4,569,669	1,953,682,431
Property and equipment acquisition	5,006,668	-	-	-	-	-	5,006,668
Depreciation charge	(4,038,842)	(15,726,143)	-	-	-	-	-19,764,985
Net operating balance for the year	-	-	3,863,744	-	-	-	3,863,744
Receipts during the year	-	-	-	7,927,984	8,975,429	-	16,903,413
Spent during the year	-	-	-	(8,759,258)	(64,759,088)	-	-73,518,346
Budget Allocation	-	-	-	33,186,710	85,017,864	-	118,204,574
Transfer to/from General funds	-	-	-	1,596,110	(28,958,905)	-	-27,362,795
Fund Balances at 31 -12 - 2016	<u>487,775,651</u>	<u>1,519,426,793</u>	<u>25,295,104</u>	<u>-62,443,624</u>	<u>2,391,111</u>	<u>4,569,669</u>	<u>1,977,014,704</u>

Nairobi Baptist Church
Statement of Cashflow
For the year ended 31 December 2017

	Note	2017 Kshs	2016 Kshs
Cash flows from operating activities			
Net operating balance for the year		691,875	3,863,744
Adjustments for:-			
Capital expenditure		11,933,468	5,006,668
Changes in Working Capital:-			
Increase in accounts receivable	10	(4,521,293)	(2,567,865)
Increase in accounts payable	11	8,113,484	1,905,344
Net cash from operating activities		16,217,534	8,207,891
Cash flows from investing activities:-			
Capital expenditure	3	(11,933,468)	(5,006,668)
Net cash used in investing activities		(11,933,468)	(5,006,668)
Cash flows from financing activities:-			
Increase in Ministries funds, Church plant and mission	13	10,801	275,300
Decrease in reserve funds	14	25,719,578	33,951,546
Loan repayments	12	(18,732,494)	(22,794,174)
Net cash from in financing activities		6,997,885	11,432,672
Net Increase in Cash and cash equivalents		11,281,951	14,633,894
Movement in cash and cash equivalents			
Cash and Cash equivalents at 01 January		16,403,158	1,769,264
Net Increase in cash and Cash equivalents		11,281,951	14,633,894
Cash and cash equivalents at 31 December	9	27,685,109	16,403,158

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRSs). The financial statements are presented in functional currency, Kenya shillings (Kshs), which is the prevailing currency within the primary economic environment, and prepared in accordance with the measurement bases prescribed by IFRS

The preparation of financial statement in conformity with IFRS requires the use of estimates and assumptions. It also requires the Elders Court to exercise its judgment in the process of applying the Church policies in the areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements.

b) New and revised standards

There were new and revised standards that became effective for the first time during the financial period and have been adopted by the church where relevant to its operations. The adoption of these amendments had no material effect on the church's accounting policies or disclosures. Where applicable to the church, the Elders Court have assessed the potential impact of the interpretations in issue but not yet effective and expect that they will not have a significant impact on the church's financial statements for 2018.

c) Income recognition

Income represents offerings and tithes, which is realised when it is received. All other income recognised on accrual basis.

d) Property, plant & equipment

All categories of assets are initially recorded at cost and are stated at cost less accumulated depreciation.

Depreciation of the non current is recognised on a memorandum basis. Depreciation is recognised in full in the year of acquisition and not recognised at all in the year of disposal. Depreciation is calculated on a straight line basis at rates estimated to write down the cost of each asset over its estimated useful life at the following annual rates:

Asset category	Rate
Freehold land	Nil
Leasehold land	Amortized over the lease period
Buildings	2.50%
Computers	33.30%
Motor vehicles	25.00%
Equipment	20.00%
Furniture and Fittings	12.50%
Electronic equipments	20.00%
Inventory	100.00%

The assets residual value and useful lives are reviewed and adjusted if appropriate.

e) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into the functional currency, Kenya shillings, using the exchange rates prevailing at the settlement of such transactions.

1 Summary of significant accounting policies (Continued)

f) Employee's benefits

The Church contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contributions to this statutory scheme are determined by local statute and the Church's obligations are limited to Kshs. 200 per employee per month.

The Church also contributes to a defined contribution scheme to its employees at 15% of the basic salary, the contribution are charged to the income statement as they fall due.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other shorter highly liquid investments that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value in the balance sheet.

h) Payables

Payables are stated at their nominal value.

i) Comparatives

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

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical accounting estimates and assumptions

Property and equipment

Critical estimates are made by the Elders Court in determining depreciation rates for property and equipment. The rates used are set out in note 1(d) above.

b) Critical judgements in applying the entity's accounting policies

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

- The classification of financial assets and leases
- Whether assets are impaired.
- Provisions and contingent liabilities

NAIROBI BAPTIST CHURCH

Nairobi Baptist Church

For the year ended 31 December 2017

Notes to the Financial Statements (Continued)

3	Land	Buildings	Furniture & Fixtures	Medical Equipment	Office Equipmen	Computer Equipment	Motor Vehicle	Electronic Equipment	Inventory	Total
Cost / Valuation	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 01 January, 2017	1,555,050,000	489,045,706	26,895,100	839,000	171,846	4,625,379	5,903,995	29,108,932	4,602,147	2,116,242,105
Additions	-	-	1,448,315	-	78,304	880,212	1,442,000	6,313,320	1,771,317	11,933,468
Disposal	-	-	-	-	-	-	-1,773,695	-	-	-1,773,695
At 31 December, 2017	1,555,050,000	489,045,706	28,343,415	839,000	250,150	5,505,591	5,572,300	35,422,252	6,373,464	2,126,401,878
At 01 January, 2016	1,555,050,000	489,045,706	26,565,445	839,000	131,080	4,436,531	3,453,995	27,157,533	4,556,147	2,111,235,437
Additions	-	-	329,655	-	40,766	188,848	2,450,000	1,951,399	46,000	5,006,668
At 31 December, 2016	1,555,050,000	489,045,706	26,895,100	839,000	171,846	4,625,379	5,903,995	29,108,932	4,602,147	2,116,242,105
Depreciation										
At 01 January, 2017	10,500,000	36,627,286	23,183,315	497,000	132,737	4,328,318	1,967,625	25,427,536	4,602,147	107,265,964
Charge for the year	3,500,000	12,226,143	380,619	114,000	30,310	527,516	1,135,575	3,585,326	1,771,317	23,270,806
Impairment	0	-	2,840,464	-	-	-	-	-	-	2,840,464
At 31 December, 2017	14,000,000	48,853,428	26,404,398	611,000	163,047	4,855,834	3,103,200	29,012,862	6,373,464	133,377,233
Depreciation										
At 01 January, 2016	7,000,000	24,401,143	22,970,993	383,000	118,088	3,959,646	2,966,246	22,919,414	4,556,147	89,274,677
Charge for the year	3,500,000	12,226,143	212,323	114,000	14,649	368,672	775,075	2,508,123	46,000	19,764,985
At 31 December, 2016	10,500,000	36,627,286	23,183,316	497,000	132,737	4,328,318	3,741,321	25,427,537	4,602,147	109,039,662
Net Book Value										
At 31 December, 2017	1,541,050,000	440,192,278	1,939,017	228,000	87,103	649,757	2,469,100	6,409,390	-	1,993,024,645
At 31 December, 2016	1,544,550,000	452,418,420	3,711,784	342,000	39,109	297,061	2,162,674	3,681,395	-	2,007,202,443

Nairobi Baptist Church
For the year ended 31 December 2017
Notes to the Financial Statements (Continued)

4 Income		2017 Budget Kshs	2017 Actual Kshs	2016 Actual Kshs
(a) Offering	Note			
General Offering-Ngong Road		110,976,000	111,291,243	91,170,212
General Offering-Rongai Church		7,130,000	5,668,086	4,814,434
General Offering-Kibera Church		1,115,000	751,911	986,370
General Offering-Westlands Church		-	3,106,207	-
		<u>119,221,000</u>	<u>120,817,447</u>	<u>96,971,016</u>
(b) Gift Days		<u>46,288,000</u>	<u>37,799,999</u>	<u>48,337,690</u>
(c) Income from fundraising		<u>12,000,000</u>	<u>8,387,669</u>	<u>11,916,089</u>
(d) Other income				
Interest income		-	320,951	252,897
Hire of facilities		2,673,000	2,191,650	2,402,396
Exchange gain		-	38,934	180,577
Admin related income		-	1,615,708	395,865
		<u>2,673,000</u>	<u>4,167,243</u>	<u>3,231,735</u>
Net rental income	8	<u>10,515,000</u>	<u>8,988,790</u>	<u>9,272,868</u>
Reserves and Ministries				
Ministries Self funding	13	10,501,800	10,340,762	8,975,429
Reserve funds		-	-	3,756,619
		<u>10,501,800</u>	<u>10,340,762</u>	<u>12,732,048</u>
Total income		201,198,800	190,501,910	182,461,446
Less: Reserves and ministries		(10,501,800)	(10,340,762)	(12,732,048)
Net Income		<u>190,697,000</u>	<u>180,161,148</u>	<u>169,729,398</u>
5 Staff costs				
Salaries and wages		45,407,500	42,249,121	38,834,209
Medical expenses		1,987,500	3,266,118	2,521,656
Staff welfare		1,182,000	955,917	963,808
Staff uniforms		50,000	46,500	11,996
Staff insurance		592,000	621,067	604,771
Pastoral and staff development		1,613,000	878,437	638,416
		<u>50,832,000</u>	<u>48,017,160</u>	<u>43,574,856</u>

Nairobi Baptist Church
For the year ended 31 December 2017
Notes to the Financial Statements (Continued)

	2017 Budget Kshs	2017 Actual Kshs	2016 Actual Kshs
6 Administration costs			
Car / travel expenses	510,000	691,642	657,584
Utilities and rates	4,334,000	3,946,680	4,520,921
Property insurance	860,000	880,870	898,791
Communication	508,000	247,642	419,045
Printing and stationery	615,000	472,443	513,205
Audit fee	600,000	469,662	516,780
Other professional fees	250,000	45,350	109,370
Camp and mission insurance	230,000	190,152	174,306
Library	50,000	-	9,580
Advisory teams meeting expenses	30,000	28,676	15,453
Creche expenses	32,450	30,800	26,400
Bank charges & Interest on loan	160,000	5,374,021	180,806
Furniture and equipment	440,000	319,000	309,885
Cleaning	3,816,550	3,961,846	3,986,978
Security	4,987,000	5,610,623	4,915,340
IT maintenance	2,522,000	2,601,405	2,331,861
Replacement of Church Car	2,000,000	1,438,920	2,454,000
Church / Office maintenance	1,375,000	1,623,964	5,652,095
Total Administration costs	23,320,000	27,933,696	27,692,400
7 Transfers			
(a) Approved budget to ministry funds	97,403,000	97,403,000	85,017,864
Transfer to general fund	-	(19,562,865)	-28,958,905
Sub-total Transfers	97,403,000	77,840,135	56,058,959
(b) Approved Budget to reserve fund	18,752,197	18,752,197	33,186,710
Transfer from General fund/Adjustments	-	-	1,596,110
Sub-total Transfers	18,752,197	18,752,197	34,782,820
Total Transfers	116,155,197	96,592,332	90,841,779

Nairobi Baptist Church
For the year ended 31 December 2017
Notes to the Financial Statements (Continued)

	Note	2017 Budget Kshs	2017 Actual Kshs	2016 Actual Kshs
8 Rent income statement				
Rent income				
Maisonettes		4,574,575	4,431,076	4,604,852
Jabavu		2,395,800	2,395,800	2,376,000
Old Office block		1,969,125	1,969,125	1,872,416
Ngong road plot		1,575,500	1,262,140	1,218,600
		10,515,000	10,058,141	10,071,868
Expenditure				
Bad debts - rent		-	-	-261,000
Security/Cleaning/maintenance		-	-1,069,351	-538,000
		-	-1,069,351	-799,000
Net rental income		10,515,000	8,988,790	9,272,868
9 Cash and bank				
Bank balances			16,929,160	11,190,995
Cash in hand			178,282	134,496
Short term fixed deposits			10,577,667	5,077,667
			27,685,109	16,403,158
10 Accounts receivable				
Prepayments			5,655,195	1,426,787
Office Imprests			1,188,124	706,293
Deposits with third parties			183,090	183,090
Rent debtors			4,057,247	3,451,427
Sundry debtors/staff advances			263,923	1,087,616
Interest receivable			31,847	2,920
			11,379,426	6,858,133
11 Accounts payable				
Accrued Expenses			9,483,032	7,125,308
Rental Deposits Held			1,780,773	1,607,364
Staff welfare funds			600,465	550,545
Staff welfare benevolence			191,431	-
Israel trip			5,341,000	-
			17,396,701	9,283,217
12 Borrowings				
Shortterm portion of borrowings			16,200,874	13,222,607
Longterm portion of borrowings			9,232,445	30,943,206
			25,433,319	44,165,813

The loan from KCB obtained in 2011 is secured by a fixed charge over the church assets as follows:

1. Legal charge of 96,000,000 over L.R NO. 209/12057 Nairobi
2. Trustee resolution authorizing the borrowing of Kshs. 96,000,000 and creation of securities.

Nairobi Baptist Church
For the year ended 31 December 2017
Notes to the financial Statements (Continued)

13 Ministry Fund, Church Plant and Mission Station	Balance at 01.01.2017	Receipts	Budget	Actual Spent	Transfers to/(from) General Fund	Balance as at 31.12.2017
(a) Ministry Funds	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Missionary / Tithe fund	-	245,460	6,366,000	(6,642,919)	31,459	-
NOW	-	1,236,523	6,816,000	(5,266,552)	(2,785,971)	-
Global Missions Outreach	-	176,170	970,000	(1,125,822)	(20,348)	-
Tanari Trust	-	-	300,000	(300,000)	-	-
Youth Ministry	-	760,010	4,576,000	(4,435,953)	(900,057)	-
Children Ministry	500,000	2,378,300	5,205,000	(5,342,696)	(2,240,604)	500,000
Worship Ministry	-	345,050	5,514,000	(8,193,404)	2,334,354	-
Family Care	-	1,067,224	6,309,000	(3,772,290)	(3,603,934)	-
Leadership Office	-	349,734	6,438,000	(4,687,470)	-2,100,264	-
Discipleship ministry	-	75,500	3,405,000	(2,925,962)	-554,538	-
Designated Outreach Funds	1,391,111	10,801	-	-	-	1,401,912
Sub - total	1,891,111	6,644,772	45,899,000	-42,693,068	-9,839,903	1,901,912
(b) Church Plant and Mission Station						
NBC - Ongata Rongai Church	-	546,745	16,540,000	(16,613,311)	(473,434)	-
NBC - Kibera Church	-	290,270	8,288,000	(8,602,177)	23,907	-
Kwale Mission station	500,000	1,569,018	5,274,000	(5,618,649)	(1,224,369)	500,000
Chemi Chemi Trust Kibera Clinic	-	1,289,957	7,442,000	(7,482,599)	-1,249,358	-
NBC- Westlands	-	-	13,960,000	(7,160,292)	(6,799,708)	-
Sub - total	500,000	3,695,990	51,504,000	-45,477,028	-9,722,962	500,000
Total funds	2,391,111	10,340,762	97,403,000	-88,170,096	-19,562,865	2,401,912

Nairobi Baptist Church
For the year ended 31 December 2017
Notes to the Financial Statements (Continued)

14 Project funds	Balance at 01.01.2017	Receipts	Approved Allocation from General Fund	Amount Spent	Transfers to/(from) General Fund	Adjustments	Balance as at 31.12.2017
Reserve Funds	Kshs	Kshs	Kshs	Kshs	Kshs		Kshs
Ministry expansion projects - Ngong Road	(66,614,991)	-	18,752,197	(18,752,197)	18,752,197	41,301	(47,821,493)
Lift & Rongai Parking projects (Deferred income)	4,171,365	6,926,085	-	-	-	-	11,097,450
Total Reserve Funds	(62,443,626)	6,926,085	18,752,197	(18,752,197)	18,752,197	41,301	(36,724,043)

15 General fund	2017 Kshs	2016 Kshs
Balance at 1 January	25,295,104	21,431,360
Surplus for the year	691,875	3,863,744
Balance at 31 December	25,986,979	25,295,104

16 Revaluation reserves	2017 Kshs	2016 Kshs
Balance at 1 January	1,519,426,793	1,535,152,936
Land Amortization during the year	(3,500,000)	(3,500,000)
Buildings depreciation during the year	(12,226,143)	(12,226,143)
Balance at 31 December	1,503,700,650	1,519,426,793

17 Capital commitment

The Church has committed to acquire land in Westlands Nairobi (L.R 4950/10 along Ngecha Road) for settlement of NBC Westlands at a price of Kshs. 230 million. The acquisition will be financed through a loan facility from Kenya Commercial Bank (KCB)