



# Celebrating a **Year of Impact**

**Annual  
Report | 20  
14**

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## Acronyms and Abbreviations

<b>ADV</b>	Advocacy	<b>IDP</b>	Internally Displaced Persons
<b>BIB</b>	Bible	<b>IFP</b>	Infrastructure
<b>CDW</b>	Child Development Worker	<b>IGA</b>	Income Generating Activities
<b>CI</b>	Compassion International	<b>IGP</b>	Income Generating Project
<b>CKE</b>	Compassion International Kenya	<b>IT</b>	Information Technology
<b>CIV</b>	Complementary Interventions	<b>KE</b>	Kenya
<b>CMT</b>	Country Management Team	<b>KRI</b>	Key Result Indicators
<b>CSP</b>	Child Survival Program	<b>KRA</b>	Key Result Areas
<b>CPC</b>	Church Partner Committee	<b>LDP</b>	Leadership Development Program
<b>CUR</b>	Curriculum	<b>MCU</b>	Mother Child Unit
<b>DRF</b>	Disaster Relief Funds	<b>NGO</b>	Non - Governmental Organisation
<b>EAA</b>	East Africa Area Office	<b>NFE</b>	Non Formal Education
<b>EDU</b>	Education	<b>OTH</b>	Others
<b>ERS</b>	Evaluation and Research	<b>PDL</b>	Partner Development
<b>FAWE</b>	Federation of African Women Educationists	<b>PED</b>	Parental Education
<b>FY</b>	Financial Year	<b>PF</b>	Partnership Facilitator
<b>GMC</b>	Global Ministry Centre	<b>S&amp;G</b>	Support and Gift List
<b>HH</b>	Hunger Health	<b>STV</b>	Sponsor Tours and Visits
<b>HVC</b>	Highly Vulnerable Children	<b>WTP</b>	Water Project
<b>ICT</b>	Information and Communication Technology		

A photograph of two men in conversation. The man on the left is white with dark hair, wearing a blue polo shirt, and is smiling while looking towards the other man. The man on the right is Black with glasses, wearing a red and black plaid shirt with yellow and white trim, and is looking back at the first man. The background is a blurred outdoor setting with trees.

## Country Director's Message

Children, the smallest, weakest members of our human family, often pay the greatest price for the world's sins. Yet they are the lowest priority among big constitutions in our world. We must begin today by giving our children the time, attention, respect and commitment they deserve and our God requires. *Michael W Smith*

The President of Compassional International, Santiago "Jimmy" Mellado and Compassion Kenya Country Director Joel K. Macharia



Our holistic Child Development model transforms lives by starting early and finishing well.

The Child Survival Program (CSP), our prenatal and neonatal program, helps mothers give their babies from before birth a better chance to be healthy, and once a child comes into the world, we're there to help nurture and disciple the babies and their mothers through the critical stages of child development. CSP closed the year with a total of 1714 beneficiaries.

A total of 392 children in CSP transitioned into the Child Development Sponsorship Program (CDSP). CDSP, which focuses on developing, discipling and equipping children for life from the age of 3 to 22 years closed the period with 95,273 registered children and youth.

A total of 322 young people in CDSP successfully completed college/university. The Leadership Development Program (LDP),

which centers on training, educating and discipling servant leaders, closed the period with 307 students. The percentage of LDP students in active mentorship relationships was 89%.

This past year we had 55 LDP students graduate from the program, having completed bachelors' degrees in public and private universities.

As part of their graduation celebrations, we held a graduation dinner attended by the graduates, a group of business leaders from Netherlands and about 50 senior business and organization leaders.

During the event, graduates interacted with key leaders resulting in opening up of job prospects and internship opportunities. It has been a very fast year but even with so much happening, we signed up 15 additional Partnerships to close the year at 358 Implementing Church Partners (ICPs).

Program Data				
Program	FY14		FY13	
	Beneficiaries	ICPs*	Beneficiaries	ICPs*
CSP	1780	50	1,764	50
CSDP	95264	358	90,704	349
LDP	307	N/A	293	N/A
Total	97353	358	92761	349

\*ICPs – Implementing Church Partners

In our work to release children from inhibitions of poverty, there are significant obstacles existing in their context that need to be removed or minimized to enable them reach their aspirations. In the year under review, we implemented complementary interventions (CIVs) amounting to Kes 263 million. Among the interventions included enabling hundreds of parents/caregivers start and grow small businesses, distributing over 14,000 water filters to as many homes thus enabling access to safe drinking water, installing thousands of solar lighting in homes, building tens of homes for the most vulnerable, enabling thousands of people access right nutrition and healthcare to manage HIV & AIDS and paying for tens of children to access specialized medical treatment in Kenya and India. The myriad of problems in Africa presents numerous opportunities for everyone to use their skills and talents to solve them. For the enterprising mind, the prospects in Africa are unlimited!

Drawing closer home on LDP, one of our Alumnus, Charles Maina, had a chance to be part of the inaugural group of the Washington Fellowship. The Mandela Washington Fellowship for Young African Leaders brought 500 dynamic young African leaders, ages 25-35, from across the continent to the United States for 6 weeks of leadership training and mentoring at twenty U.S. universities and colleges in three areas: business and entrepreneurship, civic engagement and public administration. In 2014, the Fellows were hosted in Washington, D.C. for a three-day Presidential Summit featuring a Town Hall meeting with President Obama. Charles

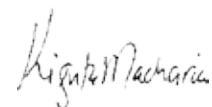
was selected among 500 other young African leaders to have skills in training in civic leadership, business and entrepreneurship as well as public management. He had a chance to study at Clark Atlanta University as well as have experiential learning through corporate site visits in the city of Atlanta

Our ministry also belongs to our Church Partners; we entered into a partnership with Scott Christian University for Diploma and Certificate in Christian Ministries for our ICP Pastors/Clergy. The training includes Theology, Children Ministry, development and Leadership Management. The course runs for two years using a combination of outpost classes and distance learning. Those participating in the course are grateful for the opportunity to sharpen their skills and learn from others experiences hence becoming more effective in their work with their churches and communities.

The Partner of the Year Award (POYA) is a yearly award ceremony that celebrates and awards partners who have achieved intended programmatic outcomes. A Compassion Kenya initiative, it was launched in 2013. The ceremony attended by ICP workers and Partner Committee members recognizes strengths and enables Partners who have excelled to show case best practices in resource management, innovation and impactful programming in a bid to encourage all partners to excel. This past year we had a successful event which attracted corporate sponsors. During the event, we recognized and awarded primary pupils and secondary students who did and excelled in KCPE and

KCSE in 2013. We have continued to see growth and success in-house as well, for the third year in a row; Gallup recognized and awarded Compassion International globally with the Great Workplace Award. Combining more than 75 years of experience, Gallup is ranked high in the world in their forward-thinking research, analytics and advice to help private and public sector organizations boost growth through measurement tools, strategic advice and education in the attitudes and behaviors of employees among other areas of focus. Each year, a respected panel of Gallup research experts chooses the winners of this prestigious award based on an extensive set of global standards proven to reveal the most engaged workplace cultures in the world. This year, Compassion was part of an elite group of just 36 organizations recognized, placing us among the top 15 percent of organizations Gallup partners with around the world.

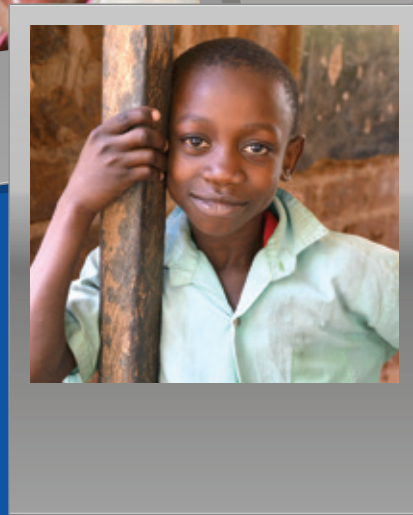
We look forward to yet another year of working with our valued partners – churches and sponsors as we walk with children and youth living in poverty to nurture hope, develop talents, grow in character and competence and chart a new path free of inhibitions of poverty into a future of abundance and promise.



**Joel K. Macharia**

Country Director,

Compassion International, Kenya.



## **Mission Statement**

In response to the great commission, Compassion exists as an advocate for children, to release them from their spiritual, economic, social, and physical poverty and enable them to become responsible and fulfilled Christian adults.



## Child Survival Program

Child Survival Program (CSP) exists to ensure children endure the early years, by providing education to mothers or primary caregivers. They are taught critical child development skills and how to administer them when children are most vulnerable to disease and malnutrition.

CSP has existed in Kenya for the last 10 years, and so far, we have 50 such programs across the country. We assist over 1700 mothers and children across the country.





## Timely Intervention

When Colleta walked into Kwandonga Child Survival Program (CSP) in Kenya in July 2012, she was hungry, weak and visibly thin. Her pale eyes were a stark contrast from the heavy, red cloud of dust that hovered over the plains of Kalimani village. Colleta's dire family situation weighed heavily on her, let alone the pregnancy she carried.

"Her BMI was less than 18," says Jane, the CSP. "She was malnourished and exposed to the harmful effects of malnutrition." According to World Health Organization statistics, malnutrition accounts for 45% of child deaths annually. Colleta was a statistic waiting to happen. But when she joined CSP in July 2013, she received enriched flour, milk, and other nutritious foods to help improve her health. She also went for regular checkups and the pregnancy seemed to develop normally until the evening of 12th September 2013. She was six months pregnant.

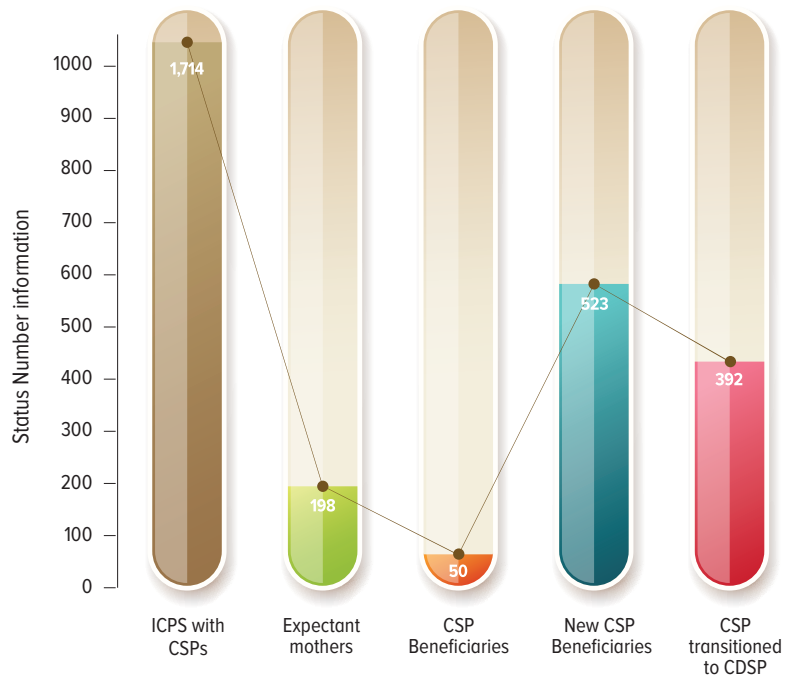
"My water unexpectedly broke and I writhed in pain," Colleta recalls. It was a defining moment for mother and child. A hired car, courtesy of CSP, secured quick access to hospital. Inside the emergency room, the doctors wrestled to save the situation. Colleta grew weaker from the relentless pushing. The baby was awkwardly positioned and time was of the essence. One final push brought forth a wrinkled and exhausted six month old baby girl weighing just 1.6 kilos. The baby looked fragile and lifeless as the scissors severed the cord that tied them together. The girl was later named

Zipporah—a beauty in the eyes of her parents. Colleta and her baby stayed in hospital for treatment and observations for another month during which time they received visits from relatives and CSP fraternity. She narrates of the suffering she went through and subsequent recovery. "I was in distress, but it was the encouragement I received from the CSP moms and staff who came to visit me in hospital that gave me a lot of hope of making it through" CSP encourages father's participation and it was evident to Colleta that Kimolo was eager to take up his role. "I am really blessed to have him as the father of my children. During my recovery period, he would go to the kitchen and prepare a meal for the family and do other domestic chores. This is not common with many men and it shows just how much he cares for us."

Kimolo views it as his way of appreciating his wife for all that she went through. "She has taken care of our children so well over the years. It was my duty to help her in every way I could. I am thankful to CSP for holding my hand during such a difficult period."

\*Colleta and Kimolo gave their lives to Christ during the story gathering exercise.

## Child Survival Program (CSP)





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## Core Values

Compassion is a Christ centered organization committed to the Church, as such we value, Integrity • Excellence • Stewardship • Dignity

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## Child Sponsorship Program

Compassion seeks to provide children with a safe environment at home, church and community for their holistic development. By linking each needy child to a sponsor, we help children and youth develop into individuals that God intended. The Lord has done marvelous things in the lives of the children and the youth we serve in partnership with the church partners and child development workers.



We have been consistent, intentional and deliberate in having children and youth developed, disciplined and equipped for a lifelong experience that is freeing them from abject poverty in Jesus Name, hence living a fulfilled life in Christ.

The program model has three key components: Child Survival, Child Sponsorship and Leadership Development. During this fiscal year we ministered to a total of 95,273 beneficiaries in different regions across the country. The Child development through sponsorship program links sponsors to each child, giving them a unique opportunity to experience the ignition of hope and life that marks a lasting memorable experience of meeting, encountering and seeing God's transforming power through people across different cultures.

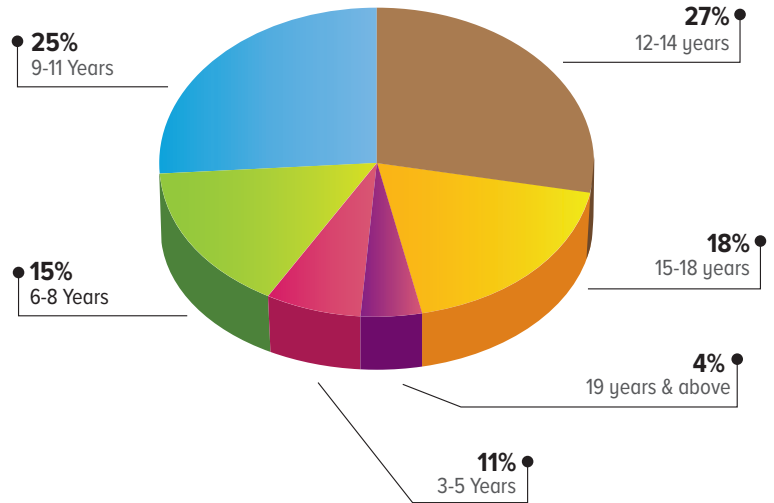
Fourteen (14) new partnerships were added in the year. Currently we partner with 359 churches. Nine of them were in a new growth area in Makueni. Each registered beneficiary has an opportunity to experience God at an individual level. This year, a total of 16,668 beneficiaries gave their lives to Jesus Christ for the first time. Learning opportunities are availed to each child and youth to have an opportunity to attend formal and informal school which has enhanced their skills and cognitive development, enabling them to learn with ease.

We developed a national education strategy which has been shared with all our church partners with a view of enriching children opportunities to excel and realize desired outcomes on completion.





## Beneficiaries by Age groups

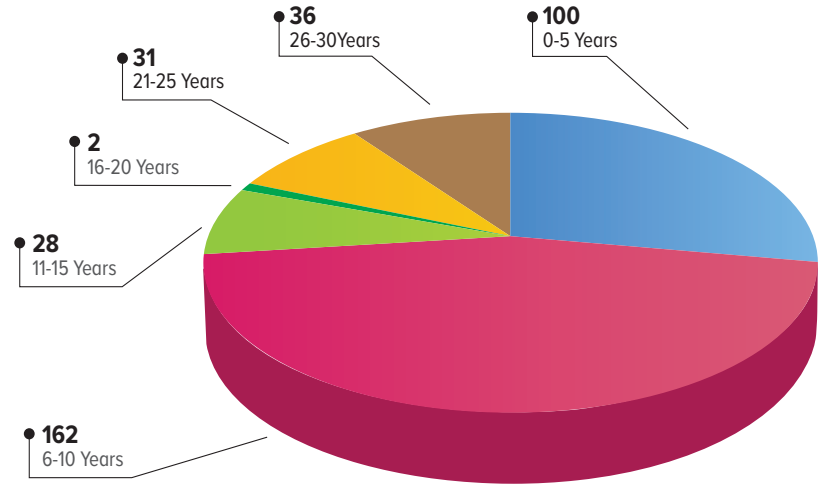


*We work with 15 denominations  
across the country.*

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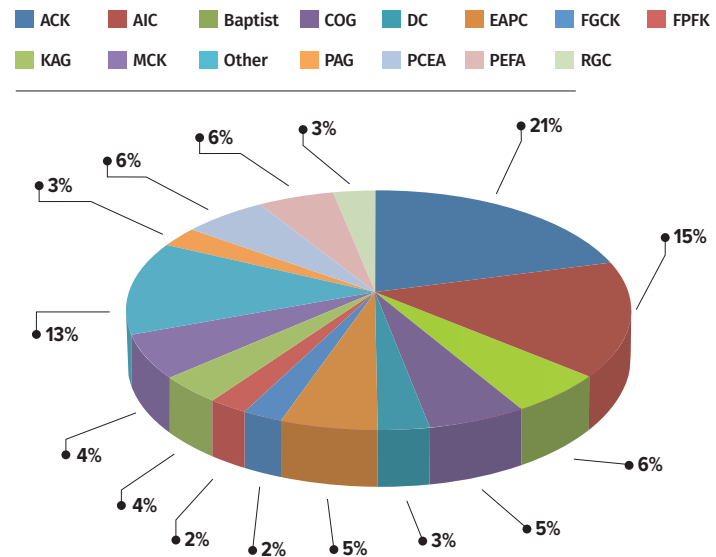


## Sponsored children and youth



*Define child participation  
The Average child participation level stood at 91%*

## Percentage of Church Partners by Denomination







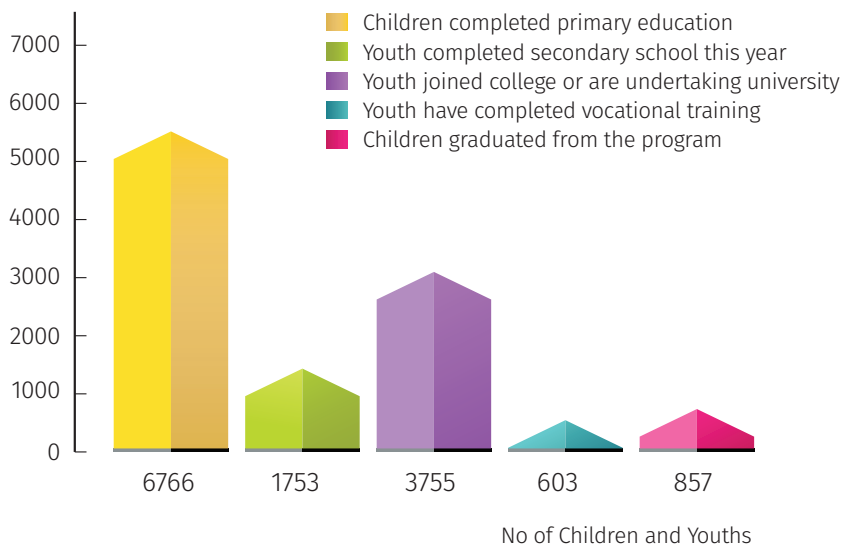
In promoting healthy growing children, appropriate health interventions were conducted among our beneficiaries.

Staff development is key in effective implementation of the Holistic Child Development Programmes. It is for this reason Compassion International in collaboration with Daystar University facilitated training of 58 Child Development workers. They graduated in February 2014 with a Certificate in Child Development. A total of 113 Pastors are currently undertaking a Diploma in Christian Ministries in collaboration with Scott

Christian University. The emphasis is on social transformation of churches and communities.

One hundred Child Development Workers received training in counselling skills. This was in collaboration with Amani Counseling and Training Centre. Focus was on effective identification, reporting, assessment and referral of cases of abuse among children. Sponsors and the beneficiaries enjoy an enriched relationship facilitated through regular letter exchanges, updated beneficiaries case studies and images (photographs).

### Cognitive Development Outcome





## Sponsor Engagement

**T**he tours and visits team has one thing in common- A contagious heart for children. These are the people who bring the heart of Compassion to hearts around the world. These are the people who pick up nervous travelers at airport and return them with a new passion to write more, to pray more and to love more.

These are the people whose job is to watch as a child leaps into the arms of their sponsor – who until that moment may have just been a face on a photo- and say, “See? She’s real.”

In Kenya, we have a saying that says “Visitors are a blessing!” and judging by the number of visitors we have received, we are indeed a blessed country. This past year, we received 752 visitors and a total of 626 children met and connected with either their sponsor or their sponsor’s representative. There is no greater joy than to see a child and a sponsor meet face to face. It is a magical moment that cannot be expressed in words.

Their faces light-up and burst into huge smiles. These visits have worked wonders in having children and sponsors bonding in such a special way - The laughter, hugs, joy and giggles warm up an on looker’s heart. It’s one of the many blessings that accompany our work.

Due to the high number of visitors that we received, we trained 58 hosts from our ICPs (Implementing church partners) who handle the sponsors for individual visits. They take them to the project and home visits as

well. The trained hosts have been of great assistance, without which, the tours and visits team would be overwhelmed. They have increased our capacity to handle more visits and not turned down any. While a visit to a child’s home usually brings tears and joy to the eyes of sponsors, there is even more joy in the heart of the child as they see their sponsor interacting with their family members.

The visits help sponsors to appreciate the context that the child and the family live in, to pray together with them and to take home memorable experiences. The visited child and family also feel loved and appreciated. The children can place a face to their sponsor’s names, thereby giving their letters an even more personal touch.

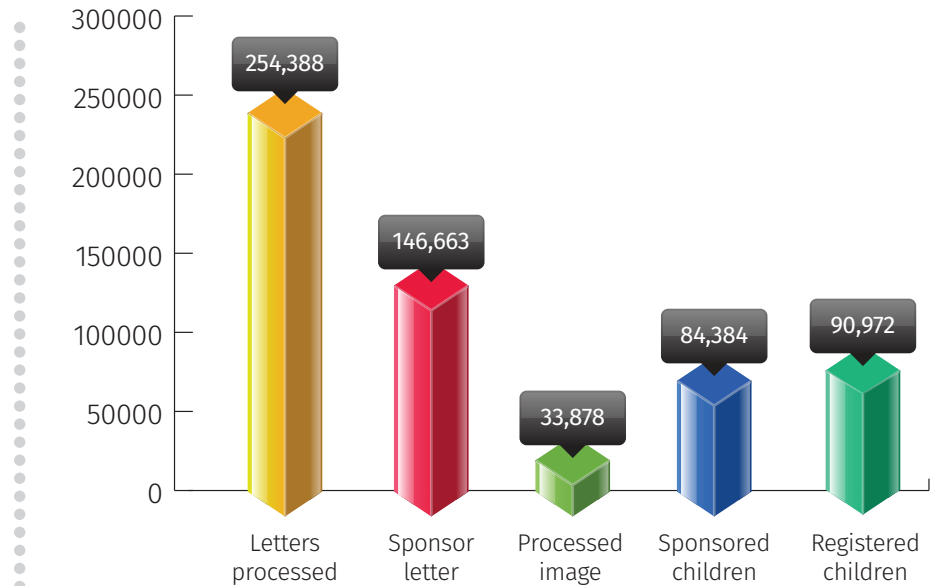
One of the impacts of the interactions of sponsors and children has been children working harder in school because they want make their sponsors proud. With the introduction of new low fare flights, it has made air-travel possible for children to come from far distances to meet their sponsors, saving on travel-time, transport costs and



accommodation. As a result of the sponsor tours and visits, we have had a large number of new sponsorship, Increased funding for Complimentary Interventions (CIVs) and more

sponsors see the real impact of their support. The lives of many sponsored children, their families and even projects have changed for the better.

### Statistics for letters and content (after sponsor engagement)



Numbers of letters and contents



## Leadership Development Program

Compassion International Leadership development Program provides opportunities for outstanding Christian young men and women to develop their potential as Christian leaders. They are will mobilized to end the cycle of poverty that undermines life. In the year, a total of 70 new students joined the program.



## Graduation

We graduated 55 students in this year's graduation held at Nairobi Baptist Church in March 2014. The total population of the leaders going through this program stands at 306. Prior to the graduation, the students were trained by on entrepreneurship by a group of Dutch businessmen and women, some of whom are Compassion sponsors. They also attended the students' graduation ceremony. The graduating students were also hosted for a dinner where 50 CEOs from various companies and organizations were in attendance. Out of the interaction, several students landed internship and employment opportunities.

## Missions and Work Camps

The Leadership Development program trains students to teach out to the community to serve through service activities which include: Door to door evangelism, open air crusades, person to person evangelism, school and hospital visit, market clean-ups and construction of homes for the needy. The students have participated in these missions and work camps sharing the love of Christ with people in the remote parts of Kenya. Since inception, this culture has defined Leadership Development Program- Kenya. as well as. Students have traveled in many parts of the country sharing the good news



of Jesus Christ and touching the lives of the underprivileged. Some of the areas served include Kinango, Kilifi, Katoloni, Tseikuru, Mutomo (twice), Tharaka, Machakos, Ishiara, Isiolo, Meru, Teso Busia (twice) Narok, and Mwingi. 15,524 have been reached: and 2403 confessed Jesus as Lord. Over 15 houses were renovated and that translates to better housing to the families.

In May 2014, over 100 students travelled to Busia and Teso counties for missions and workcamps. The students visited Busia county hospital and Alupe sub-county hospitals, visited the elderly and also ministered in schools and churches in the area. They also participated in market clean ups at Amukura and Mundika markets.

Two houses we constructed in Teso as well as Busia for families whose homes were falling on them. 4052 people were reached and out of these, 243 gave their lives to Christ. The number of those who got saved were: 243

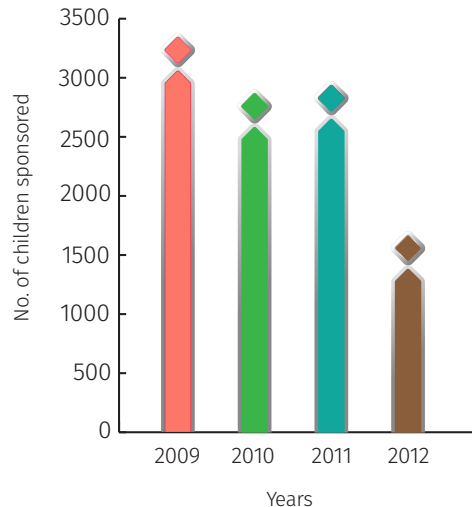




## Student Life Summer Camp

Student Life organizes summer youth camps in the United States. In these events, they invite Compassion International Leadership Development alumni to share their stories and how Compassion has impacted their lives. Every year, 5 students travel to the US for this advocacy work during these camps.

Thousands of children have been sponsored through this partnership and the students gain exposure and enhanced leadership and communication skills. We have had 20 LDP interns participate. A total of 14,291 sponsorships have been realized since 2009. The distribution is as follows:



## Complementary Interventions

Complementary Interventions exists to complete and enhance programs by equipping beneficiaries, empowering caregivers to increase household stability and extending the local Church partners ability to release children from poverty.

In the financial year ended June 30, 2014 (FY13), the total CIV fund received through proposal and reimbursable was KES 263 Million. The funding was utilized in projects throughout the country, reaching out to registered children, their caregivers and Church partners.







## Education

Education is a strategic area for the country- a top and critical priority towards achieving cognitive development among beneficiaries. Through proposal based activities and reimbursable funds a total Kes 10,584,115.00 was spent to supplement fees and exam registration for over 1000 students. A proposal awarding scholarships was secured to support 50 students who excelled in their Kenya certificate of primary education (KCPE). The scholarship will support the students through their four year secondary education.

## Household improvement

14,700 households received water filters to allow access to safe and clean water. This is projected to reduce the incidences of water related illnesses among the beneficiaries and their households in the Mumoni, Ishiara and Meru/Tharaka regions. An additional 560 households of the beneficiaries received water storage tanks of 3000 liter capacity installed with a gutter system to support rain water harvesting thus facilitating access to clean water for domestic use. The project costed Kes 11,880,960.

Through the infrastructure fund, (IFP), the country supported the renovation and reconstruction of 76 housing units for Compassion beneficiaries and their families in Mombasa and Mwingi clusters. The two

housing projects were funded at a cost of Kes 18,847,560 giving an opportunity to families living in deplorable conditions a decent safe shelter. The housing units have been installed with a gutter system, water storage tanks for rain harvesting and solar home lighting kits.

In empowering caregivers, 1870 families have been engaged actively in income generating activities such as goat and pig keeping, dairy keeping, poultry keeping, greenhouse farming and business startup up in an effort to address the wider context of the child. The initiative is a move towards improving food security and reducing the proportion of caregivers earning a net profit of less than 2 dollars per day.







## Water, Sanitation and Hygiene

Funding was awarded to improve the sanitation facilities at the Church centers. The Church partners are planned to have a four door sanitation block, 2 for girls, 2 for boys and a urinal for boys. Each center benefits from installation of a water storage tank gutter system for water collection. More than 6000 registered beneficiaries have directly benefited from this project.

We continue to promote rain water harvesting technologies and water piping projects by gravity due to their low cost of installation and maintenance. We have two major water projects on water piping initiative through abstraction of ground water. Both in Tharaka and Kinango clusters These projects are benefitting over 2000 people.

## Health

While prevention of disease is the strategic approach to physical health of registered beneficiaries Compassion appreciates the need for appropriate treatment and cure of prevailing illnesses. In FY 14, a total of 12 CDSP beneficiaries underwent surgery and treatment through accessing major medicals funds amounting to KES 6,868,340. Nine of these children are out of danger and are recovering post-surgery.

## A Dream come true

**N**eema Clement has a lot to celebrate. She is one of the 50 students who made it to the CDSP students scholarships awarded to excelling students in 2014, joining a national school; the school of her dreams. The determined and now hopeful 15 year old, a registered beneficiary in AIC Kilifi CDC, (KE 622) continues to excel in her academics, attaining an average 'A' grade in the last two terms of her first year in secondary school. Neema was ranked fourth in her class in the most recent academic profile at school.

As a first born among six siblings raised in a single parent family, Neema understood at a young age she needed to set a good example to her family, especially her siblings. "I worked hard to get good grades, I wanted to join Bura girls' secondary school, one of the best girls schools in the country and make my mother proud."

When the Kenya Certificate of Primary Education results were released, Neema scored good grades and was overjoyed when she received admission to the school of her dreams. Her mother couldn't afford secondary education fee and opted to send her to a local day school in Kilifi. At the time, her mother's vegetable kiosk, which doubled as shelter in the evenings, was not bringing in any money. They could hardly afford a meal but were enrolled in the Compassion HVC on-going program which provided a

meal for the family of seven. On seeing the plight of Neema, the Church prevailed and organized a funds drive to help raise her fee for secondary education. They realized a paltry amount against the required Kes120,000. Realizing the prevailing huddle, her mother chose to enroll her in a nearby local secondary, "I know she worked hard, but I gave her the best I could afford, she said with a dry smile.

While she was settling in her new school, Aileen Munga the Partnership Facilitator communicated to the ICP the probability that students who excelled in their primary exam had a chance to a four year scholarship. "Neema is an intelligent girl, she has been top of her class throughout her schooling and is deserving. I was determined that she would get this chance." says Aileen. "She was below the cut off points with one mark, but had an admission to a national school." Aileen, the cluster PF recalls. It was a long process requiring consultations with the team allocating the students scholarship. Our prayers were answered when on 9th February the project director received information that Neema's request had been successful.

"It was unbelievable, when I got this news" says Charles the Project Director. Neema is consistent, hard-working, determined and resilient; a character she has portrayed since

she was a little girl. "I want to be a doctor, actually a Neurosurgeon, I think I have what it takes" was her response when asked about her dreams.

If her performance record so far is anything to go by, her star is shining brightly. She notes with exuberant joy how the Church and Compassion has changed her life. Her mother received Christ a few months ago, testifying, "This is God, He heard my prayers."





## Child Protection

**M**arion\* clung to her six month old sister Anita\* as she watched her mother leave their home that fateful evening.

She prepared dinner, fed the baby, made sure the doors were closed and that baby was asleep before going to bed. As she finished her chores, she did not imagine that the worst was about to happen. Traumatized by the pain of seeing her mother suffer in a violent marriage, Marion became the next victim of defilement as her step-father defiled her late into the night. That night her mother and step-father like many other nights had fought because of financial problems. Only this night her mother ran away from the house to avoid the pain she was only too familiar with after the now regular assaults.

Marion was only eight years when this happened. Like many other children domestic violence, poverty, disabilities and other difficult circumstance only make them susceptible to abuse, neglect and exploitation. Many children do not receive the adequate care and support they need during vulnerable moments like this one and end up re-living the pain their parents go through. Compassion International Kenya through the Highly Vulnerable Children (HVC) and Child protection Program this year has been able to support 85 children like Marion who have gone through abuse and exploitation to be able to access justice and psychosocial

support. Through the same program 72070 children and 57533 caregivers have been trained on how to prevent abuse and exploitation and how to handle it in the event that it occurs.

Further Compassion has also trained its entire staff on the same, 1721 Child Development workers 1721 and 2406 Church support staff at the Implementing Church Partners to support children who undergo various forms of abuse and exploitation. All the above have signed and pledged to abide by Compassion Child protection Code of conduct. Compassion sponsored children as a result are able to participate in various National children activities such as Day of the African child in a bid to network with other organizations interested in protecting children

Marion also was able to inform a neighbor of what happened the next morning and was able to go to hospital where she received treatment and reported the matter to the police. Her Step-father after 3 months was jailed for life. Today Marion is making progress towards her healing. Like other wounded children she had to undergo counseling and Compassion International Kenya provided funds for her, her mother and sibling to be relocated back a different area where she can go to a school and her mother can also find a more stable income to take care of them.

*\*Not their real names\**



## New Office Facility

Compassion International has been in existence in Kenya for 30 years during which time has run its operations from rented facilities.

Due to the growing demand for office space for office operations; a 3 acre piece of land in Karen was purchased in 2006 in a view to construct a new office block. The ground breaking was done in April 2013. This new office block will accommodate both the country and East Africa Area office.

Kenya is a major business hub and preferred transport link to most African countries and beyond. We anticipate completion and occupation of the new office in early 2015.



# Financial Report

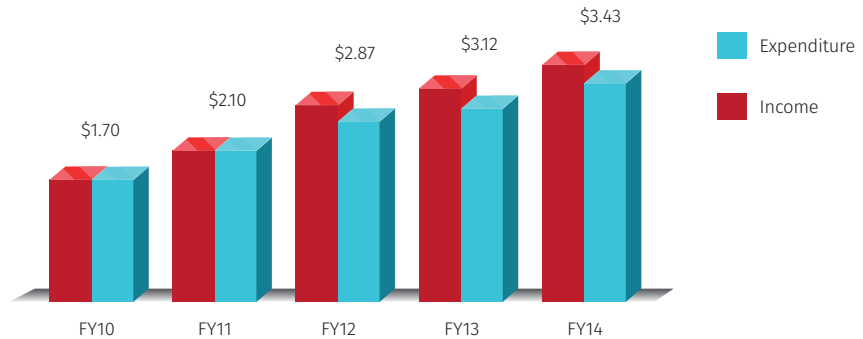
## Growth

In FY14 we experienced a 10% growth in our overall income compared to FY13. This growth was mainly due to increased sponsorships that saw the growth of Child support funds, child gifts and child survival program funds with a reduction in unsponsored funds.

Water projects, Education funds and advocacy registered the highest growth areas indicating compassion's keen interest in these areas. Compassion has consistently grown its programs as indicated in the five year income review.



## Five Year Income Review



## Operational Efficiency

Compassion continues to operate in an efficient manner strictly managing its operating costs. In FY14, grant expenses accounted for 83.5% of the total costs. Total administrative costs accounted for 12.6% while 3.9% were costs incurred to facilitate the children sponsors who come to visit their sponsored children. The bulk of grant expenses were funds sent directly to the implementing church partners.

## Operating Environment

The inflation rate was largely even with a low of 6.27% and a high of 8.29%. Inflation closed the financial year at 7.3% in June 2014. This created a stable operating environment. Prices of products for the Field office and our church implementing partners were stable except for occasional increases in cost of fuel and electricity. Overall, we realized good value for money for our procurement. The foreign exchange rate was equally stable with the shilling trading between the lows of 85.53 and the highs of 89.11





## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2014

### 1. Status

Compassion International Inc was registered on 25th June 1993 under Section 10 of the Non-Governmental Organization Coordination Act. Its headquarters are in Colorado Springs, Colorado, USA. It is a Christian organization which exists as an advocate for children to release them from their spiritual, economic, social and physical poverty and enable them to become responsible and fulfilled Christian adults. Compassion is exempt from income tax.

### 2. Accounting Policies

#### a. Basis of Accounting

The financial statements are prepared on receipt and payment basis with a modification to include income reimbursable for the unrestricted fund.

#### b. Capital Expenditure

Capital expenditure is written off in the financial statements in the period it is incurred. Fixed assets acquired by the Kenya Office and East Africa Area Office are capitalized in the accounts of Compassion International Inc.

#### c. Income from Colorado Springs

Income from Colorado Springs is recorded when received.

#### d. Interest

Interest is included in the accounts when received.

#### e. Grants

Amounts remitted to the projects are recorded as expenses.

#### f. Internal Transfer Fund

Restricted funds, if they cannot be disbursed to children / projects for over two months, are returned to the headquarters in USA through an internal funds transfer system.

#### g. Foreign Currency:

Transactions in foreign currency are translated into Kenya Shillings using the rate of exchange ruling the date of transaction.

#### h. Cost centre Expenses

For comparison purposes cost centre expenses during the year have been consolidated in the income and expenditure accounts.



## Audited Financial Statements for the Year Ended 30 June 2014

Auditors

**Kimani and Associates**

Pin: A001180001k

Certified Public Accountants

P.O. Box 20122-00200

Nairobi - Kenya.

## BALANCE SHEET AS AT 30 JUNE 2014

	Notes	2014 Kshs	2013 Kshs
<b>CURRENT ASSETS</b>			
Advances and Receivables	3	226,990	214,896
Cash and cash equivalent	4	265,102,071	274,269,253
Net Assets		<b>265,329,061</b>	<b>274,484,150</b>
<b>REPRESENTED BY:</b>			
COS reimbursable fund	5	11,403,931	20,478,401
Grant fund	6	253,925,129	254,005,748
		<b>265,329,061</b>	<b>274,484,150</b>

Approved on August 29, 2014

and signed by Kisumu Macharia

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2014

<b>INCOME</b>	Notes	<b>2014</b> Kshs	<b>2013</b> Kshs
Grant income	7	2,436,854,210	2,284,630,122
Office Reimbursable receipts		740,376,258	623,142,894
Interest and other incomes		1,334,364	1,276,521
Opening fund balances		254,005,748	211,468,393
Exchange Gain/ (Loss)		18,388	(71,271)
		<b>3,432,588,968</b>	<b>3,120,446,660</b>
<b>EXPENDITURE</b>			
Grant expenses	8	2,643,229,351	2,429,084,549
Administration costs		117,923,592	93,824,713
Staff salaries and benefits		267,150,174	240,787,591
Purchases of tangible assets		14,726,325	17,482,064
Sponsor/ Visitor expenses		124,230,464	64,783,593
Total Expenses		<b>3,167,259,907</b>	<b>2,845,962,510</b>
Funds balances		<b>265,329,061</b>	<b>274,484,150</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Notes	<b>2014</b> Kshs	<b>2013</b> Kshs
Funds Balance for the year		<u>265,329,061</u>	<u>274,484,150</u>
Net cash before changes in working capital		265,329,061	274,484,150
Changes in working capital			
(Increase) /Decrease in advances	3	<u>(12,094)</u>	<u>159,032</u>
Net cash from operation		265,316,967	274,643,182
Changes in Fund		(265,329,061)	(274,484,150)
Change in COS reimbursable fund (undesignated fund)			
Change in Grant fund (designated fund)	5	(9,074,470)	(7,410,950)
	6	<u>(80,619)</u>	<u>42,537,356</u>
Net cash and cash equivalent		(9,167,183)	35,285,437
Cash and cash equivalent b/f		<u>274,269,253</u>	<u>238,983,816</u>
Cash and cash equivalent c/f	4	<u><b>265,102,071</b></u>	<u><b>274,269,253</b></u>

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2014 (CONTD)

### 3. ADVANCES AND RECEIVABLES

	<b>2014</b>	<b>2013</b>
	<b>Kshs</b>	<b>Kshs</b>
Travel advance	77,069	205,834
Accounts receivables	149,921	9,062
	<b>226,990</b>	<b>214,896</b>
	<b>226,990</b>	<b>214,896</b>

### 4. CASH AND CASH EQUIVALENT

	<b>2014</b>	<b>2013</b>
	<b>Kshs</b>	<b>Kshs</b>
Cash at hand	192,762	88,652
Commercial Bank of Africa- A/C 1	264,909,309	274,180,601
	<b>265,102,071</b>	<b>274,269,253</b>
	<b>265,102,071</b>	<b>274,269,253</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2014 (CONTD)

### 5. COS REIMBURSABLE FUND

Reimbursements	740,395,063	623,142,894
Office Reimbursables	(174,929,759)	(126,590,734)
Sponsor and Donor ministry	(44,881,230)	(43,733,687)
Program delivery	(146,071,563)	(127,597,772)
Health Specialist	(73,463,823)	(54,674,333)
Leadership development program	(66,238,839)	(71,170,122)
Child survival specialist	(3,329,487)	(3,129,194)
CIV Administration	(6,355,577)	(5,249,564)
EAA program expenses	(62,908,854)	(63,374,215)
AFR program Expenses	(6,924,248)	(9,615,642)
HVC Specialist	(49,454,000)	(48,011,426)
Bible activities	(2,950,732)	(4,308,356)
Education Assistance	(5,530,300)	(1,776,000)
Curriculum Implementation	-	(300,000)
GMC Snr field Auditor,Africa	(29,936)	(10,035,717)
Compassion fund	(21,297,714)	(16,932,247)
Disaster relief	(9,684,880)	(6,848,610)
Africa Advocacy	-	-
East Africa Area	(43,535,006)	(6,968,491)
East Africa Area CIV	(1,132,253)	(310,617)
East Africa Area CSP	(308,956)	-
Eas Africa Area HIV	(61,288)	(25,650)
East Africa Area LDP	(916,500)	(150,718)
Africa Region Office Expenses	(3,599,263)	(327,305)
Africa Region Advocasy	(5,386,924)	(1,534,095)
	<b><u>11,403,931</u></b>	<b><u>20,478,401</u></b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2014 (CONTD)

### 6. GRANT FUND BALANCES

	<b>2014</b>	<b>2013</b>
	Kshs	Kshs
Child Support Grant	163,167,126	157,394,724
Gifts Grant	15,583,652	14,222,246
Un-sponsored Children	6,954,724	5,878,374
Child Survival programme	5,818,560	5,773,300
Advocacy	397,815	1,337,407
Highly Vulnerable Children	-	1,804,914
Non Formal Education	3,982,500	-
Education	-	2,536,639
Water Development	20,023,417	15,131,608
Infrastructure Development	17,041,941	12,509,304
Hunger health	5,678,265	1,867,217
Other grants	15,277,131	35,550,014
	<b>253,925,129</b>	<b>254,005,748</b>



## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2014 (CONTD)

### 7. GRANT RECEIPTS

<b>ALIAS</b>	<b>DESCRIPTION</b>	<b>2014</b>	<b>2013</b>
		Kshs	Kshs
ADV	Advocacy	3,669,547	1,912,830
CHS	Child support grants	1,892,331,155	1,719,172,103
CSP	Child Survival Programme	68,807,490	67,799,550
HH	Hunger health	5,734,470	7,409,978
GFT	Gifts	300,048,259	281,800,662
IFP	Infrastructure development	22,817,565	29,447,497
NFE	Non-formal education	3,982,500	5,643,789
CPL	Start up grants	7,963,223	10,698,660
CFN	Compassion Fund	8,835,878	7,198,329
EDU	Education	5,292,210	2,895,929
IGP	IGD Funds	-	31,145,710
HVC	Orphans and Vulnerable children	-	3,418,545
WTP	Water Project	34,506,682	20,766,428
USP	Un-sponsored funds	70,618,515	75,362,403
MIV	Malaria Intervention	-	12,247,727
HIV	HIV/AIDS program	5,986,159	7,709,981
IGP	Project Startup Fund	6,260,558	-
	Total Grants Receipts	<b><u>2,436,854,210</u></b>	<b><u>2,284,630,122</u></b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2014 (CONTD)

### 8. GRANTS EXPENSES

ALIAS	DESCRIPTION	2014 Kshs	2013 Kshs
ADV	Advocacy	4,757,776	486,012
CHS	Child support	1,886,558,753	1,696,418,204
CSP	Child survival program	68,762,230	67,596,750
HH	Hunger health	1,922,388	12,376,101
GFT	Gifts	298,439,134	279,699,326
IFP	Infrastructure development	18,284,928	26,820,733
NFE	Non formal education	2,496,106	6,269,823
CFN	Compassion funds	27,528,680	22,641,067
EDU	Education	13,639,685	7,249,121
HVC	Highly Vulnerable Children	48,055,117	47,113,258
USP	Unsponsored funds	69,542,165	74,323,387
WTP	Water developoment	29,592,976	6,637,569
DRF	Disaster relief	9,684,880	6,848,610
HIV	HIV/AIDS program	72,363,184	63,378,666
LDP	LDP program	57,164,398	62,689,913
IGP	IGP funds	29,922,219	15,332,550
MIV	Malaria intervention	-	16,816,835
BIB	Bibles	2,950,732	4,308,356
CUR	Curriculum		300,000
CPL	Project Startup Fund	1,564,000	11,778,269
	Total Grants Expenses	<b><u>2,643,229,351</u></b>	<b><u>2,429,084,549</u></b>

**9. Non-Current Assets**

Non-Current Assets									
Item Type	Opening balance		Purchases		Disposal		Depreciation	Closing Balance	
	No.	Amount	No.	Amount	No.	Amount	Amount	No.	Amount
Printer	5	1,107,250	1	1,002,704	1	40,000	689,985	5	1,379,970
Motor Vehicle	8	8,598,555	3	10,176,163	1	710,000	3,612,944	10	14,451,775
Furniture & Workstations	80	1,596,250	32	1,424,856	32	655,145	788,654	80	1,577,308
Computer & Servers	85	2,902,667	22	2,057,610	20	327,572	1,544,235	87	3,088,470
Cameras	36	150,000	2	64,991	6	18,000	65,664	32	131,327
<b>Total</b>	<b>214</b>	<b>14,354,722</b>	<b>60</b>	<b>14,726,325</b>		<b>1,750,717</b>	<b>6,701,481</b>	<b>214</b>	<b>20,628,849</b>

**10. Currency**

The accounts are presented in Kenyan currency.

**11. REGISTERED OFFICE**

Compassion International Kenya offices are located at 525 Kindaruma Road next to Baraton University,  
Off Ngong Road.

