

Acres of Mercy, Kenya

ANNUAL REPORT & FINANCIAL STATEMENTS 2013

ACRES OF MERCY-KENYA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2014

CONTENTS	PAGES
Officers and professional advisors	3
Report of the Board Members	4
Statement of Board responsibilities	5
Report of the independent auditor	6 - 9
Financial Statements	
Statement of comprehensive income	10
Statement of financial position	11
Statement of changes in fund	12
Statement of cash flows	13
Notes to the financial statements	14
Annual Report 2013	16-26

ACRES OF MERCY-KENYA**ORGANISATION INFORMATION****FOR THE YEAR ENDED 31 JANUARY 2014**

Board Members:

Winnie Mutio Muoki	Chairperson
Jimmy Allan Oluoch	Secretary
George Odhiambo Ochogo	Treasurer
Catherine Muteti-Oluoch	Founder – Ex Officio
Margaret W. Perry*	Country Representative- US

Registered Office:

Acres of Mercy, Kenya
Msingi Bora Learning Centre
NGULUNI,
KENYA.

Postal Address:

P.O. BOX 1031-00300,
NAIROBI.

Independent Auditors:

Daniel and Daniels B.C
Certified Public Accountants of Kenya
P O Box 72968-00200
Nairobi, Kenya

Principal Bankers:

Cooperative Bank Limited
P.O. BOX 644-90131
TALA

ACRES OF MERCY-KENYA

REPORT OF THE BOARD MEMBERS

FOR THE YEAR ENDED 31 JANUARY 2014

The Board Members present their report together with the audited financial statements for the year ended 31 JANUARY 2014, which disclose the state of affairs of the Organization.

Principal Activities

EDUCATION	Giving children a firm foundation to build their lives on through our school, Msingi Bora Learning and Education Centre
HEALTH	Provision of Health Intervention to vulnerable and disadvantaged members of the community
COMMUNITY –MOBILIZING & EMPOWERING	Increasing the capacity of the community to pursue a development agenda through trainings, networking and information sharing

Board Members

The Board Members who held office during the year and to the date of this report are set out on page 1.

Independent Auditor

During the year Daniel and Daniels Business Consultants served as the Organization's independent auditors and have expressed their willingness to continue in office.

BY ORDER OF THE BOARD

Jimmy Allan Oluoch



Organization Secretary

Nairobi,
25th July 2014

ACRES OF MERCY-KENYA

STATEMENT OF BOARD MEMBERS RESPONSIBILITIES

FOR THE YEAR ENDED 31 JANUARY 2014

It is the responsibility of the Board of Directors to prepare financial statements which give a true and fair view of Acres of Mercy's state of affairs and of its work within the community. In preparing the financial statements, the Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the organization will continue with its activities.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Acres of Mercy, Kenya.

It is also responsible for safeguarding the assets of Acres of Mercy, Kenya and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board Members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Organization as at 31st January 2014 and of its surplus/deficit and cash flows for the year then ended in accordance with International Financial Reporting Standard. Nothing has come to the attention of the Board Members to indicate that the Organization will not remain a going concern for at least twelve months from the date of this statement.

Approved by the board of Board Members on -----2014 and signed on its behalf by:

Director

Director

ACRES OF MERCY-KENYA

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ACRES OF MERCY-KENYA

FOR THE YEAR ENDED 31 JANUARY 2014

Report on the financial statements

We have audited the Organization financial statements of the ACRES OF MERCY-KENYA, set out on pages 6 - 15 which comprise the balance sheet as at 31 JANUARY 2014, the income statement, statement of changes in fund and statement of cashflows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Board Members' responsibility for the financial statements

The Board Members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standard. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and the presentation of the 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.

Auditors' responsibility

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

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

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

Opinion

In our opinion the Organization financial statements give a true and fair view of the state of the financial affairs of the Organization as at 31 JANUARY 2014 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard.

Report on other legal requirements

As required, 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 Organisation, so far as appears from our examination of those books; and
- (iii) The Organisation's balance sheet and profit and loss account are in agreement with the books of account.

Daniel and Daniels B.C
Certified Public Accountants
Nairobi

-----**2014**

ACRES OF MERCY-KENYA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2014

1. General information

ACRES OF MERCY-KENYA is registered and regulated in Kenya under the NGOs Co-ordination Act No. 19 of 1990, NGOs Co-ordination Regulations 1992, and NGOs Co-ordination (Amendment) Regulations 2010. The address of its registered and principal place of business is set out on page 1. The principal activities of the Organization are set out on page 2.

2. Basis of preparation and summary of significant accounting policies

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting issued by the International Accounting Standards Board. They are presented in Kenya Shillings (KShs), rounded to the nearest thousand. The measurement used is the historical cost basis except where otherwise stated in the accounting policies below.

Revenue recognition	Revenue from donations is recognized upon receiving the donation.
----------------------------	---

Income tax	The organization being a charitable organization is tax exempt.
-------------------	---

Tax Exempt Status	The organization has not applied to the Revenue Authority (KRA) for official tax exemption status
--------------------------	---

Translation of foreign currencies	All transactions in foreign currencies are initially recorded in Kenya Shillings, using the spot rate at the date of the transaction.
--	---

Foreign Currency at Balance Sheet Date	Translated using the closing rate.
---	------------------------------------

Exchange Differences	All exchange differences arising on settlement or translation are recognized in profit or loss.
-----------------------------	---

Financial liabilities	Financial liabilities are initially recognized at the transaction price (including transaction costs).
------------------------------	--

Trade payables	Trade payables are obligations on the basis of normal credit terms and do not bear interest.
-----------------------	--

Interest bearing liabilities	Measured at amortized cost using the effective interest method.
-------------------------------------	---

Currency

Financial statements are presented in Kenya Shillings (Kshs.).

Cash and cash equivalents

For purposes of cash flow statement, cash and cash equivalents represent cash at hand and cash deposits held at the bank.

**ACRES OF MERCY-KENYA
INCOME STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2014**

	Notes	31.01.14 KShs	31.01.13 KShs
INCOME			
Grants Income	4	1,526,396	1,446,451
Total Grant Income		1,526,396	1,446,451
EXPENSES			
Administration expenses	5	124,567	289,447
Operating costs	6	390,521	505,745
Staff costs	7	794,136	602,373
Financial and professional charges	8	40,876	34,085
Total expenses		1,350,099	1,431,650
Surplus / Deficit before Capital Exp.		176,297	14,800
Capital expenditure		(688,370)	(414,932)
Surplus / Deficit after capital expenditure		(512,073)	(400,132)

**ACRES OF MERCY-KENYA
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 JANUARY
2014**

	Notes	31.01.14 KShs	31.01.13 KShs
NON CURRENT ASSETS			
Property,plant and equipment	2	2,237,918	1,634,290
		2,237,918	1,634,290
CURRENT ASSETS			
Cash and bank	3	90,113	193,734
TOTAL ASSETS		2,328,031	1,828,024
EQUITY & LIABILITIES			
LIABILITIES			
Account Payables	9	482,402	73,950
		482,402	73,950
EQUITY			
Capital fund		2,237,918	1,634,289
Accumulated fund		(392,289)	119,785
		1,845,629	1,754,074
TOTAL EQUITY AND LIABILITIES		2,328,031	1,828,024

The financial statements were signed on behalf of the trustees onby:

Name.....Signature.....

Name.....Signature.....

ACRES OF MERCY-KENYA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2014

	Capital Fund	Accumulated Fund	Total
	KShs	KShs	KShs
Balance b/f	1,634,289	119,785	1,754,074
Net surplus	-	(512,073)	(512,073)
Assets addition	688,370	-	688,370
Less depreciation	(84,741)	-	(84,741)
	<hr/>	<hr/>	<hr/>
As at 31 January 2014	<u>2,237,918</u>	<u>(392,289)</u>	<u>1,845,629</u>

	Capital Fund	Accumulated Fund	Total
	KShs	KShs	KShs
Balance b/f	1,308,887	535,916	1,844,803
Net surplus		(400,132)	(400,132)
Assets addition	414,932		414,932
Less depreciation	(89,530)		(89,530)
prior Year Adjustment		(16,000)	
	<hr/>	<hr/>	<hr/>
As at 31 January 2013	<u>1,634,289</u>	<u>119,785</u>	<u>1,770,074</u>

ACRES OF MERCY-KENYA
CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2014

	31.01.14	31.01.13
	KShs	KShs
CASHFLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) on operations	176,297	14,800
Adjustments for items not involving movement of cash:		
Prior year Adjustment	-	(16,000)
Operating profit / (loss) before working capital	176,297	(1,200)
(Increase)/Decrease in receivables		
(Decrease)/Increase in payables	408,452	57,950
Cash generated from operations	584,749	56,750
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of non current assets	(688,370)	(414,932)
Net cashflow used in investing activities	(688,370)	(414,932)
CASHFLOW FROM FINANCING ACTIVITIES		-
Net cashflow used In Financing activities		
Net increase / (decrease) in cash and bank balance	(103,621)	(358,182)
Cash and bank balance at the beginning of the year	193,735	551,916
Cash and bank balance at the end of the year	90,113	193,735

FINANCIAL RATIOS 2013/2014

Net Assets/Expenses	1.79
Debt/Assets	0.19
Revenue/Expenses	1.17
Current Ratio	0.21
Fundraising efficiency	2598%
Admin Cost Ratio	9%

ACRES OF MERCY-KENYA
NOTES TO THE FINANCIAL STATEMENTS.....Continued
FOR THE YEAR ENDED 31 JANUARY 2014

2 Property, Plant and Equipment Schedule as at 31 January 2014

	Land	Buildings	Furniture & Equipment	Water tank	Green House	Computers	Motor Bike	Total
	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
COST								
Balance b/f 01.02.2013	300,000	798,650	192,169	66,630	333,696	17,899	78,792	1,787,836
Additions	435,000	178,767	74,603	-	-	-	-	688,370
Disposals								
Total cost	735,000	977,417	266,772	66,630	333,696	17,899	78,792	2,476,206
DEPRECIATION								
Acc. Depreciation	-	-	56,256	15,616	50,217	11,760	19,698	153,546
Charge for the year	-	-	26,315	6,377	35,435	1,842	14,774	84,741
Depreciation as at 31.01.2014	-	-	82,570	21,993	85,651	13,602	34,472	238,288
Net book value as at 31.01.2014	735,000	977,417	184,202	44,637	248,045	4,297	44,321	2,237,918

2 Property, Plant and Equipment Schedule as at 31 January 2013

	Land	Buildings	Furniture & Equipment	Water tank	Green House	Computers	Motor Bike	Total
	KShs	KShs	KShs	KShs	KShs			
COST								
Balance b/f	300,000	726,650	183,969	66,630	77,756	17,899	-	1,372,904
Additions	-	72,000	8,200		255,940		78,792	414,932
Disposals								
Total cost	300,000	798,650	192,169	66,630	333,696	17,899	78,792	1,787,836
DEPRECIATION								
Acc. Depreciation	-	-	36,840	8,329	9,720	9,129		64,016
Charge for the year	-	-	19,416	7,288	40,497	2,631	19,698	89,530
Depreciation as at 31.01.2013	-	-	56,256	15,616	50,217	11,760	19,698	153,546
Net book value as at 31.01.2013	300,000	798,650	135,913	51,014	283,479	6,139	59,094	1,634,290

ACRES OF MERCY-KENYA
NOTES TO THE FINANCIAL STATEMENTS.....Continued
FOR THE YEAR ENDED 31 JANUARY 2014

	31.01.14	31.01.13
	KShs	KShs
3 Cash and Cash Equivalents		
Cooperative Bank - Maanisha Account	-	2
Cooperative Bank - General Account	72,154	189,579
Cooperative Bank -Haba Haba	2,132	4,153
Cash in hand	15,827	-
	<u>90,113</u>	<u>193,734</u>
4 Grant Income		
School Fees	142,430	63,655
Donation/Disbursements	333,370	1,232,002
Global giving	1,050,596	150,794
	<u>1,526,396</u>	<u>1,446,451</u>
5 Administrative Expenses		
Administration	46,267	69,428
Meals	-	29,507
Office supplies	6,169	-
Communication	20,210	9,819
Grounds and hall & Equipment hire	1,000	-
Stationery	5,320	60,998
Repairs	41,035	2,675
Uniforms and support fees	-	117,020
Utilities	4,566	-
	<u>124,567</u>	<u>289,447</u>
6 Operating Expenses		
Transport	33,820	19,010
Meals-School Feeding Programme	32,842	-
OVC Support	32,962	12,253
Income generating activities	19,994	245,411
Monitoring & Evaluation	44,995	2,350
Health Programme	68,014	89,701
School Learning Materials	28,960	-
Facilitators Fees-Referees	-	27,410
School Events- Learning Trip	46,420	-
Special Project	82,514	109,610
	<u>390,521</u>	<u>505,745</u>
7 Staff Cost		
Wages and Salaries	763,765	584,580
Staff welfare	30,371	17,793
	<u>794,136</u>	<u>602,373</u>
8 Financial and Professional Fee		
Disbursement Charges		8,655
Bank Charges	5,576	9,430
Professional fees	35,300	16,000
	<u>40,876</u>	<u>34,085</u>
9 Accounts Payable		
Payables and Accruals	390,402	73,950
Short term loans	92,000	-
	<u>482,402</u>	<u>73,950</u>

ANNUAL REPORT 2013

1.0 BACKGROUND

Acres of Mercy was started 2005 as an NGO to work with single teenage mothers who had no one to comfort them, to show them God's mercies and to help them realize restoration. The organization has since evolved to working within the community to alleviate the problems of child abuse, HIV/AIDS and low literacy levels. The organization has intermittently worked in capacity building local women groups as well as mentoring and guiding youth to become active participants and contributors to community development.

Mission

With Jesus Christ as the foundation and by His mercies, to provide relevant interventions in the areas of Health, Education and Economic and Social Development for a free, healthy and economically vibrant community

Vision

Free, Vibrant and Healthy Communities

Values

Our values at Acres of Mercy are:-

1. Love

Our command, our choice, our conduct and our commitment

2. Christ-centered

Everything points and is motivated by Christ Jesus

3. Servant Leaders

To lead we first must serve others

4. Compassionate Peacemakers

We work to restore peace between man and man , man and God and man and his environment

5. Global citizens

Our response locally contributes to global good and even eternal good

6. Relationships

We exist to build relationships

7. Non-Discrimination Policy

We do not discriminate

The process of redefining our values is still ongoing and we will soon have a set of easy to remember core values from the current 7 to a maximum of 5

2.0 PROGRESS REPORT ON PROGRAMS FOR THE YEAR ENDING JANUARY 31ST 2014

During the period 2013-2014 we saw the grace of God in establishing the focus areas of the organization.

OUR 2013 FOCUS AREAS

EDUCATION	Giving children a firm foundation to build their lives on through our school, Msingi Bora Learning and Education Centre
------------------	---

HEALTH	Supporting health interventions to vulnerable and disadvantaged members of the community
---------------	--

2.1 MSINGI BORA LEARNING AND EDUCATION CENTRE

School Description

Msingi Bora Learning and Education Centre provide Early Childhood and lower primary education to vulnerable children. The center's main target being Orphans, children from single parent led families, children from families with absentee parents, children from homes with abusive parents, children exposed to families engaging in selling illicit brews, children from very poor families with incomes of less than 2 dollars a day. In the year ended 2013 the school was in its seventh year of operation having started as a day care center.

The Centre had a Nursery & Baby Class, Pre-Unit, Class 1, Class Two and Class Three, Class Four, Class six and Class seven, in total eight classes.

The centre has separate yet congruent vision and mission with Acres of Mercy as an organization.

The Center's Vision- To give children a foundation on which to build their lives

The Centre's Mission- To provide spiritual and faith formation, health and nutrition interventions, education, skill and talent development to enable vulnerable children develop the capacity to live out to their potential in light of the Word of God

The centre's strategy to achieve the above involves providing quality foundation to children through ensuring the students know how to read, write, think and learn for themselves based on Christian values.

School Progress 2013- Msingi Bora Learning Centre

Overall in 2013 the school made good progress, although there is still a lot of room for improvement. Through management's vision, teamwork, team commitment, dedication and support from all stakeholders and partners we hope to see much more impactful progress being made in the coming years. We hope to see improvements in infrastructure as well as gains in holistic development of our students.

Key Area	Celebrate About	Improvement Areas
Management and Staff	<ul style="list-style-type: none"> ✓ 8 staff – Teacher: Pupil ratio averaging 1:15 for year 2013 ✓ 100% - Trained teaching staff school teachers (P1, ECDE and B.Ed.) 	<ul style="list-style-type: none"> ✗ Aligning Staff Focus to the organization's vision, focus and policies ✗ Continuous professional development in 2014 for 100% of teaching staff ✗ 100% of teachers actively speaking and instructing in English in school
Staff Training and Development	<ul style="list-style-type: none"> ✓ Training on effective Student Discipline ✓ Increased decision making and planning skills 	<ul style="list-style-type: none"> ✗ Training on effective discipline procedures
Students	<ul style="list-style-type: none"> ✓ Students attendance ratio averaged 90% for the year 2013/14 ✓ Mentoring Program through Kids Interact Club carried out with over 10 hours of mentoring to 50 students ✓ Students' talents and skills identified as they participated in sub-zonal games in handball and soccer. 1 student was selected to join the team to the District games ✓ Students attended the Nairobi International Trade Fair as part of their learning experience and exposure 	<ul style="list-style-type: none"> ✗ Student recruitment needed- student: teacher ratio of 15:1 below the organization's set standard of 25:1 ✗ More intense Mentoring and Counseling needed ✗ School to establish various clubs by mid 2014 and engage students in a wide array of games as per curriculum so all students can find their place
Feeding Program	<ul style="list-style-type: none"> ✓ Over 150 Children accessed school food 10 out of 10 months within the year ✓ Parents' involvement in this program was high as they contributed beans and cow peas to support the feeding program. ✓ The school also received food support from the Government through the Sub County Administrator's Office 	<ul style="list-style-type: none"> ✗ Consistent supply of balanced diet food for 6 out of 10 months
Reading, Writing and Comprehension	A reading program was initiated to help poor readers get to the required reading	<ul style="list-style-type: none"> ✗ Reading resources- books, volunteers not

Program	readiness level. 85% of students able to read by end of the academic year 2013. All classes started the program	readily available to impact the students ✖ All classes to maximize engagement in the comprehension and reading program as per strategy ✖ Teachers to be motivated more
Mathematics and Science Improvement Program	The school started a Mathematics, Science improvement program in 2013 October to improve student achievement in the two subject areas	✖ All science and mathematics teachers to optimize the program as per strategy

2.2 HEALTH INTERVENTION

HIV Intervention Project Summary

Acres of Mercy had applied for a grant to intervene in HIV/AIDS within the community. The Funds were approved in December 2011 and work begun in February 2012. The project was scaled down in the period 2013.

Project Title	Sustaining Effective Robust HIV/AIDS Response in Matungulu District
Objectives	<ol style="list-style-type: none"> 1. Psychosocial support to members of the psychosocial support group under incubation. 2. OVC school fees and uniform support to at least 5 OVC's in the year 2013 3. PLHIV referral transport support to members of the psychosocial group under incubation

Project Progress -2013

Community Impact	<ul style="list-style-type: none"> ✓ 1 OVC offered Secondary School fee support ✓ 2 families offered varying psychosocial support which included referral support to seek health treatment
Key Lessons Learnt	<ul style="list-style-type: none"> ✓ Modeling Integrity in leadership is key to sustainable community mobilization ✓ Community ownership in running projects is key to sustained success ✓ Weak leadership in community groups necessary if scaling is

to be achieved

Challenges	<ul style="list-style-type: none"> ✓ Stigma still a major challenge in the fight against HIV/AIDS especially in formation and running of psychosocial support groups ✓ Mobilizing school fee support a challenge as sustainability Green House project did not do well to support a large number of beneficiaries ✓ Weak CBO leadership and positive visioning a stumbling block in successful incubation of psychosocial support group ✓ Limited human capacity resource a challenge in successfully incubating and scaling the formation of psychosocial groups within the location ✓ Entitlement attitude and a hand out mentality a major cause of project failure especially where group project is involved
-------------------	--

Community Health Support: The organization supported the diagnosis and information to a member of the community facing a rare case of a cancerous foot with support from friends from Cypress Valley Bible Church- USA. CVBC has continued to support Acres of Mercy through to the 2014-2015 year.

2.3 SPECIAL PROJECTS/PROGRAMS

Project	Celebrate About	Improvement Areas
Discipleship and Evangelism	✓ The organization reached out to high school students within Nguluni. Out of the schools contacted a discipleship talk was held at one of the schools reaching out to over 100 students.	✗ Conduct more high school outreaches amongst other schools within the area
Girls Sanitary Program	✓ 60 menstrual cups still available to school girls within Nguluni to be offered to high school girls at a subsidized rate.	✗ Give out the 60 cups in 2014/15
Global Giving Project 9833/6922	✓ The organization was able to raise funds to support the education program and core costs within of up to \$1522 (Approximately Ksh.129,000) fundraised from Global Giving project.	✗ Increase traffic and giving through the Globalgiving website and drive giving to up by 100%.
Land Purchase	The organization was able to negotiate with a member of the community to buy land for expansion with an offer price of Ksh 435,000. Ksh 200, 000 paid in 2013.	✗ Balance of Ksh. 235,000 to be cleared in 2014. Fencing to be done.
Infrastructure Improvement	Fundraising led by teachers raise over Ksh 40,000 to build more classes. Foundation of 3 classes completed Superstructure of 1 class completed	✗ 7 classes, toilets and administration block to be completed in 2014

2.4 SUSTAINABILITY

Global Giving- Green House Project

Project Summary

In December 2010, Acres of Mercy applied for a fundraising spot on the online fundraising website GlobalGiving. The project was modified in 2013 to help raise funds to build more classes for the students and improve their learning environment.

Project Title	Help 175 Children in Nguluni Stay in School
Start Date:	March 2011
End Date:	Continuous
Project Budget	Ksh 4,000,000
Disbursed	Ksh 644,236; 129,000 in 2013
<hr/>	
Objectives	
<hr/>	
✓ To generate funds to successfully complete improving school infrastructure- classes	✗ Green house generated less than 1% of school budget in 2013 and is to be discontinued and divested in 2014 to use the funds to improve learning environment of the students
<hr/>	

2.3 POLICY FORMATION AND BOARD GOVERNANCE

The Board of Directors in its work and to ensure transparency and accountability in line with the values of the organization began the process of adopting policies that would enable it carry out its role well

Policy Document	Status	Date
Human Resource Policy	Revised	November 2013
Financial Management Policy	Revised	December 2013
School Admissions Policy	Revised	November 2013
Constitution Amendments	In progress	Work in progress
Media Policy	In Progress	Work in progress
Board Meetings/Governance		
Date	Type	
November 15 th 2013	Ordinary meeting	
October 17 th 2013	Special meeting	
July 27 th 2013	Annual General Meeting	
March 2 nd 2013	Ordinary Meeting	

2.4 PARTNERSHIPS

The organization partnered as follows in the financial period 2013-2014.

Name	Partnership Area
Co-operative Bank Tala	2 Class renovations and completion
iServe Africa	Providing staff interns/volunteers
Mission Aid International	Student Mentorship/Counseling

2.5 SUMMARY PLANS – LOOKING FORWARD 2014-2015

Key Area	Plans	Progress
Education- Msingi Bora Centre	<ul style="list-style-type: none"> ✓ Comply with all statutory requirements ✓ Ensure sustainability target of meeting 60% of budget internally ✓ Build 9 classes to support children's education in line ✓ Approvals from public health office and county government office obtained for the new re-drawn plans ✓ Build teacher's capacity 	<ul style="list-style-type: none"> ✓ Registration process with Ministry of Education started. School applied for inspection by the District Education Quality Assurance Officer ✓ School able to meet 10% of its total budget internally by end of 2014 ✓ School plans re-drawn by architect ✓ Over 400,000/= raised for the building project at year end ✓ 4 in house teacher training sessions conducted in 2014
Health Intervention	<ul style="list-style-type: none"> ✓ Support 2 Community Health Workers within the community ✓ Integrate healthy approach in all school activities ✓ Advocacy in children and maternal health 	<ul style="list-style-type: none"> ✓ 2 Community Health Workers within the community identified
Community Mobilization	<ul style="list-style-type: none"> ✓ Mobilize local community groups, businesses and institutions to own the community development agenda ✓ Mobilize a pool of 20 committed volunteers within the community through partnerships, workshops and trainings. 	<ul style="list-style-type: none"> ✓ Partnering with MAI to mobilize community volunteers through their Community Health Evangelization program. ✓ Alternative facilitation guide for community mobilization identified
Organizational	<ul style="list-style-type: none"> ✓ Build quality, professional staff ✓ Recruit right membership and Board into the organization ✓ Ensure staff requirements adequate 	<ul style="list-style-type: none"> ✓ 4 staff training sessions held; 10 one on one mentoring sessions held with staff to discuss professional progress ✓ Board members recruitment process ongoing ✓ Organization working on a membership strategy

Sustainability	<ul style="list-style-type: none"> ✓ Partner with community to run agribusiness venture profitably to contribute to the organizations income budget ✓ Network with like minded organizations and government ✓ Pursue free market strategies to ensure sustainable acquisition of revenues for programs 	<ul style="list-style-type: none"> ✓ Board passed an investment policy to guide pursuing of free market strategies for idle funds ✓ Organization actively partnering with government and various organizations to achieve its objectives
----------------	---	--

3.0 LETTER TO STAKEHOLDERS

On behalf of Acres of Mercy Board of Directors, I am pleased to present this report on Acres of Mercy's 2013 programs, initiatives and activities. This is a summary of the impact that our organization has had as it partners with its members, friends, community and donor partners and others to achieve tangible results focused on three areas that are crucial for healthy community: Education, Health and Mobilization and Empowerment.

Parting from the direction our last two letters have taken which has been sharing our key impact areas during the year, I would like to take this opportunity to call to attention of our friends, partners, and community systematic and systemic challenges we have faced in pursuing a vision we believe is the backbone of our call- the call of educating children.

In the year 2013/2014 we made a decision to focus our resources in establishing our education intervention program, starting with our program in Nguluni, Kenya. This was borne out of the firm belief that a quality education at foundational level would have lasting impact on health outcomes for the long term. This way we would still be able to intervene in health outcomes for our communities. Research has proven that indeed quality education is one key social determinant of a people health.

However the systemic corruption entrenched within our systems, within us has proved an impediment to achieving the objective of providing quality education especially to children whose life circumstance limit their accessibility to the human right of education. Parents and guardians corrupted by the tyranny of handouts have failed to take full responsibility for their children so as to give everything their children need to get a firm foundation for their lives. Education officials who have had their conscience corrupted by the myth of rich non profits and oppressive individuals who benefit from purporting to provide quality education through their academies have placed organizations like Acres of Mercy, in a position where we cannot access services so as to benefit the disadvantaged.

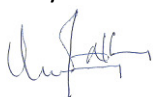
My submission would therefore be that we take the right view, the just view and to take the right action and the just action as stakeholders in building our children and our communities, in working for our country's good. Education is the key ingredient to do this. Let us all join together in pursuing this patriotic act by acting justly and rightly as we work in intervening in education.

To do this we must collaboratively invest in education as individuals, as communities, as government both county and national by relooking at those factors that would make for an education that produces quality people able to deliver on the Vision 2030. This includes in my opinion quality teachers through proper recruitment for training, where teaching is not left for those who are not passionate and intelligent about educating children; quantity funding and resources from all sectors to finance education and quantum integrity and passion of all players in the education sector to sustain implementation of policies. These steps must then first begin at the individual level, at the local level then county wide and countrywide. As we do this collaboratively we will have sustained improvement in academic achievement, an outcome that we must have to fully achieve Kenya's Vision 2030 and beyond.

Jimmy Allan Oluoch-

Executive Director/ Board Secretary

Acres of Mercy, Kenya



4.0 ORGANIZATION STRUCTURE AND LEADERSHIP

The organization is governed by a Board of Directors which is responsible for policy development. The Board consists of a Board Chair, Secretary and Treasurer and members. The Secretary to the Board is also the Chief executive Officer of the organization and is an Executive Director. The CEO oversees the daily management of the organization and in giving strategic direction and advice to the Board.

The Chief Executive appoints the Centre head/ head teacher who manage daily management of school affairs and is team leader of the other teachers and support staff.

The organization engages volunteers who join on short durations to support the organizations programs. These are both local and foreign volunteers.

During the period we engaged two local volunteers and one foreign volunteer

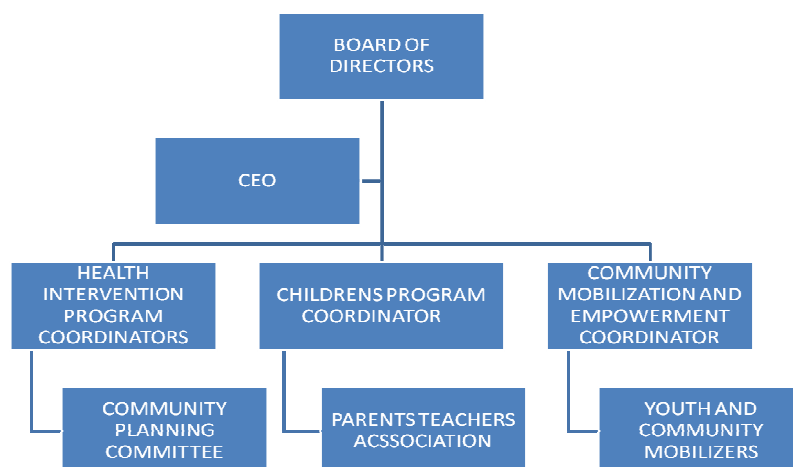


Table 1.1. Previous organization structure

Table 1.2. Work in Process organization Structure (Appendix)

Board of Directors (as listed on page 3)

Staff

Foundation Pre-Unit)	Classes(Nursery, 2 nd Stage Classes (1,2,3)	Upper Classes (4,5,6,7)
Hellen Kavuu (ECDE)	Agnes Muoti (ECDE)	Immaculate Nzuki -Head Teacher (P1)
	Tabitha Njeri (ECDE)	Antony Mbondo (P1)
	Celestine Kiio (ECDE)	Rhoda Mukui (P1)
	Eunice Muli (ECDE)	
Support Staff		
Mary Nduku (Cook)		
Special Staff/Intern		
Hilda Polle (Counseling, Psychologist) – Programs		
Jenniffer Chepkemai (B.Ed.)		
Management		
Jimmy Oluoch (Executive Director)		

Appendix
Organization Structure: Acres of Mercy, Kenya

