



# **THE FLYING DOCTORS' SOCIETY OF AFRICA**

## **REPORT AND FINANCIAL STATEMENTS** **For the year ended 30th September 2011**

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# **THE FLYING DOCTORS' SOCIETY OF AFRICA**

## **COUNCIL MEMBERS AND OFFICIALS** **For the year ended 30th September 2011**

### **COUNCIL MEMBERS**

The Chairman	Dr. Eunice M. Kiereini
The Vice Chairman	Mr. John Mramba
The Treasurer	Mr. Ashwin Patel
Member	Mr. George Kariuki
Member	Ms. Connie Maina
Member	Mr. B.S. Bharaj
Member	Ms. Illa Devani
Member	Ms. Njambi Kiritu
Ex-officio Member	Dr. Teguest Guerma – (Director General AMREF)

### **TRUSTEES**

Mrs. Vijoo Rattansi  
Prof. Githu Muigai  
Mr. Isaac Awuondo  
Ms. Martha Wariithi

### **AUDITORS**

Khalid & Company  
Certified Public Accountants  
Panafric Hotel, Kenyatta Avenue,  
P.O. Box 30626-00100, Nairobi

### **COUNTRY OF REGISTRATION**

The Society is registered in Kenya under the Societies Act Cap 108 and is domiciled in Kenya

### **REGISTERED OFFICE**

L.R. No. 209/1970  
AMREF House, Wilson Airport,  
P.O. Box 30125-00100,  
Nairobi

### **BRANCH OFFICES**

Arusha Branch  
Shop 16, Western Wing, TFA  
Shopping Centre, Dodoma Road  
P.O. Box 15506  
Arusha



# THE FLYING DOCTORS' SOCIETY OF AFRICA

## COUNCIL MEMBERS AND OFFICIALS – CONT'D For the year ended 30th September 2011

### BRANCH OFFICES – CONT'D

Dar-es-Salaam Branch  
AMREF House  
Ali Hassan Mwinyi Road,  
P.O. Box 2773,  
Dar-es-Salaam

### BANKERS

Commercial Bank of Africa,  
Commercial Bank of Africa building, Standard Street,  
P.O. Box 30437-00100,  
Nairobi, Kenya

Stanbic Bank,  
Sokoine Road  
P.O. Box 3062,  
Arusha, Tanzania

NIC Bank Limited  
NIC House, Masaba Road  
P.O. Box 44599-00100  
Nairobi, Kenya

Investments and Mortgages Bank Ltd  
Wilson Airport Branch, Pewin House  
P.O. Box 30238 – 00100  
Nairobi



### INVESTMENT MANAGERS

Genesis Kenya Investment Management Ltd.  
1st Floor, Arlington Block, 14 Riverside Business Park, Off Riverside Drive  
P.O. Box 79217-00200  
Nairobi

Co-op Trust Investment Services Ltd  
Co-op House, Haile Selassie Avenue  
P.O. Box 48231 - 00100  
Nairobi

### LAWYERS

Kaplan & Stratton Advocates  
Williamson House, 4<sup>th</sup> Ngong Avenue,  
P.O. Box 40111 – 00100  
Nairobi



# THE FLYING DOCTORS' SOCIETY OF AFRICA

## STATEMENT OF COUNCIL MEMBERS RESPONSIBILITIES For the year ended 30th September 2011

The Council Members accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards for Small and Medium-sized Entities as promulgated by the International Accounting Standards Board.

The Council Members are of the opinion that the financial statements give a true and fair state of the financial affairs of the Society and of its operating results. The Council Members further accept 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.

Nothing has come to the attention of the Council Members to indicate that the Society will not remain a going concern for at least the next twelve months from the date of this statement.

The financial statements were approved by the Council Members on  
.....2012 and signed by:

CHAIRMAN: Dr. Eunice M. Kiereini .....

VICE CHAIRMAN: Mr. John Mramba .....

TREASURER: Mr. Ashwin Patel .....



## **THE FLYING DOCTORS' SOCIETY OF AFRICA**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE FLYING DOCTORS' SOCIETY OF AFRICA** **For the year ended 30th September 2011**

We have audited the accompanying financial statements set out on page 5 to 20 of Flying Doctors' Society of Africa which comprise the statement of financial position as at 30 September 2011 and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **Executive Committee's responsibility for the financial statements**

The Executive Committee are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

#### **Auditor's responsibility**

Our responsibility is to express an independent opinion on the 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 our audit to obtain reasonable assurance that 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 on the auditors' judgement, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation of the financial statement 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 Society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 of our audit opinion.

#### **Opinion**

In our opinion proper books of account have been kept and the financial statements which are in agreement therewith, give a true and fair view of the financial position of Flying Doctors' Society of Africa as at 30th September 2011, and of its financial performance and its cash flows for the year then ended and are in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

Certified Public Accountants,  
Nairobi

Date: ..... 2012



# THE FLYING DOCTORS' SOCIETY OF AFRICA

## STATEMENT OF FINANCIAL POSITION For the year ended 30th September 2011

	<u>Notes</u>	<u>2011</u> <u>Shs</u>	<u>2010</u> <u>Shs</u>
<b>ACCUMULATED FUND</b>			
Surplus carried forward		129,271,810	142,220,064
		=====	=====
Represented By:			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	1,150,221	1,228,316
Investments	5	93,431,900	100,361,181
Intangible assets	6	205,056	292,936
		-----	-----
		94,787,177	101,882,433
		-----	-----
<b>CURRENT ASSETS</b>			
Inventories		1,196,131	1,538,164
Receivables	7	18,592,112	21,846,584
Cash at bank		8,111,155	5,759,569
Cash in hand		4,007	27,564
Fixed deposit	8	11,907,493	20,240,367
		-----	-----
		39,810,898	49,412,248
		-----	-----
<b>CURRENT LIABILITIES</b>			
Payables	9	5,153,399	2,584,407
Bank overdraft	10	172,866	6,490,210
		-----	-----
		5,326,265	9,074,617
		-----	-----
<b>NET CURRENT ASSETS</b>		34,484,633	40,337,631
		-----	-----
<b>NET ASSETS</b>		129,271,810	142,220,064
		=====	=====

The financial statements on pages 5 to 20 were approved for issue by the Council Members on .....2012 and were signed on their behalf by:

.....  
**(CHAIRMAN)**  
Dr. Eunice M. Kiereini

.....  
**(VICE CHAIRMAN)**  
Mr. John Mramba

.....  
**(TREASURER)**  
Mr. Ashwin Patel



## THE FLYING DOCTORS' SOCIETY OF AFRICA

### STATEMENT OF CHANGES IN EQUITY For the year ended 30th September 2011

	<u>Notes</u>	<u>2011</u> <u>Shs</u>	<u>2010</u> <u>Shs</u>
<b>Opening balance</b>		<b>142,220,064</b>	<b>105,307,199</b>
Capital Gain/(loss) on investments	5&13	(22,387,346)	21,208,034
Surplus/ (deficit) for the year		9,439,092	15,704,832
<b>Closing balance</b>		<b>129,271,810</b> =====	<b>142,220,064</b> =====





# THE FLYING DOCTORS' SOCIETY OF AFRICA

## INCOME AND EXPENDITURE ACCOUNT For the year ended 30th September 2011

	<u>Notes</u>	<u>2011</u> <u>Shs</u>	<u>2010</u> <u>Shs</u>
<b>INCOME</b>			
<b>Members' subscription</b>			
Annual		30,371,356	28,347,399
Tour		42,513,433	34,602,924
Corporate		551,624	803,001
		<hr/>	<hr/>
		73,436,413	63,753,324
		<hr/>	<hr/>
<b>Other income</b>			
Gain on disposal of asset		9,556	-
		<hr/>	<hr/>
<b>Fund raising income</b>	11	12,963	1,788,667
		<hr/>	<hr/>
<b>(Loss) on shop</b>	12	(457,392)	(543,316)
		<hr/>	<hr/>
<b>Interest receivable</b>	13	7,759,064	9,619,053
		<hr/>	<hr/>
<b>TOTAL INCOME</b>		<b>80,760,604</b>	<b>74,617,728</b>
		<hr/>	<hr/>
<b>LESS: EXPENDITURE</b>			
Administration expenses	14.a	(25,288,049)	(17,864,870)
Finance charges	14.b	1,033,549	(538,146)
Depreciation & amortisation	14.c	(358,261)	(448,063)
Marketing and promotion	14.d	(3,182,690)	(2,073,835)
		<hr/>	<hr/>
<b>DONATIONS - TO AMREF</b>	15	<b>(43,526,061)</b>	<b>(39,064,274)</b>
		<hr/>	<hr/>
<b>TOTAL</b>		<b>(71,321,512)</b>	<b>(58,912,896)</b>
		<hr/>	<hr/>
<b>(DEFICIT)/SURPLUS TRANSFERRED TO ACCUMULATED FUND</b>		<b>9,439,092</b>	<b>15,704,832</b>
		<hr/> <hr/>	<hr/> <hr/>





# THE FLYING DOCTORS' SOCIETY OF AFRICA

## STATEMENT OF CASH FLOWS For the year ended 30th September 2011

	<b>2011</b> <b>Shs</b>	<b>2010</b> <b>Shs</b>
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>		
Operating (deficit)/surplus	9,439,092	15,704,832
Adjustments for non-cash income and expenses:		
Depreciation	270,380	322,519
Amortisation	87,881	125,544
Interest received	(7,759,064)	(9,619,053)
<b>Changes in operating assets and liabilities</b>		
Decrease in inventories	342,033	63,478
Decrease/ (increase) in receivables	3,254,472	(8,239,842)
Increase/ (decrease) in payables	2,568,992	(1,097,429)
<b>Net cash from operating activities</b>	<b>8,203,786</b>	<b>(2,739,951)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of plant, equipment and fittings	(192,286)	(15,661)
Interest received	7,759,064	9,619,053
Capital gains/ (losses) on investments – Note 5	(22,387,346)	21,208,034
<b>Net cash from investing activities</b>	<b>(14,820,568)</b>	<b>30,811,425</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(6,616,782)</b>	<b>28,071,474</b>
<b><u>MOVEMENT IN CASH AND CASH EQUIVALENTS</u></b>		
Cash and cash equivalent at 1st October	119,898,471	91,826,997
(Decrease)/increase in cash and cash equivalents	(6,616,782)	28,071,474
<b>Cash and cash equivalent at 30th September</b>	<b>113,281,689</b>	<b>119,898,471</b>



# **THE FLYING DOCTORS' SOCIETY OF AFRICA**

## **NOTES TO THE ACCOUNTS**

**For the year ended 30th September 2011**

### **1. GENERAL INFORMATION**

Flying Doctors' of Africa is incorporated in Kenya as a Society and is domiciled in Kenya. The address of its registered office and principal place of business is L.R. No. 209/1970, AMREF House, Wilson Airport, P.O. Box 30125 - 00100, Nairobi.

### **2. BASIS OF PREPARATION AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **a. Basis of preparation**

These financial statements have been prepared in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board and on a going concern basis. They are presented in Kenya Shillings (Shs), rounded to the nearest shilling. The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

#### **b. Revenue recognition**

Revenue is measured at the fair value of the consideration receivable. The Society recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for each of the Society's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the transaction have been resolved. The Society bases its estimates on historical results, taking into consideration the type of client, type of transaction and specifics of each arrangement.

- i. Membership income is recognised upon registration of member
- ii. Interest income is accounted for in the period in which it is earned
- iii. Shop income is recognized on sale of item

#### **c. Borrowing costs**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### **d. Income tax**

No taxation is provided for in these financial statements as the Society is exempt from income tax. The Society's exemption certificate's validity has expired. However, application for an extension of exemption has been made. The accounts have been prepared with the assumption that the exemption will be granted.

#### **e. Translation of foreign currencies:**

Transactions during the year are converted into Kenya shillings at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Kenya shillings at rates ruling at that date.



# THE FLYING DOCTORS' SOCIETY OF AFRICA

## NOTES TO THE ACCOUNTS (Continued) For the year ended 30th September 2011

### f. **Property, plant and equipment:**

Property, plant & equipment are recorded at cost and thereafter stated at historical cost less depreciation.

Depreciation is calculated on a reducing balance basis at annual rates estimated to write off the assets over their expected useful lives at the following rates:

	<u>Rate %</u>
Furniture, fittings and equipment	12.5%
Motor vehicles	25.0%
Computers	30.0%

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

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss.

### g. **Impairment of non-financial assets**

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in income and expenditure.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in income and expenditure.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in income and expenditure.

### h. **Intangible assets**

Software costs are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight line method to write down the cost of the software to its residual value over the estimated finite life using an annual rate of 30%



# **THE FLYING DOCTORS' SOCIETY OF AFRICA**

## **NOTES TO THE ACCOUNTS (Continued)** **For the year ended 30th September 2011**

### **i. Financial assets**

Financial assets are recognised initially at cost using settlement date accounting. Gains or losses on changes in fair value of each category of asset are reported net in the income statement in the year in which they arise. At each balance sheet date, all financial assets are subject to review for impairment. Investments in quoted shares are initially recognised at the transaction price and subsequently measured at fair value, with changes in fair value being recognised in income and expenditure. Fair value is determined using the market price at the reporting date.

Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in income and expenditure.

### **j. Trade payables**

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

### **k. Employee benefits**

The Society and its employees contribute to the National Social Security Fund (NSSF), a National defined contribution scheme. Contributions are determined by local statute and the Society's contributions are charged to profit or loss in the year to which they relate.

## **3. KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the process of applying the Society's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year.

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.

Critical estimates are made by the directors in determining depreciation rates for property, plant and equipment and whether assets are impaired.



# THE FLYING DOCTORS' SOCIETY OF AFRICA

## NOTES TO THE ACCOUNTS (Continued) For the year ended 30th September 2011

### 4. PROPERTY, PLANT & EQUIPMENT

	<u>Furniture, fittings &amp; Equipment</u> <u>Shs</u>	<u>Computers</u> <u>Shs</u>	<u>Motor vehicles</u> <u>Shs</u>	<u>Total</u> <u>Shs</u>
Cost				
At 1.10.2010	2,571,183	1,647,679	2,605,211	6,824,073
Additions	110,386	81,900	-	192,286
Disposal	-	(42,920)	-	(42,920)
At 30.9.2011	2,681,569	1,686,659	2,605,211	6,973,439
Depreciation				
At 1.10.2010	1,908,902	1,235,785	2,451,070	5,595,757
Charge for the year	96,583	135,262	38,535	270,380
Disposal	-	(42,920)	-	(42,920)
At 30.9.2011	2,005,485	1,328,127	2,489,605	5,823,217
Carrying value At 30.9.2011	<b><u>676,084</u></b>	<b><u>358,532</u></b>	<b><u>115,606</u></b>	<b><u>1,150,222</u></b>



## THE FLYING DOCTORS' SOCIETY OF AFRICA

### NOTES TO THE ACCOUNTS (Continued) For the year ended 30th September 2011

#### 5. INVESTMENTS

<b>INVESTMENTS NOTE FOR THE PERIOD OCT 2010 TO SEPTEMBER 2011</b>							
<b>MARKET VALUE</b>	<b>GENESIS</b>	<b>CO-OP</b>	<b>SAFARICOM</b>	<b>FIXED DEPOSIT</b>	<b>NAKUMATT</b>	<b>CBK BOND</b>	<b>TOTAL</b>
Fund market value as at 01/10/2010	47,279,551	51,166,554	1,915,076	10,107,769	10,132,597	-	120,601,547
Addition/ (withdrawal)				1,225,690	10,575,080	9,349,390	-
Fund market value as at 30/9/2011	39,334,733	45,678,909	1,255,815	11,907,492	-	7,702,445	105,879,394
<b>Gains/ (losses) in market value</b>	<b>- 7,944,818</b>	<b>- 5,487,645</b>	<b>- 659,261</b>	<b>574,033</b>	<b>442,483</b>	<b>- 1,646,945</b>	<b>- 14,722,153</b>
<b>Fund historical cost as at 30/09/2011</b>	<b>44,806,760</b>	<b>44,855,495</b>	<b>2,128,500</b>	<b>11,333,459</b>	<b>-</b>	<b>9,349,390</b>	<b>112,473,604</b>
<b>Unrealised gains/ (losses) on cost</b>	<b>- 5,472,027</b>	<b>823,414</b>	<b>- 872,685</b>	<b>574,033</b>	<b>-</b>	<b>- 1,646,945</b>	<b>- 6,594,210</b>
<b>INCOME AND EXPENDITURE STATEMENT FOR THE PERIOD OCT 2010 TO SEP 2011</b>							
	<b>GENESIS</b>	<b>CO-OP</b>	<b>SAFARICOM</b>	<b>FIXED DEPOSIT</b>	<b>NAKUMATT</b>	<b>CBK BOND</b>	<b>TOTAL</b>
Dividend Income	504,870	-	80,769				585,639
Interest income	2,717,143	4,088,026		574,033	442,483	700,000	8,521,686
Realised gains/losses	356,014	- 1,197,894					- 841,880
<b>Total</b>	<b>3,578,027</b>	<b>2,890,132</b>	<b>80,769</b>	<b>574,033</b>	<b>442,483</b>	<b>700,000</b>	<b>8,265,444</b>
Expenses	193,203	326,279	-				519,482
<b>Surplus/ deficit</b>	<b>3,384,824</b>	<b>2,563,853</b>	<b>80,769</b>	<b>574,033</b>	<b>442,483</b>	<b>700,000</b>	<b>7,745,962</b>
<b>Unrealised gains/ losses</b>	<b>- 11,329,642</b>	<b>- 8,051,498</b>	<b>- 659,261</b>	<b>-</b>	<b>-</b>	<b>- 2,346,945</b>	<b>- 22,387,346</b>
<b>Total</b>	<b>- 7,944,818</b>	<b>- 5,487,645</b>	<b>- 578,492</b>	<b>574,033</b>	<b>442,483</b>	<b>- 1,646,945</b>	<b>- 14,641,384</b>



## THE FLYING DOCTORS' SOCIETY OF AFRICA

### NOTES TO THE ACCOUNTS (Continued) For the year ended 30th September 2011

#### 5. INVESTMENTS - continued

<b>INVESTMENTS NOTE FOR THE PERIOD OCT 2009 TO SEPTEMBER 2010</b>							
<b>MARKET VALUE</b>	<b>GENESIS</b>	<b>CO-OP</b>	<b>SAFARICOM</b>	<b>FIXED DEPOSIT</b>	<b>NAKUMATT</b>	<b>-</b>	<b>TOTAL</b>
Fund market value as at 01/10/2009	33,219,200	35,910,742	1,062,750	19,644,146	-	-	89,836,838
Addition/ (withdrawal)				10,000,000	10,000,000		-
Fund market value as at 30/9/2010	47,279,551	51,166,554	1,915,076	10,107,769	10,132,597	-	120,601,547
<b>Gains/ (losses) in market value</b>	<b>14,060,351</b>	<b>15,255,812</b>	<b>852,326</b>	<b>463,623</b>	<b>132,597</b>	<b>-</b>	<b>30,764,709</b>
<b>Fund historical cost as at 30/09/2010</b>							
	42,036,966	42,322,034	2,128,500	9,644,146	10,000,000	-	106,131,646
<b>Unrealised gains/ (losses) on cost</b>	<b>5,242,585</b>	<b>8,844,520</b>	<b>- 213,424</b>	<b>463,623</b>	<b>132,597</b>	<b>-</b>	<b>14,469,901</b>
<b>INCOME AND EXPENDITURE STATEMENT FOR THE PERIOD OCT 2009 TO SEP 2010</b>							
	<b>GENESIS</b>	<b>CO-OP</b>	<b>SAFARICOM</b>	<b>FIXED DEPOSIT</b>	<b>NAKUMATT</b>	<b>-</b>	<b>TOTAL</b>
Dividend Income	559,703	178,357	40,385				778,445
Interest income	2,438,932	3,440,170		463,623	132,597		6,475,322
Realised gains/losses	1,135,856	1,651,334					2,787,190
<b>Total</b>	<b>4,134,490</b>	<b>5,269,861</b>	<b>40,385</b>	<b>463,623</b>	<b>132,597</b>	<b>-</b>	<b>10,040,956</b>
Expenses	217,786	226,110	-				443,896
<b>Surplus/ deficit</b>	<b>3,916,704</b>	<b>5,043,751</b>	<b>40,385</b>	<b>463,623</b>	<b>132,597</b>	<b>-</b>	<b>9,597,060</b>
<b>Unrealised gains/ losses</b>	<b>10,143,647</b>	<b>10,212,061</b>	<b>852,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,208,034</b>
<b>Total</b>	<b>14,060,351</b>	<b>15,255,812</b>	<b>892,711</b>	<b>463,623</b>	<b>132,597</b>	<b>-</b>	<b>30,805,094</b>

The investments are actively traded and not held to maturity.



# THE FLYING DOCTORS' SOCIETY OF AFRICA

## NOTES TO THE ACCOUNTS (Continued) For the year ended 30th September 2011

### 6. INTANGIBLE ASSETS

	<b>Software Costs Shs</b>
Cost	
At 1.10.2010	854,040
	-----
At 30.9.2011	854,040
	-----
Amortisation	
At 1.10.2010	561,104
Charge for the year	87,881
	-----
At 30.9.2011	648,985
	-----
Carrying value <b>At 30.9.2011</b>	<b>205,055</b>
	=====

### 7. RECEIVABLES

	<b>2011 Shs</b>	<b>2010 Shs</b>
Trade		
Amount due from related parties (Note 16)	9,235,200	8,206,913
Membership	8,951,382	13,199,056
Refundable deposits and prepayments	405,530	440,615
	-----	-----
<b>TOTAL</b>	<b>18,592,112</b>	<b>21,846,584</b>
	=====	=====





# **THE FLYING DOCTORS' SOCIETY OF AFRICA**

## **NOTES TO THE ACCOUNTS (Continued)** **For the year ended 30th September 2011**

### **8. FIXED DEPOSIT**

The fixed deposit is an amount in KShs. 11,807,854 deposited in NIC at an interest of 11% per annum with a maturity date of 2<sup>nd</sup> January, 2012. The Nakumatt Holdings Limited short term noted was liquidated in March 2011 to purchase the 30 yrs Government Bond shown in Note 5d above.

	<b><u>2011</u></b> <b><u>Shs</u></b>	<b><u>2010</u></b> <b><u>Shs</u></b>
NIC Bank	11,907,493	10,107,769
Nakumatt Holdings Limited (short term note)	-	10,132,598
	<hr/>	<hr/>
<b>TOTAL</b>	<b>11,907,493</b>	<b>20,240,367</b>
	<b>=====</b>	<b>=====</b>

### **9. PAYABLES**

	<b><u>2011</u></b> <b><u>Shs</u></b>	<b><u>2010</u></b> <b><u>Shs</u></b>
Due on the account of:		
Related parties (Note 16)	1,202,559	1,141,218
Trade payables	2,192,427	381,650
Accruals	1,739,976	1,022,099
Advance receipts	18,437	39,440
	<hr/>	<hr/>
<b>TOTAL</b>	<b>5,153,399</b>	<b>2,584,407</b>
	<b>=====</b>	<b>=====</b>

### **10. BANK OVERDRAFT**

This is not an overdraft facility but is as a result of un-cleared items in the cash book which cleared subsequently post year end.

### **11. FUND RAISING INCOME**

	<b><u>2011</u></b> <b><u>Shs</u></b>	<b><u>2010</u></b> <b><u>Shs</u></b>
Other donations	12,963	15,667
OWIT Movie Nite	-	33,000
Diplomatic Spouses Association	-	1,740,000
	<hr/>	<hr/>
<b>TOTAL</b>	<b>12,963</b>	<b>1,788,667</b>
	<b>=====</b>	<b>=====</b>



# THE FLYING DOCTORS' SOCIETY OF AFRICA

## NOTES TO THE ACCOUNTS (Continued) For the year ended 30th September 2011

### 12. PROFIT AND LOSS ACCOUNT - SHOP

	<u>2011</u> <u>Shs</u>	<u>2010</u> <u>Shs</u>
<b>SALES</b>	<b><u>894,279</u></b>	<b><u>1,787,693</u></b>
<b>COST OF SALES</b>		
Purchases	470,258	1,273,335
Add: Stock on 1 October	1,538,164	1,601,642
	<u>2,008,422</u>	<u>2,874,977</u>
Less: Stock on 30 September	(1,196,131)	(1,538,164)
	<u>812,291</u>	<u>1,336,813</u>
<b>GROSS PROFIT</b>	<b><u>81,988</u></b>	<b><u>450,880</u></b>
<b>EXPENSES</b>		
Salaries and wages	512,688	967,200
Postage	6,689	9,636
Printing and stationery	20,003	17,360
	<u>539,380</u>	<u>994,196</u>
<b>(LOSS) FOR THE YEAR</b>	<b><u>(457,392)</u></b>	<b><u>(543,316)</u></b>
	=====	=====
<b>13. <u>INTEREST RECEIVABLE AND CAPITAL GAINS</u></b>		
	<u>2011</u> <u>Shs</u>	<u>2010</u> <u>Shs</u>
Interest receivable from investments - Note 5	7,745,962	9,597,060
Current Accounts interest	13,102	21,993
	<u>7,759,064</u>	<u>9,619,053</u>
	=====	=====
<b>Unrealised gain/ (loss) on investments – Note 5</b>	<b><u>(22,387,346)</u></b>	<b><u>21,208,034</u></b>
	=====	=====

Investment Interest is derived from investments in Treasury Bonds, Demand deposits and Equities as managed by Genesis Kenya Investment Management Limited and Co-op Trust Investment Services Limited. This interest is net of their management fees and other charges.



# THE FLYING DOCTORS' SOCIETY OF AFRICA

## NOTES TO THE ACCOUNTS (Continued) For the year ended 30th September 2011

### 14. EXPENDITURE

	<u>2011</u> <u>Shs</u>	<u>2010</u> <u>Shs</u>
<b>14.a. Administration</b>		
Annual council meeting expenses	126,698	259,572
Audit fee	127,600	116,000
Consultancy	-	42,224
Insurance	379,015	355,516
Legal & professional fees	3,998,455	57,186
Membership cards	634,053	398,440
Motor vehicle running expenses	168,187	230,181
Office expenses	119,782	99,148
Printing, stationery & newsletters	780,123	677,024
Rent – Arusha office	281,021	284,772
Repairs and maintenance	356,913	211,019
Salaries, wages and staff costs	17,536,087	14,072,984
Security	117,942	106,820
Telephone, telex and postage	662,173	953,984
	<u>25,288,049</u>	<u>17,864,870</u>
<b>14.b. Finance charges</b>		
Bank charges	679,715	329,965
(Gain)/loss on foreign exchange	(1,713,264)	(868,111)
	<u>(1,033,549)</u>	<u>(538,146)</u>
<b>14.c. Depreciation &amp; amortisation</b>		
Depreciation	270,380	322,519
Amortisation	87,881	125,544
	<u>358,261</u>	<u>448,063</u>
<b>14.d. Marketing expenses</b>		
Promotion & marketing	1,286,020	1,004,402
Commission paid	271,961	168,778
Advertisement	1,624,709	900,655
	<u>3,182,690</u>	<u>2,073,835</u>
<b>TOTAL EXPENDITURE</b>	<u>27,795,451</u> =====	<u>19,848,622</u> =====



# THE FLYING DOCTORS' SOCIETY OF AFRICA

## NOTES TO THE ACCOUNTS (Continued) For the year ended 30th September 2011

### 15. DONATIONS TO AMREF

		<b>2011</b>	<b>2010</b>
		<b>Shs</b>	<b>Shs</b>
AMREF Muhimbili Outreach Programme	(15a)	13,018,213	11,330,189
Member evacuation	(15b)	11,091,411	11,221,385
Emergency centre support	(15c)	9,466,915	8,190,000
Charity – Evacuations	(15d)	2,400,000	2,340,000
AMREF Website maintenance fee	(15e)	408,250	234,000
AMREF Virtual Nursing School	(15f)	2,392,872	-
AMREF VVF Outreach Programme – Kenya	(15g)	4,280,000	5,640,312
ISOFS Conference – Nairobi	(15h)	-	108,388
AMREF – Victims of Sinai Slum Fire	(15i)	468,400	-
<b>TOTAL</b>		<b>43,526,061</b>	<b>39,064,274</b>
		=====	=====

### 15. DONATIONS TO AMREF (Narrative)

**a) AMREF Muhimbili Outreach Programme**

The main objective of this project is to provide Specialist services (surgeries and training to hospital staff) to the marginalized rural population. This is co-ordinated through Muhimbili Hospital

**b) Member Evacuation**

The society supports the Flying Doctors Emergency Services for the evacuation of its members

**c) AMREF Emergency Centre Support**

This is support towards the operation of the 24hrs Control Centre/ Radio Room at the Flying Doctors Emergency Service

**d) AMREF - FDES Charity Evacuations**

The society contributes towards charity evacuations carried out within the region by Flying Doctors Emergency Services

**e) AMREF Website Maintenance Fee**

The society supports the maintenance of AMREF website (www.amref.org). The website has a page about the Society and allows recruitment of members online

**f) AMREF Virtual Nursing School**

The Society supports the training of community health nurses using online systems to ensure that they have current and effective skills in Reproductive Health. The Main emphasis is on safe motherhood, pre and post operative care of fistulae (Vesical-Vaginal Fistula) clients

**g) AMREF VVF Outreach Programme**

The objective of this project is to promote safe motherhood. The Society's donation is used for recognition and treatment of obstetric complications



# THE FLYING DOCTORS' SOCIETY OF AFRICA

## NOTES TO THE ACCOUNTS (Continued) For the year ended 30th September 2011

### 15. DONATIONS TO AMREF (Narrative) - Continued

#### h) **ISOFS Conference - Nairobi**

This was a one-off donation made towards support of 30 nurses to attend the International Society of Obstetric Fistula Surgeons Conference hosted by AMREF Outreach in Nairobi in November, 2009.

#### i) **AMREF – Victims of Sinai slum fire**

This was a one-off donation made towards the treatment of Sinai Slum fire victims at Kenyatta National Hospital through AMREF outreach.

### 16. RELATED PARTIES

	<b>2011</b> <b><u>Shs</u></b>	<b>2010</b> <b><u>Shs</u></b>
Amount due from related parties		
AMREF - Headquarters	6,074,531	5,591,878
AMREF - FDES	994,385	608,152
AMREF - Germany	572,899	572,899
AMREF - Tanzania	1,532,800	1,373,399
AMREF – Netherlands	60,585	60,585
	<hr/>	<hr/>
<b>TOTAL</b>	<b>9,235,200</b>	<b>8,206,913</b>
	=====	=====
Amount due to related parties		
AMREF - Kenya Country Office	1,202,559	1,141,218
	=====	=====