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DIRECTORS, OFFICERS AND ADMINISTRATION

DIRECTORS

Prof Miriam Were	Chair
Dr Nizar Verjee	
Prof Adetokunbo O Lucas	Joined October 2005
Mr Alistair Boyd	
Dr Alfonso Villalonga	
Mr Anthony Durrant	
Dr Eunice Kiereini	
Dr Fatma Hafidh Mrisho	
Mr Iain Knapman	
Dr Jessica Jitta	Retired March 2006
Mr Marc Odendall	
Dr Pascoal Mocumbi	
Dr Paul Zuckerman	
Dr Ulrich Laukamm-Josten	Retired March 2006
Dr Wilhelm Von Trott	Retired March 2006
Mr Scott Griffin	
Dr Thomas van der Heijden	
Dr Stephen Joseph	

COMPANY SECRETARY

Ms. Jenny Panow (Acting)
 AMREF
 PO Box 27691
 Nairobi

MANAGEMENT

Dr Michael Smalley	Director General
Dr Florence Musiime	Deputy Director General Joined May 2006
Ms Jenny Panow	Chief Operations Officer
Dr Peter Ngatia	Director of Learning Systems
Dr Harry Jeene	Director of Programme Development
Ms Catherine Mahoney	Director of Communications and Fund-raising
Ms Mette Kjaer	Kenya Country Director
Dr Paul Waibale	Tanzania Country Director
Mr Joshua Kyallo	Uganda Country Director
Dr John Nduba	Ethiopia Country Director
Ms Blanche Pitt	South Africa Country Director
Dr Daraus Bukonya	Programme Leader-HIV/AIDS
Mr Christopher White	Programme Leader-Malaria (Up to September 2006)

DIRECTORS, OFFICERS AND ADMINISTRATION

AUDITORS

KPMG Kenya
 Certified Public Accountants
 16th Floor, Lonrho House
 Standard Street
 PO Box 40612
 00100 Nairobi GPO

REGISTERED OFFICE

Wilson Airport
 Langata Road
 PO Box 27691
 00506 Nairobi

BANKERS

Barclays Bank PLC, London
 UK

Citibank N.A., Nairobi
 KENYA

Barclays Bank of Kenya Limited, Nairobi
 KENYA

National Bank of Kenya Limited, Nairobi
 KENYA

National Bank of Commerce Limited,
 Dar-es-Salaam
 TANZANIA

Standard Chartered Bank Tanzania Limited,
 Dar-es-Salaam
 TANZANIA

Barclays Bank of Uganda Ltd, Kampala
 UGANDA

Nedbank, Pretoria
 SOUTH AFRICA

Commercial Bank of Ethiopia, Addis Ababa
 ETHIOPIA

Stanbic Bank Uganda, Kampala
 UGANDA

LAWYERS

Kaplan & Stratton Advocates
 9th Floor, Williamson House
 4th Ngong Avenue
 PO Box 40111
 00100 Nairobi GPO



REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2006

The Directors have pleasure in submitting their report together with the audited financial statements for the year ended 30 September 2006, which disclose the state of affairs of the company.

1. Objectives of the Foundation

The African Medical and Research Foundation's (the Foundation) mission is to improve the health of the disadvantaged in Africa as a means for them to escape poverty and improve the quality of their life.

This mission is to be achieved by developing, testing and promoting the adoption of appropriate models for improving health; contributing to capacity development at all levels and contributing to the development of an enabling environment for health improvement.

AMREF works with communities to implement projects, learns from its activities and uses its knowledge to influence others.

2. Principal activities

The principal activities of the Foundation to achieve the above stated objectives include improving community health, capacity building through training and outreach, and advocating for changes to improve the health and well-being of poor people in Africa.

3. Incorporation

The company is incorporated in Kenya as a company limited by guarantee under the Companies Act and is domiciled in Kenya.

4. Results

The results for the year are set out on page 6.

5. Directors

The Directors who served since 1 October 2005 are set out on page 1.

6. Auditors

In accordance with the organisation's policies on rotation of auditors, KPMG Kenya will retire at the conclusion of the Annual General Meeting at which these financial statements are approved.

7. Approval of financial statements

The financial statements were approved at a meeting of the Directors held on 9 March 2007.

BY ORDER OF THE BOARD

Prof Miriam Were

CHAIR AMREF BOARD OF DIRECTORS
9 March 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The company's Directors are responsible for the preparation and fair presentation of the financial statements, comprising the balance sheet at 30 September 2006, the income statement, statement of changes in reserves and funds and cash flow statement for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards.

The Directors responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

Approval of the financial statements

The financial statements of the company, as indicated above, were approved by the board of directors on 9 March 2007 and are signed on their behalf by:

Prof Miriam Were
CHAIR, BOARD OF DIRECTORS

Mr Iain Knapman
DIRECTOR

9 March 2007



REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AFRICAN MEDICAL AND RESEARCH FOUNDATION

Report on the financial statements

We have audited the financial statements of African Medical and Research Foundation (AMREF), which comprise the balance sheet at 30 September 2006, the income statement, statement of changes in reserves and funds and cash flow statement for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages 6 to 20.

Directors' responsibility for the financial statements

The company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. 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 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 material

misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of African Medical and Research Foundation (AMREF) as of 30 September 2006 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

9 March 2007

KPMG

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2006

	Note	2006 US\$'000	2005 US\$'000
INCOME			
Grants – restricted	2	39,569	23,748
Grants – unrestricted	2	1,320	3,285
Other income	3	2,761	2,577
Net financing income	4	424	228
Total income		44,074	29,838
EXPENDITURE			
Direct programme activity		37,914	23,621
Programme monitoring and support	5(a)	2,198	2,159
Institutional development	5(b)	1,625	1,172
Administration	5(c)	1,937	2,697
Total expenditure		43,674	29,649
Operating surplus for the year	6	400	189

The notes set out on pages 12 to 20 form an integral part of these financial statements.



BALANCE SHEET

AS AT 30 SEPTEMBER 2006

	Note	2006 US\$'000	2005 US\$'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	7	6,162	6,691
Current Assets			
Inventories	8	515	426
Debtors and prepayments	9	1,476	1,273
Grants receivable	10(a)	8,753	4,276
Investments		949	887
Cash and cash equivalents	11	24,953	15,920
		36,646	22,782
TOTAL ASSETS		42,808	29,473

BALANCE SHEET

AS AT 30 SEPTEMBER 2006

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FUNDS AND LIABILITIES

Funds

Capital reserve	6,162	6,691
Accumulated reserve	3,358	2,435
Aircraft replacement fund	1,064	814
Aircraft maintenance reserve	242	176
Health learning materials fund	77	77
Total funds	10,903	10,193

Current Liabilities

	Note	2006 US\$'000	2005 US\$'000
Unexpended grants	10(b)	28,237	16,536
Creditors and accruals	12	3,668	2,744
		31,905	
TOTAL FUNDS AND LIABILITIES		42,808	29,473

The financial statements set out on pages 6 to 20 were approved by the Board of Directors on 9 March 2007 and were signed on its behalf by:

Prof Miriam Were
CHAIR, BOARD OF DIRECTORS

Mr Iain Knapman
DIRECTOR

The notes set out on pages 12 to 20 form an integral part of these financial statements.



STATEMENT OF CHANGES IN RESERVES AND FUNDS

FOR THE YEAR ENDED 30 SEPTEMBER 2006

	CAPITAL RESERVE	ACCUMULATED RESERVE	AIRCRAFT REPLACEMENT FUND	AIRCRAFT MAINTENANCE RESERVE	HEALTH LEARNING MATERIAL FUND	TOTAL
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2005						
At 1 October 2004	7,019	1,745	484	151	77	9,476
Surplus for the year	-	189	-	-	-	189
Depreciation transfer	(899)	899	-	-	-	-
Utilized during the year	-	46	-	(46)	-	-
Appropriations	-	(401)	330	71	-	-
Additions to property, plant and equipment	579	(51)	-	-	-	528
Transfer from grants	-	-	-	-	-	-
Disposal of fixed assets	(8)	8	-	-	-	-
30 September 2005	6,691	2,435	814	176	77	10,193
2006						
At 1 October 2005	6,691	2,435	814	176	77	10,193
Surplus for the year	-	400	-	-	-	400
Depreciation transfer	(830)	830	-	-	-	-
Utilized during the year	-	-	-	-	-	-
Appropriations	-	(316)	250	66	-	-
Additions to property, plant and equipment	333	(23)	-	-	-	310
Disposal of fixed assets	(32)	32	-	-	-	-
At 30 September 2006	6,162	3,358	1,064	242	77	10,903

The notes set out on pages 12 to 20 form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2006

	2006 US\$'000	2005 US\$'000
Cash flows from operating activities		
Surplus for the year	400	189
Adjustments for:		
Capital reserve	310	528
(Gain) on disposal of property, plant and equipment	(26)	(18)
Depreciation charge	830	899
Interest income	(364)	(193)
Operating surplus before working capital changes	1,150	1,405
Increase in inventories	(89)	(2)
(Increase)/decrease in debtors and prepayments	(203)	575
Net movement in grant receivable/unexpended	7,224	5,473
(Increase) in fair value of investments	(62)	(35)
Increase/ (decrease) in payables	924	798
Cash flows from operating activities	8,944	8,214



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CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2006

	2006 US\$'000	2005 US\$'000
Cash flow from investing activities		
Payments to acquire property, plant and equipment	(333)	(579)
Proceeds on disposal of property, plant and equipment	58	26
Interest received	364	193
Net cash used in investing activities	89	(360)
Net increase in cash and cash equivalents	9,033	7,854
Cash and cash equivalents at 1 October 2005 and 2004	15,920	8,066
Cash and cash equivalents at 30 September	24,953	15,920

The notes set out on pages 12 to 20 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2006

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards. The financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Although these estimates are based in the Directors' best knowledge of current events and actions, actual results ultimately may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period or in the periods of the revision and future periods if the revision affects both current and future periods.

(b) Income recognition

- i) Grant income is recognized when expenditure is incurred;
- ii) Trust fund income is recognized on a receipts basis;
- iii) Air Ambulance recoveries are recognized in the year in which the service is provided;
- iv) Donations in kind are recognised in the financial

statements at the amount attributed to them by the donor, or in the absence of this, at their estimated present market value.

(c) Foreign currency

Transactions in foreign currencies are converted to US dollars using the exchange rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated to US dollars using the exchange rates ruling at the balance sheet date. Resulting exchange gains and losses are recognized in the income and expenditure statement. Non-monetary assets and liabilities denominated in foreign currency are recorded at the exchange rate ruling at the date of the transaction.

(d) Recognition and measurement of financial instruments

(i) Classification

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise.

The financial instruments of the company mainly comprise:

Available for sale financial assets – These are investments in equity securities and government securities.

Originated loans and receivables – These are loans and receivables created by the company for providing money to a debtor. These include debtors, prepayments and grants receivable.



Financial liabilities – The Company has financial liabilities, which consist mainly of trade creditors and unexpended grants.

(ii) Recognition

Available for sale financial assets, originated loans and receivables and financial liabilities are recognized on the day they are transferred to the company.

(iii) Measurement

Financial instruments are measured initially at cost, including transaction costs.

Subsequent to initial recognition, all non-trading financial liabilities and originated loans and receivables are measured at amortized cost less impairment losses. Amortized cost is calculated using the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortized based on the effective interest rate of the instrument.

Available for sale investments are measured at fair value based on quoted market prices.

(iv) Derecognition

A financial asset is derecognized when the company loses control over the contractual rights that comprise that asset. This occurs when the rights are realized, expire or are surrendered. A financial liability is derecognized when it is extinguished.

(e) Property, plant and equipment

Assets donated to the Foundation are included in the accounts at the amount attributed to them by the donor. Property, plant and equipment purchased for donor-funded health programmes are expensed in the year of purchase. All other property, plant and equipment are capitalized.

Depreciation is calculated on the straight line basis to write down the cost of each asset, to its residual value over its estimated useful life as follows:

Buildings	2.5%
Aircraft:Engine	25%
Aircraft:Haul	5%
Motor vehicles, medical, surgical and radio equipment	25%
Furniture, fittings and general equipment	12.5%
Information Technology hardware and software	33.3%

(f) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average method. Provision is made for obsolete and defective stocks.

(g) Debtors and prepayments

Debtors and prepayments are stated at nominal value less write-down for any amounts expected to be irrecoverable.

(h) Retirement benefit obligations

The company operates a defined contribution retirement benefit scheme for all its local employees. In respect of employees on international contract, the company contributes to individual retirement benefit schemes chosen by the staff concerned.

The company's contributions of 14% of basic pay to the defined contribution scheme and the individual retirement benefit schemes are charged to the income statement in the year to which they relate.

(i) Capital reserve

The Capital Reserve has been created to reflect the amounts donated for and monies spent on property and equipment. The Reserve is adjusted through the general reserve to reflect movements in property, plant and equipment for acquisition, depreciation and disposals such that the capital reserve is equivalent to the net book amount of the property, plant and equipment it represents.

(j) Aircraft replacement fund

The aircraft replacement fund was created with the aim of investing at least the amount equivalent to the depreciation charged on the caravan aircraft each year to enable the company to replace the aircraft when necessary. This will also include any other funds specifically received for future replacement of aircraft.

(k) Aircraft maintenance reserve

The aircraft maintenance reserve was created to cover the estimated cost of the next major overhaul of aircraft on the basis of hours flown.

(l) Health learning materials fund

The Health Learning Materials (HLM) Fund is a deposit of proceeds in Kenya Shillings from the sale of certain printing equipment, the income of which has been set aside for production of health learning materials.

(m) Operating leases

Leases where a significant portion of the risks and rewards of

ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

(n) Impairment

The carrying value of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated and an impairment loss recognized in the income and expenditure account if the carrying amount exceeds its recoverable amount.

(o) Cash and cash equivalents

Cash and cash equivalents comprise bank balances, bank deposits and cash. Bank overdrafts are payable on demand and form an integral part of the cash management and are included as a component of cash and cash equivalents for the purposes of the statement of cash flow, where applicable.



2. GRANT FUNDS

	2006			2005
	RESTRICTED FUNDS	UNRESTRICTED FUNDS	TOTAL FUNDS	TOTAL FUNDS
	US\$'000	US\$'000	US\$'000	US\$'000
At 1 October:				
Grants receivable (Note 10 (a))	(3,606)	(670)	(4,276)	(3,622)
Unexpended grants (Note 10 (b))	15,159	1,377	16,536	10,409
Net grant funds brought forward	11,553	707	12,260	6,787
Grants received during the year	46,950	2,707	49,657	35,008
Goods in kind	14	-	14	98
Total grants available for operations	58,517	3,414	61,931	41,893

2. GRANT FUNDS /CONT

	2006			2005
	RESTRICTED FUNDS	UNRESTRICTED FUNDS	TOTAL FUNDS	TOTAL FUNDS
			US\$'000	US\$'000
Less:				
Grant balances at 30 September:				
- Grants receivable (Note 10(a))	8,652	101	8,753	4,276
- Unexpended grants (Note 10(b))	(26,271)	(1,966)	(28,237)	(16,536)
-Advance to partners	(1,248)	-	(1,248)	(2,072)
Transfer to capital reserve	(81)	(229)	(310)	(528)
Net grant income	39,569	1,320	40,889	27,033

3. OTHER INCOME

	2006 US\$'000	2005 US\$'000
Income from Air Ambulance recoveries	1,703	1,922
Miscellaneous income	1,058	655
	2,761	2,577

4. NET FINANCING INCOME

	2006 US\$'000	2005 US\$'000
Increase in fair value of investments	60	35
Interest income	364	193
	424	228

5. EXPENDITURE

(a) Programme monitoring and support expenditure includes costs relating to the Directorate of Programme Development, Information Technology, the Director General, Deputy Director General and country level support costs, except Finance, Administration, Human Resources department costs and Communications & Fundraising expenses.

(b) Institutional development expenditure includes costs

relating to the Director General, Deputy Director General, Directorate of Communications and Fundraising, Human Resources and all country level costs relating to Communication & Fundraising.

(c) Administration expenditure includes costs relating to Corporate Governance, the Director General, Finance, Administration, Internal Audit and all country level costs relating to Finance & Administration.



6. OPERATING SURPLUS

	2006 US\$'000	2005 US\$'000
The operating surplus is arrived at after charging/(crediting):		
Depreciation on property, plant and equipment	830	899
Staff costs	10,020	8,458
Auditors' remuneration	31	31
Directors' remuneration:		
– Fees	-	-
– Other	384	290
(Gain on disposal of property, plant and equipment	(28)	(18)
The following items are included within staff costs:		
Termination benefits	115	56
Retirement benefit costs – defined contribution plans	1,047	951

The numbers of employees engaged at year end were 766 (2005 – 637).

7. PROPERTY, PLANT AND EQUIPMENT

	LAND & BUILDINGS	AIRCRAFT	MOTOR VEHICLES	FURNITURE, FITTINGS & GENERAL EQUIPMENT	TOTAL
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost or valuation					
At 1 October 2005	4,490	2,999	676	2,447	10,612
Additions	11	-	174	148	333
Disposal	-	-	(49)	(4)	(53)
At 30 September 2006	4,501	2,999	801	2,591	10,892
Depreciation					
At 1 October 2005	1,026	1,088	351	1,456	3,921
Charge for the year	112	250	134	334	830
On disposals	-	-	(19)	(2)	(21)
At 30 September 2006	1,138	1,338	466	1,788	4,730
Net book value					
At 30 September 2006	3,363	1,661	335	803	6,162
At 30 September 2005	3,464	1,911	325	991	6,691

In the opinion of the Directors, there is no major impairment of property, plant and equipment.

8. INVENTORIES AND WORK IN PROGRESS

	2006 US\$'000	2005 US\$'000
Aviation spare parts	247	213
Printed books and manuals	156	65
Sundry stocks	112	148
	515	426



9. DEBTORS AND PREPAYMENTS

	2006 US\$'000	2005 US\$'000
Trade receivables	1,017	704
National offices	17	71
Programme advances	188	169
Staff debtors	61	62
Others	193	267
	1,476	1,273

10. GRANTS RECEIVABLE/UNEXPENDED

	2006 US\$'000	2005 US\$'000
(a) Grants receivable		
Restricted	8,652	3,606
Unrestricted	101	670
At 30 September	8,753	4,276

Grants receivable represent expenditure incurred on projects for which there are commitments from donors for which a donation has not been received by the year-end.

	2006 US\$'000	2005 US\$'000
(b) Unexpended grants		
Restricted	26,271	15,159
Unrestricted	1,966	1,377
At 30 September	28,237	16,536

Unexpended grants represent grants and donations received in advance of expenditure which remain un-utilized as at the balance sheet date.

11. CASH AND CASH EQUIVALENTS

	2006 US\$'000	2005 US\$'000
Cash in bank and at hand	11,370	9,675
Short term bank deposits	13,583	6,245
	24,953	15,920

The weighted average interest rate on the term deposit was 3.83% (2005 – 2.54%).

12. CREDITORS AND ACCRUALS

	2006 US\$'000	2005 US\$'000
Trade creditors	1,542	1,331
Accruals	2,126	1,413
	3,668	2,744

13. CONTINGENT LIABILITY

a) A contractor has made a claim against AMREF for breach of contract. The amount claimed is US\$ 2.2 million, of which US\$ 1.3 million relates to general damages. The Directors have consulted their legal experts who advise that general damages are not awardable for breach of contract, and that the claim is exaggerated.

Although there can be no assurances, the Directors believe, based on the information currently available and legal advice obtained, that the claim can be successfully defended and therefore no provision has been made in the financial statements.

b) The Kenya Revenue Authority (KRA) conducted an audit of the tax affairs of AMREF for the period 2000 to 2006 and has issued a preliminary report of their findings indicating their

intention to assess Pay As You Earn (PAYE) for International Professional Staff (IPS).

Management provided the KRA officers with copies of an agreement between AMREF and the Government of the Republic of Kenya (GoK) and the correspondences between AMREF, the then Ministry of Finance and Planning and the Income Tax Department that indicate that AMREF and IPS staff are tax exempt. KRA have in the absence of a published gazette notice in respect of the said exceptions, forwarded AMREF's case to their technical department for interpretation and guidance. However, the Directors understanding of the agreement between the GoK and AMREF is that PAYE for IPS is not payable based on the exemption status.



14. TAXATION

No taxation is provided for these financial statements, as the Foundation is exempt from income taxation in Kenya in recognition of its charitable status under paragraph 10 of First Schedule of the Income Tax Act (Cap.470).

15. OPERATING LEASE

Operating lease rentals are payable as follows:

Tenancy:

Less than 1 year

Between one and five years

	2006 US\$'000	2005 US\$'000
Less than 1 year	105	77
Between one and five years	21	61
	126	138

16. CURRENCY

The financial statements are presented in United States of America dollars (US\$).

ANALYSIS OF EXPENDITURE

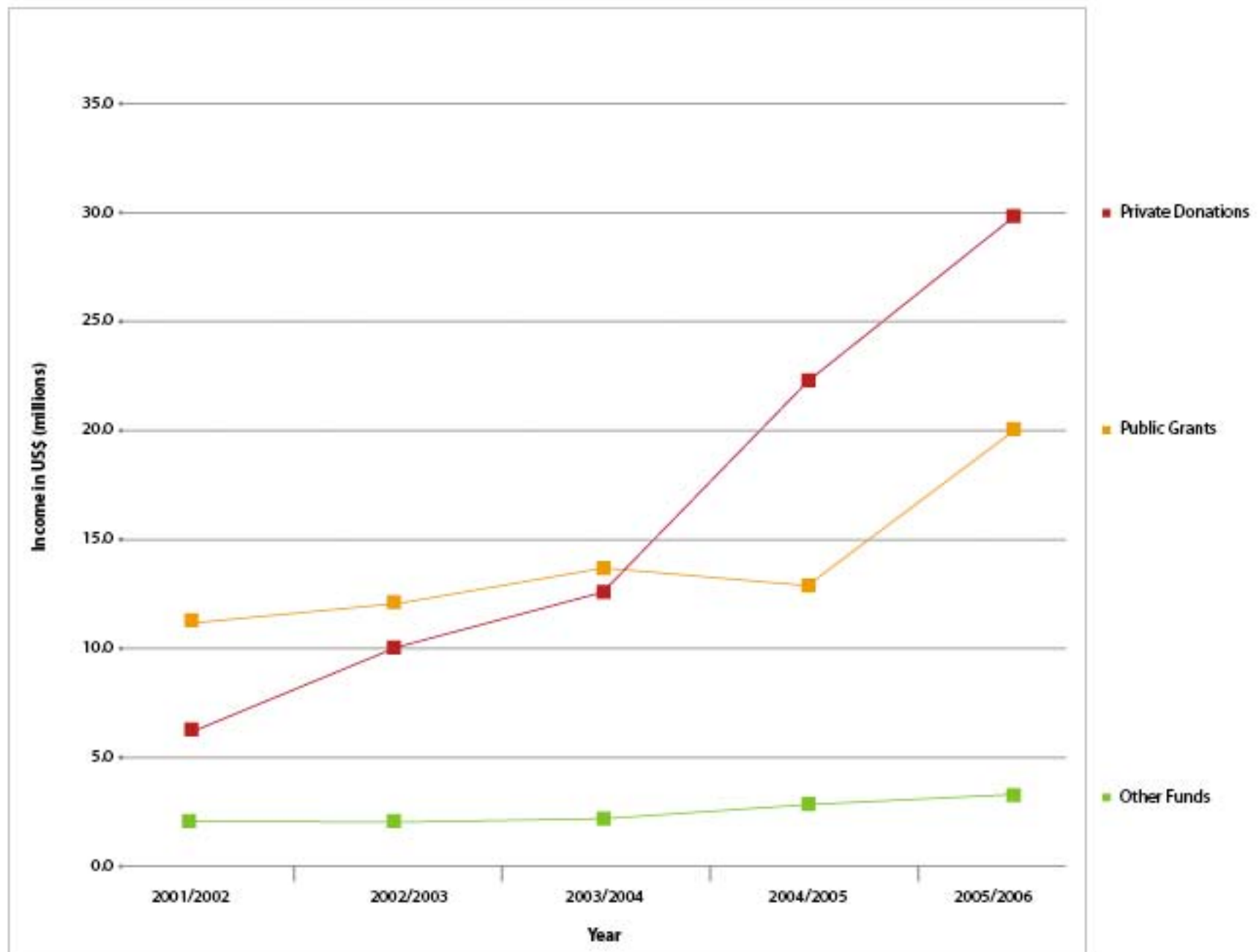
FOR THE YEAR ENDED 30 SEPTEMBER 2006

	2006 US\$'000	2005 US\$'000
Priority Intervention Areas		
Family Health	6,939	6,947
HIV/AIDS/STI	16,323	6,433
Training / Development of Health Learning Materials	6,251	3,646
Clinical Outreach Services, Emergency and Disaster preparedness	3,677	3,401
Safe Water and Basic Sanitation	3,864	2,426
Malaria	860	768
Direct Programme Activity Expenditure	37,914	23,621
Indirect Expenditure		
Staff costs	3,704	3,573
Travel and transport	724	759
Office costs	1,082	1,329
Communication	250	367
Programme Monitoring and Administration	5,760	6,028
Total Operating Expenditure	43,674	29,649
Capital Expenditure	333	579
Gross Total Expenditure	44,007	30,228



SOURCES OF FUNDING

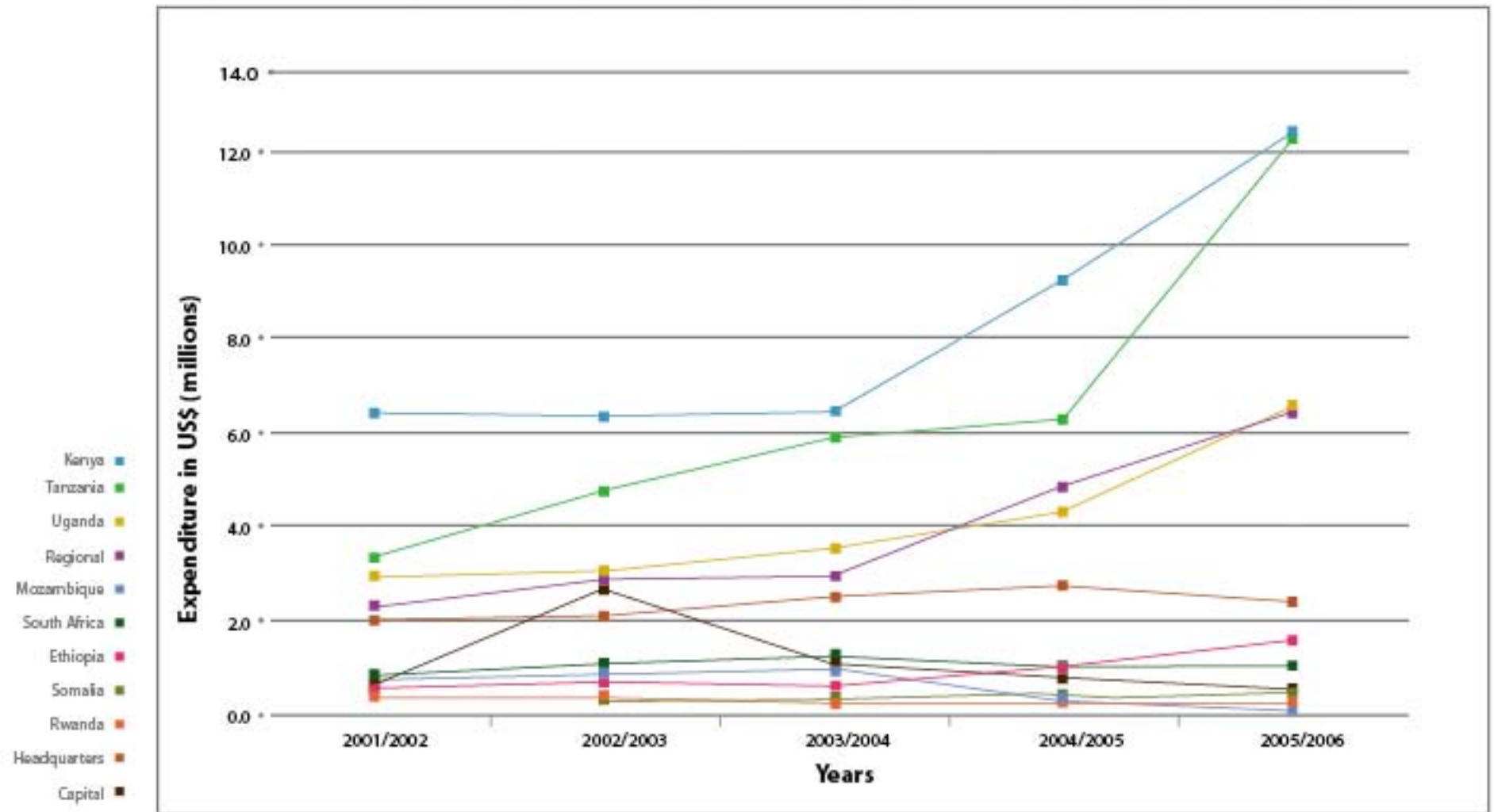
2001/2002-2005-2006



	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
Public Grants	11.1	12.0	13.6	12.8	20.02
Private Donations	6.0	10.0	12.5	22.2	29.64
Other Funds	2.0	2.0	2.1	2.8	3.20
Total Funds	19.1	24.0	28.2	37.8	52.9

EXPENDITURE BY COUNTRY

2001/2002-2005-2006



Country/Year	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
Kenya	6.6	6.5	6.6	9.6	12.8
Tanzania	3.3	4.8	6.0	6.4	12.8
Uganda	2.9	3.0	3.5	4.3	6.7
Regional	2.2	2.8	2.9	4.9	6.6
Mozambique	0.6	0.7	0.8	0.1	-
South Africa	0.6	0.9	1.0	0.8	0.9
Ethiopia	0.4	0.5	0.4	0.8	1.4
Somalia	0.1	0.1	0.2	0.1	0.2
Rwanda	0.1	0.1	0.0	0.0	0.0
Headquarters	1.9	2.0	2.4	2.6	2.3
Capital	0.4	2.6	0.9	0.6	0.3
Total Expenditure	19.1	24.0	24.7	30.2	44.0



GRANTS RECEIVED BY COUNTRY

2001/2002-2005-2006

	2001/2002		2002/2003		2003/2004		2004/2005		2005/2006	
	US\$ '000	%	US\$ '000	%	US\$ '000	%	US\$ '000	%	US\$ '000	%
USA	2,891	16.8	4,431	19.5	6,177	23.7	6,087	17.4	8,150	16.4
UK	2,536	14.7	2,058	9.1	3,105	11.9	2,866	8.2	3,314	6.7
Sweden	2,134	12.4	1,857	8.2	1,596	6.1	2,405	6.9	4,273	8.6
Ireland	1,988	11.5	1,428	6.3	2,501	9.6	1,304	3.7	2,364	4.8
Italy	1,541	8.9	2,434	10.7	3,669	14.1	4,565	13.0	5,474	11.0
Canada	1,109	6.4	1,333	5.9	1,211	4.6	2,170	6.2	1,948	3.9
International Organisations	1,013	5.9	893	3.9	733	2.8	9,599	27.4	16,018	32.3
Tanzania	884	5.1	781	3.4	540	2.1	248	0.7	44	0.1
Netherlands	855	5.0	3,449	15.2	2,579	9.9	1,763	5.0	1,623	3.3
Germany	737	4.3	1,036	4.6	1,517	5.8	1,896	5.4	2,152	4.3
Spain	651	3.8	1,143	5.0	616	2.4	268	0.8	1,857	3.7
Kenya	259	1.5	264	1.2	330	1.3	249	0.7	352	0.7
Austria	192	1.1	280	1.2	502	1.9	118	0.3	221	0.4
Denmark	140	0.8	74	0.3	83	0.3	43	0.1	34	0.1
Norway	88	0.5	387	1.7	294	1.1	-	0.0	113	0.2
France	29	0.2	13	0.1	9	0.0	38	0.1	296	0.6
Uganda	28	0.2	319	1.4	286	1.1	194	0.6	131	0.3
Switzerland	3	0.0	-	0.0	6	0.0	-	0.0	-	0.0
South Africa	-	0.0	155	0.7	158	0.6	59	0.2	35	0.1
Other Countries	167	1.0	399	1.8	163	0.6	1,133	3.2	1,258	2.5
TOTAL	17,245	100.0	22,734	100.0	26,075	100.0	35,008	100.0	49,657	100

ANALYSIS OF GRANTS RECEIVED BY COUNTRY

2004/2005-2005-2006

	2004/2005				2005/2006			
	GOVERNMENT AND OFFICIAL AGENCIES	FOUNDATIONS, NGOS AND GENERAL PUBLIC AGENCY FUNDS	TOTAL GRANT FUNDS RECEIVED	PERCENTAGE	GOVERNMENT AND OFFICIAL AGENCIES	FOUNDATIONS, NGOS AND GENERAL PUBLIC AGENCY FUNDS	TOTAL GRANT FUNDS RECEIVED	PERCENTAGE
	US\$ '000	US\$ '000	US\$ '000	%	US\$ '000	US\$ '000	US\$ '000	%
USA	4,018	2,069	6,087	17.4	5,443	2,707	8,150	16.4
UK	255	2,611	2,866	8.2	1,303	2,012	3,314	6.7
Sweden	2,355	51	2,405	6.9	4,212	62	4,273	8.6
Ireland	1,304		1,304	3.7	2,364		2,364	4.8
Italy	44	4,521	4,565	13.0	-	5,474	5,474	11.0
Canada	2,114	57	2,170	6.2	1,643	305	1,948	3.9
International Organisations	916	8,682	9,599	27.4	4,067	11,951	16,018	32.3
Tanzania		248	248	0.7		44	44	0.1
Netherlands	551	1,213	1,763	5.0	-	1,623	1,623	3.3
Germany	1,176	721	1,896	5.4	950	1,202	2,152	4.3
Spain	-	268	268	0.8	-	1,857	1,857	3.7
Kenya	-	249	249	0.7	-	352	352	0.7
Austria	-	118	118	0.3	-	221	221	0.4
Denmark	40	3	43	0.1	34		34	0.1
Norway	-	-	-	0.0	-	113	113	0.2
France	-	38	38	0.1	-	296	296	0.6
Uganda	-	194	194	0.6	-	131	131	0.3
Africa		101	101	0.3		268	268	0.5
Other Countries	54	1,037	1,091	3.1		1,025	1,024	2.1
TOTALS	12,827	22,180	35,008	100.0	20,016	29,641	49,657	100
	36.6%	63.4%	100.0%		40.3%	59.7%	100.0%	