

AFRICAN CHILD IN NEED

P.O BOX 33467,
KAMPALA UGANDA-AFRICA



AUDITED REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2015

Kasawuli Associates
Certified Public Accountant
P.O. Box 5320, Kampala.

African Child In Need
Independent Auditor's Report and Financial Statement
For the year ended 31st December 2015



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1.0 General Information

2.0 Background

African Child In Need is non-profit making, non-governmental organization, with certificate of registration number S.5914/6968. The organization was founded in 2004 to strive and achieve lasting improvement in the quality of life of affected children through processes that unites people across cultures that add meaning, value and care for orphans, children affected by HIV/AIDS and other vulnerable children.

As a country Uganda fighting to survive the abject poverty and despair, gripping death, grieving grandparents, hungry children and utter hopelessness Over 30 years since the onset of HIV/AIDS has been attracting headlines in Uganda trapped in accelerating AIDS spiral. Many health workers however, believe that the figure is much higher and warn that the infection rate may explode as the disease spreads out of high risk groups into general population in villages where there is no any information.

Aids has passed the percentage margin judged to be the thresh hold of general epidemic. Children suffer imaginable trauma and psychological pains as they witness the prolonged death of their parents. Increasing number of children faced by death of one or both parents to assume responsibility not only for their own lives but also for those of their young siblings after which tragic consequences for their rights and development.

The challenge is there for, to think and act beyond the disease itself and focus on the faces of infected and affected children by HIV/AIDS, one voice, many faces, united for life.



2.1 Principal and Registered Office

Kawuku - Bbunga
Off Ggabba Road
Tel: +256-780915836
P.O Box 33467 Kampala-Uganda

2.2 Bankers

Stanbic Bank
Crested tower, plot 17
Hannington road
Kampala

2.3 Auditor

Kasawuli Associates
Certified Public Accountant
Nsambya.

2.4 Key Personnel

Mr Milton Opoya - Chairman
David Mukisa - Administrative Officer
Joan Mawanda - General Secretary

Immaculate Akoth - Treasurer

3.0 Executive Report

3.1 Introduction

The Executive Committee submits this report together with the Audited Financial Statements of African Child In need for the year ended 31st December 2015, which disclose the state of affairs of the Organization.

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3.2 Vision

Passionately concerned for destitute children and to transform places of darkness into places of light and hope, to advocate for improved lives quality of life and preservation of the dignity of young persons

3.3 Mission Statement

To stand as advocates for vulnerable children to release them from bondage of poverty and enhance their academic status ,give health care ,expose them socially and help them exploit their talents and gifts , so that they become positive change agents in the community.

3.4 Objectives

1. To identify problems faced by children in difficult circumstances.
2. To create awareness among the leaders and members of the communities the plight about venerable children with view to create will and commitment to help these special categories of children.
3. To intensify and broaden creative and better methods of managing substance abuse among venerable children.



3.5 Summary of Major Activities

No:	Activities/ payments	Remark
Education Supplies and School fees	• Boarding Secondary Fees	DONE
	• Institute/ Colleges	DONE
	• Secondary fees	DONE
	• Examination fees	DONE
	• Counter Books	DONE
	• Reams of Papers	DONE
	• Pens and Bags	DONE
Area 2: Health/Medical Treatment and Supplies	• Medical Treatment	DONE
	• First Aid Kit	DONE
	• HIV/ Aids Treatment	DONE
		DONE
Area 3: Personal Hygiene	• Soap	DONE
	• Jerry	DONE
STRATEGIC Area 4: Food / Nutrition	• Flour, Rice , Bean, Fish , Beef/Vegetable.	DONE
	• Sugar	DONE
	• Cooking.	DONE
	• Firewood.	DONE
	• Bread.	DONE

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3.6 Executive Committee Members

The Committee Members who held office the year of this report were:

NO.	Names	Position
1.	Milton Opoya	Chairman
2.	David Mukisa	Vice chair
3.	Immaculate Akoth	Treasurer
4.	Joan Mawanda	Gen Secretary
5.	Deborah Awor	Member
6.	Timothy Oyamo	Member
7.	Kemba Benson	Member
8.	Asaf Oyamo	Member
9.	Joseph Oyuk	Member
10.	Kevin Apoya	Member
11.	Levy Ofwono	Member

3.7 Auditors

Kasawuli Associates, Certified Public Accountants was appointed to audit the financial records of the ACIN for the financial year ended 31st December 2015 and are reporting there on. The terms of reference are as per the appointed letter, International standards/ financial reporting Standard and the Non-Government statute and regulations section 9 of 1990.

By order of the Executive Committee

Chairperson

Date:





Statement of Executive Committee's Responsibilities

The Non- Government Organizations' Act requires that the management of African Child In Need to prepare Financial Statements for each financial year which gives a true and fair view of the state of affairs of the project as at the end of the financial year. It also requires Management to ensure that the Organization keeps proper books of account, which disclose with reasonable accuracy, at any time, the financial position of the Association. They are also responsible for safeguarding the assets of the Association.

The Management accepts responsibility for the annual Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRSs). Management is of the opinion that the Financial Statements give true and fair view of the state of affairs of the project and of its operating results.

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

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

Approved by the members on 13th / 03 / 2016 and signed on their behalf by:

Chairperson



Liaison Officer

Akolu



4.0 REPORT OF INDEPENDENT AUDITOR TO MEMBERS OF AFRICAN CHILD IN NEED

We have audited the Financial Statements of African Child In Need, which comprise the statement of financial position as at 31st December 2015, the statement of comprehensive income, the statement of fund balances and a statement of cash flows for the year then ended, and the related notes.

4.1 Responsibilities of the Management

The Management is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards and the other relevant laws of Uganda.

This responsibility includes maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies that are consistent with International Financial Reporting Standards, and making accounting estimates that are reasonable in the circumstances.

4.2 Responsibilities of the Independent auditor

Scope

On the Accounts

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 about whether the Financial Statements are free from material misstatements.

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 misstatements of the Financial Statements, whether due to Fraud or Error. In making those risk assessments, the Auditor considers internal controls relevant to the entity's presentation 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

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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.

Other Agreed Upon procedures

In addition, we carried out the following procedures in accordance with the terms of reference by

- Human Resource

Reviewed the level of competitiveness, transparency and effectiveness of the recruitment and hiring of personnel including performance appraisal, payroll preparation and payment as well as management of personnel records.

- Procurement

Reviewed the competitiveness, transparency and effectiveness of the procurement activities in order to assess whether the equipment and services purchased meet the requirement.

- Asset Management

Reviewed the procedures for receipt, storage and purchase of assets

- Cash Management

Reviewed procedures for safeguarding of cash.

- General Administration

Reviewed the orderliness and Management the Organization and its resources.

- Information System

Reviewed the adequacy and reliability of information and communication systems and the control and security of equipment and data.



- Accuracy of accounting records

Verified the arithmetical accuracy of the financial reports by ensuring that the expenditures described in the supporting documentation are reconciled to the expenditures as presented in the accounting system.

4.3 Basis of Opinion

Accounts

An accounting entity is required to maintain a reliable accounting system that completely and accurately captures and processes accounting information to produce timely reports. ACIN records are maintained using Quick books which were found to be adequate for accounting and financial operations.

Reportable Findings on Agreed upon Procedures

- Human Resource Management

There is documentation of staff particulars/details.

- Procurement

A procurement policy exists that provides that at least three quotations should be obtained for purchases above Shs 100,000. This was adequately practiced and followed especially in the purchase of the vehicle. Other Procurements were based on management's discretion.

- Assets Management

A fixed assets register exists to monitor and control the use of assets.

- Cash Management

All Bank accounts were in the names African Child in Need.
Bank reconciliations were prepared on time and approved by the Program Manager
Cheque payments were properly managed with adequate controls

- General administration

Financial, Administrative and Human Resources Manual is available and to a big extent was fairly used as a basis of making decisions. The organization structure is fairly reasonable with clear flow of authority.

- Compliance



The activities financed during the audited period were in-line with; the approved budget, agreement terms, Laws and Regulations. All other terms of the agreement were reasonably complied with.

Opinion

In our opinion, based on the work performed, except for the effects of such issues raised, if any, as might have been determined had we been able to have a reasonable assurance about the matters above, the Financial Statements give a true and fair view of the ACIN's financial position as at 31st December 2015 and the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Non- Government Organizations' act.

Conclusion on other agreed upon procedures

Except for the matter issues raised above:

ACIN protected and used its resources (Property, personnel finds and space) economically and efficiently.

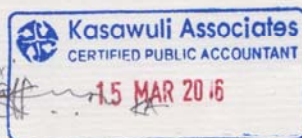
The programme is still relevant and attained its intended objectives

The systems of delivering the targeted outputs were cost effective

The organization and interactions among strategic planning management structures and processes, human and financial resources in relation to the Organization Mission and goals were effective

We did not come across any significant instances of non-compliance with stipulations of the Grant Agreement.

Kasawuli Associates
Certified Public Accountant
Kampala





RECEIPTS AND PAYMENTS		
	Schedule	2015 UGX
Income		
Grant Received	A	62,363,887
Other Income	A	-
TOTAL INCOME		62,363,887
Expenditure		
Education Supplies And School Fees	B	21,524,650
Health / Medical Treatment	C	112,500
Personal hygiene	D	820,000
Food / Nutrition		30,688,550
Administration		8,198,000
Transport		1,018,800
TOTAL EXPENDITURE		62,362,500
Cash surplus for the year		1,387
Cash Deficit as 01 December 2015		-
Cash Surplus as at 31 December 2015		1,387
Being Presented by:		
Cash and Cash Equivalents	3	1,001,387
Total Advances and Receivables	2	-
Total Payables and Accruals	4	(1,000,000)
		1,387

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STATEMENT OF FINANCIAL POSITION

PARTICULARS	Notes	2015 UGX
NON-CURRENT ASSETS		
Property and Equipment		21,208,101
CURRENT ASSETS		
Receivables & Prepayments	2	-
Cash and Cash equivalent	3	1,001,386
Total Assets		22,209,487
CURRENT LIABILITIES:		
Payables & Accruals	4	1,000,000
Total Current Liabilities		1,000,000
NET LIABILITIES		21,209,487
REPRESENTED BY		
Donated Capital Fund		21,208,100
Fund Balance		
Surplus (Deficit) for the year		1,387
Surplus (Deficit) B/F		-
Prior Year Adjustments**		-
Total Fund Balance at the close of the year		21,209,487

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STATEMENT OF FINANCIAL ACTIVITIES

	Schedule	2015
Income		UGX-
Grant	A	62,363,887
TOTAL INCOME		62,363,887
Expenditure		
Education Supplies And School Fees	B	21,524,650
Health / Medical Treatment	C	112,500
Personal hygiene	D	820,000
Food / Nutrition		30,688,550
Administration		8,198,000
Transport		1,018,800
TOTAL EXPENDITURE		62,362,500
Surplus (Deficit) for the year		1,387
Surplus (Deficit) as 01 December 2015		-
Prior Year Adjustments**		-
Surplus (Deficit) as at 30 June 2014		-
Fund Utilization		100%

STATEMENT OF CHANGES IN FUND BALANCES

	Donated	Accumulated	Total Fund
	15		

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	Capital Fund UGX	Fund UGX	UGX
As at 31 December 2015	24,644,114	-	24,644,114
Fund Balance as at 01 July 2013	-	-	-
Donated Capital Fund**	24,644,114		24,644,114
Prior Year Adjustments			-
<i>Accumulated - Depreciation</i>	-		-
Surplus(Deficit) for the year	-	1,387	1,387
<i>Current - Depreciation</i>	(3,436,014)		(3,436,014)
Fund Balance as at 30 June 2014	<u>21,208,100</u>	<u>1,387</u>	<u>21,209,487</u>

Note: Prior Year Adjustments**

**Donated Capital Fund includes all non-current assets owned and controlled by the Organization (Note 5: Non-current as Schedule) and Depreciation cost reduces the capital fund.

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STATEMENT OF CASH FLOW (RECEIPTS & PAYMENTS)

PARTICULARS	NOTES	2015 UGX
CASHFLOW FROM OPERATING ACTIVITIES		
Net Surplus/Deficit from Operations		1,387
Increase (Decrease) in Payables & Accruals	4	1,000,000
		1,001,387
CASHFLOW FROM INVESTING ACTIVITIES		
Acquisition of Property & Equipment	5	-
CASHFLOW FROM FINANCING ACTIVITIES		
Net Increase/Decrease in Cash and Cash equivalents		1,001,387
Add: Cash and Cash Equivalents at the beginning of the year	3	-
		1,001,387
REPRESENTED BY:		
Bank and Cash Equivalents as at the		1,001,387

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end of the year

Note: **Donated Capital Fund

Includes all non-current assets owned and controlled by the Organisation (Note 5: Non-current asset Schedule) and Depreciation cost reduces the capital fund.

5.0 NOTES TO FINANCIAL STATEMENTS

Accounting Entity

1 Significant Accounting Policies

a) Basis of Preparation

Financial Statements are prepared in accordance with and comply with International financial reporting standards. The Financial Statements are presented in Uganda Shillings and prepared under historical cost convention on basically cash and a limited accrual basis.

b) Property, Plant and Equipment

All property and equipment is initially recognized at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Depreciation is calculated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful life as follows:

Item	Rate
Computers & Accessories	20.0%
Office Equipment	12.5%
Furniture and Fittings	12.5%

c) Expenditure

Expenditure represents amounts disbursed and costs incurred in the furtherance of projects' activities during the period.

d) Reporting Currency

The income and expenditure are effected in Uganda Shillings (UGX).

e) Fund Balance:

For the purposes of the cash flow statement, Fund Balance comprise cash in hand, deposits held at call with banks and other short term highly liquid investments with less than ninety (90) days to maturity.

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	NOTE	2015 UGX
ADVANCES AND RECEIVABLES	2	
Prepayments		-
Staff Advances		-
Total Advances and Receivables		-
CASH AND CASH EQUIVALENTS	3	
Stanbic Bank		1,386
Cash in Hand		1,000,000
Total Cash and Cash Equivalents		1,001,386
PAYABLES AND OTHER ACCRUALS	4	
Audit Fees		1,000,000
Other Payables		-
Total Payables and Accruals		1,000,000

***The above accrued expenses were committed to the respective cost centres on an accrual basis*

Property, Plant and Equipment

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	Computer & Accessories	Office Equipments	Furniture & Fittings	BEDS	Total
RATE	20.0%	12.5%	12.5%	12.5%	
At cost					
1-Jan-15	-	-	-	-	-
Acquisitions	4,740,000	1,270,500	6,086,715	12,546,900	24,644,115
Disposals	-	-	-	-	-
Other Adjustments	-	-	-	-	-
December 31, 2015	4,740,000	1,270,500	6,086,715	12,546,900	24,644,115
Accumulated Depreciation					
December 31, 2015	-	-	-	-	-
Depreciation for the year	948,000	158,813	760,839	1,568,363	3,436,014
Disposals	-	-	-	-	-
December 31, 2015	948,000	158,813	760,839	1,568,363	3,436,014
Net book value	3,792,000	1,111,688	5,325,876	10,978,538	21,208,101
December 31, 2014	-	-	-	-	-



SCHEDULES TO THE STATEMENT OF FINANCIAL ACTIVITIES

	SCHEDULE	2015 Budget UGX	2015 Actual UGX
Grants	A		
	The Great Commission Foundation	186,995,000	62,363,887
	Subtotal	186,995,000	62,363,887
	Other Income	-	-
	Subtotal	-	-
	TOTAL INCOME	186,995,000	62,363,887

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EXPENDITURES:	2015 Budget		2015 Actual
	B	UGX	UGX Actuals
EDUCATION SUPPLIES AND SCHOOL FEES			
Account code 10			
Boarding Secondary fees		12,000,000	5,826,950
Institution / Colleges		8,100,000	-
Secondary fees (Day)		9,450,000	3,632,700
Primary School Fees		5,850,000	-
Examination fees		400,000	-
Exercise Books		765,000	-
Pens		240,000	460,000
School Bags & Shoes		1,500,000	2,350,000
Brooms		90,000	-
Toilet papers		450,000	-
Mathematical sets		210,000	25,000
Reams of Papers		1,620,000	2,100,000
Counter Books		750,000	7,130,000
TOTAL – EDUCATION SUPPLIES AND SCHOOL		41,425,000	21,524,650
SCHOOL UNIFORMS			
School Uniforms		1,500,000	-
Sports wear		750,000	-
TOTAL – SCHOOL UNIFORMS			-

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	2,250,000	
	2015 Budget	2015 Actual
SUPPLIES TO THE CENTRE	UGX	UGX
	UGX	Actuals
Chalk	240,000	-
Prep Books	200,000	-
Markers	60,000	-
Paints	2,400,000	-
Cement	1,500,000	-
TOTAL - RESEARCH AND DEVELOPMENT	4,400,000	-
GRANT TOTAL	48,075,000	21,524,650

Expenditures - Cont'd

C		UGX
HEALTH/ MEDICAL TREATMENT		
Medical Treatment	3,000,000	112,500
First Aid Kit	1,000,000	-
HIV/ Aids Treatment	8,500,000	-
Sub-total	12,500,000	112,500
PERSONAL HYGIENE		
Soap	2,700,000	500,000
Tooth Paste		

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	1,800,000	250,000
Jerry	1,800,000	70,000
Sub-total	6,300,000	820,000
TRANSPORT		
Account Code 75		
Fuel	7,200,000	1,018,800
Motor Vehicle Maintenance	2,400,000	-
Tyres	1,600,000	-
Sub-total	11,200,000	1,018,800
SALARIES AND WAGES		
Account Code 65		
Social Worker	9,600,000	-
		-
Sub-total	9,600,000	-
FOOD/ NUTRITION		
Account Code 40		
Flour	10,800,000	7,500,000
Rice	10,800,000	10,540,000
Beans	9,600,000	5,500,000
Fish	600,000	-
Beef/ Vegetable	600,000	-

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		-
Sugar	3,600,000	1,900,000
Cooking Oil	2,880,000	990,000
Fire Wood	6,000,000	2,764,050
Bread	8,640,000	1,494,500
Sub-total	53,520,000	30,688,550
		31,621,050
ADMINISTRATION		
Account Code 70		
Rent	18,000,000	6,000,000
Electricity	2,400,000	515,000
Water	2,400,000	683,000
Audit fees	1,000,000	1,000,000
		-
Sub-total	23,800,000	8,198,000
		31,621,050



FUND ACCOUNTABILITY STATEMENT / VARIANCE ANALYSIS REPORT

Budget Item	Budget 2015 UGX	Actual 2015 UGX	Variance UGX	Variance / Bal as % of Budget %	Fav / Adv	Ref No.
The Great Commission Foundation	186,995,000	62,363,887	124,631,113	-67%	Adv	
TOTAL GRANT	186,995,000	62,363,887	-	0.00%	Adv	1
PROGRAMME COSTS						
EDUCATION SUPPLIES AND SCHOOL FEES	41,425,000	21,524,650	19,900,350	48%	Fav	2
SCHOOL UNIFORMS	2,250,000	-	2,250,000	100%	Fav	3
SUPPLIES TO THE CENTRE HEALTH/ MEDICAL TREATMENT	4,400,000 12,500,000	- 112,500	4,400,000 12,387,500	100% 99%	Fav Fav	4 5
PERSONAL HYGIENE	6,300,000	820,000	5,480,000	87%	Fav	6
TRANSPORT	11,200,000	1,018,800	10,181,200	91%	Fav	7
SALARIES AND WAGES	9,600,000	-	9,600,000	100%	Fav	8
FOOD/ NUTRITION	53,520,000	30,688,550	22,831,450	43%	Fav	9
ADMINISTRATION	23,800,000	8,198,000	15,602,000	66%	Fav	10
GRAND TOTAL	48,075,000	62,362,500	14,287,500			

Cash Surplus for the year

1,387