

**ONE MORE CHILD
UGANDA**

DIRECTORS' REPORT AND

**FINANCIAL STATEMENTS
31 DECEMBER 2013**



JP MAGSON

Certified Public Accountants
Plot 50 Motel Close- off Kakungulu Road,
NTINDA, Near UNEB Centre
P.O. Box 7859,
Kampala -UGANDA

1moreChild-Uganda

Directors' Report and Financial Statements
Year Ended 31 December 2013

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1.0 DIRECTORS' REPORT

- 1.1. The 1moreChild vision is to see vulnerable children empowered and encouraged to reach their full potential. We believe that by providing their basic needs, education and strong role models, we can create an environment where the poorest children can grow and develop to become the future leaders of their society.
- 1.2. The directors always ensure that the programmes we undertake are in line with our aims and objectives. Our ambitious aim is to be part of eradicating poverty in the Masese slum.
- 1.3. At 1moreChild we now have over 190 children. We cover the following for all of these children:
 - School fees
 - School uniforms and requirements
 - Medical
 - Football training and matches
 - Some clothing
 - Two meals a day
 - Tutoring
 - Mentoring and,
 - For 80 of these children we also provide accommodation and three meals a day
- 1.4. At the start of 2013 1moreChild was supporting 120 children in six homes, four for boys and two for girls. A year on we are supporting over 190 in 9 homes – six for boys and 3 for girls.
- 1.5. During 2013 donations to 1moreChild continued to grow and covered the cost of all outgoings. We now have 17 full-time Ugandan staff who are doing an excellent job of mentoring the boys and girls,
- 1.6. All the children attended camps in the holidays – some for as long as 5 weeks (all over Uganda).
- 1.7. Reading continues to be a main focus with many hours after school, at weekends and in the holidays spent improving the reading level of all children. The success of this has been reflected in the school reports where 1moreChild children are at the top of most of the school year groups. At the primary school to which we send our children, they award bursaries - a term of free school fees – to those pupils who come first or second in their year. Out of a possible 12 bursaries, 8 went to 1moreChild children.
- 1.8. Ten children completed P7 in December. Six passed with a first grade and four with a second grade. 1moreChild children obtained the first and second highest marks in the school.
- 1.9. There are now four 1moreChild boys' football teams and two girls' teams. 1moreChild girls now make up the vast majority of their school football team too.
- 1.10. The Under12 boys have started learning to play baseball. They are enjoying the challenge and we are excited for them to learn a new skill.

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- 1.11. Four of our boys took up cycling and trained for nearly six months in the hope of joining a cycle race from Paris to Geneva in aid of 1moreChild. Sadly, their visas were denied, but they continue to enjoy cycling and we hope to enter them in a number of races in 2014 in Uganda.
- 1.12. We ran a small business competition for some of our older children in the holidays. We were very encouraged by their courage and drive. All had repaid their business loans by the end of the holidays and a number had earned enough money to make a significant difference to their families' income or to boost their savings accounts.
- 1.13. Two of our children have undergone corrective leg surgery as they were experiencing growth deformities due to malnutrition in their early years. They are both now back playing football and we rejoice with them for their remarkable healing. Two more of our children are due to have similar operations in early 2014.
- 1.14. We are excited about the coming year as we continue to make a difference in these children's lives so that they in turn, can make a difference in their community.

Director

Date

2.0 ORGANISATION INFORMATION

2.1 Background

One More Child (1moreChild) is registered under the Non-Governmental Organisations Registrations ACT, CAP113. 1morechild was established to empower vulnerable children and encourage them to reach their full potential by providing school fees, food, school uniforms, school supplies, shoes, clothes, medical care, tutoring, mentoring, a football club and various other activities. Today it hosts 196 children who are nearly all from the Karamojong tribe from North-east Uganda and live in a slum village, Masese, just outside Jinja. Karamoja suffers from local conflict and severe drought. Therefore many of the children are orphaned and move south in search of food.

2.2 Vision and Mission

- The 1moreChild vision is to see vulnerable children empowered and encouraged to reach their full potential.
- The 1moreChild mission is to create an environment where the poorest children can grow and develop to become the future leaders of their society.

2.3 Aims and Objectives

- To provide care and security for the Orphans and Vulnerable Children (OVCs) within our Project Areas (PAs) providing some basic needs for the proper growth of children i.e., education, nutrition and shelter.
- To empower families with vulnerable children and orphans so that they can become socially and economically self-reliant.
- To encourage the mental, physical and moral growth and development of children.
- To bridge the gap between parents/caretakers and children.
- To raise HIV / AIDS awareness among children.
- To restore a good culture right from grassroots level.
- Make every attempt to reunite children with their parents or family members and endeavour to support that family in sustaining their family members by paying for the meals, housing and school fees, school uniform etc. of the child.
- In cases where we are unable to locate any family members or the parents have refused and neglected their children, we will take full guardianship of those children and take them into a home where they will be rehabilitated, cared for and loved as children within a family context.
- Put all vulnerable children in school, starting in classes where they had last attended school and provide school fees, scholastic materials and all other necessities for survival in life.
- To provide social work to counsel and nurture the children back to full mental health and well-being.
- To offer after school tutoring in order to help those children who have fallen behind with their studies.
- To offer holiday programmes for children including holiday camps, swimming, outings and various other excursions.
- To provide a loving, challenging, safe environment where children can play, learn and grow.

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- To involve young people in the fight against HIV/AIDS and the stigma thereof.
- To create an environment and opportunities for children to develop their social, mental, economic and spiritual potentials.
- To expose young people to the new and modern world of technology and to train them in activities that will be of use to them in the future, for example small business opportunities.

2.4 Principal Place of Business and Registered Office

One More Child
P. O. Box 1325
Jinja – UGANDA.
Plot 50, Magwa Crescent-Jinja
Tel: +256(0)777 545 959

2.5 Bankers

Standard Chartered Bank Uganda Ltd.
Jinja Branch
P.O. Box 1583,
Jinja-UGANDA

2.6 Lawyers

Wafula and Co Advocates,
P.O Box 573, Jinja-UGANDA
Tel: +256(0)753 172 017

2.7 Auditors

JP MAGSON

Certified Public Accountants (*An independent correspondent member of DFK International*).
Plot 50 Motel Close- off Kakungulu Road,
NTINDA, Near UNEB Centre
P.O. Box 7859,
Kampala -UGANDA

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3.0 REPORT OF THE TRUSTEES

3.1 The Trustees present their report together with the audited financial statements for the year ended 31 December 2013, which disclose the state of affairs of One More Child-Uganda ("the organisation").

3.2 Principal Activity

The principal activity of the organisation is to empower vulnerable children and encourage them to reach their full potential by providing school fees, food, school uniforms, school supplies, shoes, clothes, medical care, tutoring, mentoring, a football club and various other activities.

3.3 Results

The total annual incomes received in year ended 31 December 2013 amounted to Ushs 405,810,617 while the cumulative annual recurring and capital expenditure from all programmes amounted to Ushs 446,003,283. This leaves a deficit of income over expenditure of Ushs 40,192,666.

3.4 Trustees

The Trustees who served during the period and to the date of this report were:

	Names:	Position held at 1moreChild
1	Mukiibi Bosco	Chairperson
2	Henrietta Ferdinando	Treasurer
3	Harry Ferdinando	Secretary

3.5 Auditors

The auditors, JP Magson Certified Public Accountants were appointed to conduct the audit for financial year ended 31 December 2013 and have expressed their willingness to continue in office.

By Order of the Board of Trustees

Secretary

..... 2014

4.0 STATEMENT OF TRUSTEES' RESPONSIBILITIES

- 4.1 Non-Governmental Organisations Registrations ACT, CAP 113 and the organisation's constitution require the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the organisation as at the end of the financial year and of its operating results for that period. It also requires the trustees to ensure the organisation keeps proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the organisation. They are also responsible for safeguarding the assets of the organisation.
- 4.2 The trustees are ultimately responsible for the internal control. The trustees delegate responsibility for internal control to management. Standards and systems of internal control are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of the organisation's assets. Appropriate accounting policies supported by reasonable and prudent judgments and estimates, are applied on a consistent and using the going concern basis. These systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.
- 4.3 The trustees accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in the manner required by the Non-Governmental Organisations Registrations ACT, CAP 113 and the organisation's constitution. The trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organisation and of its operating results. The trustees 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.
- 4.4 So far as each of the trustees is aware at the time the report is approved:
- There is no relevant audit information of which the Organisation's auditors are unaware; and
 - The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.
- 4.5 The trustees have a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements.

Secretary

Director

Date

Date

5.0 REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ONE MORE CHILD-UGANDA

5.1 Report on the Financial Statements

We have audited the financial statements of One More Child-Uganda which comprise of the Statement of Financial Position as at 31 December 2013, the statement of income and expenditure, statement of cash flows for the year then ended, and a summary of principle accounting policies and other explanatory notes set out therein.

5.2 Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the Non-Governmental Organisations Registrations ACT, CAP113 and the organisation's constitution. This responsibility includes: designing, implementing and maintaining internal controls 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.

5.3 Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We report to you our opinion as to whether the financial statements give a true and fair view of the state of financial affairs of the organisation and of its financial performance and cash flows for the year then ended and are properly prepared in accordance with the requirements of the Non-Governmental Organisations Registrations ACT, CAP113 and the organisation's constitution. We also report to you, if, in our opinion, the Trustees' report is not consistent with the financial statements, if the organisation has not kept proper accounting records, or if we have not received all the information and explanations we required for our audit. We consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies between the trustees report and the financial statements. Our responsibilities do not extend to any other information.

5.4 Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. 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 includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. It also includes an assessment of the reasonableness of significant accounting estimates and judgment made by the Trustees' in the preparation of the financial statements, and of whether the accounting policies used are appropriate to the organisation's circumstances, consistently applied and adequately disclosed, as well as evaluating the overall presentation of the financial statements. In conducting an audit, the auditor selects and performs audit procedures. The procedures selected depend on the auditors' 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 preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient audit evidence to give reasonable assurance that the financial statements are free from material misstatements whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

5.5 Opinion

In our opinion, the financial statements give a true and fair view of the state of financial affairs of the One More Child as at 31 December 2013 and of its income and expenditure and its cash flows for the year then ended in accordance with the requirements of the Non-Governmental Organisations Registrations ACT, CAP113 and the organisation's constitution.

Certified Public Accountants

Kampala

..... 2014

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6.0 FINANCIAL STATEMENT

6.1 Statement of Income and Expenditure

	Notes	2013 Ushs.	2012 Ushs.
INCOMES	7.3	396,473,617	352,887,462
EXPENDITURE			
Administration	7.4	(176,693,508)	(140,130,128)
Programme costs:	7.5	(259,972,775)	(184,665,500)
Total Expenditure		(436,666,283)	(324,795,628)
Surplus /(deficit) before exchange difference		(40,192,666)	28,091,834
Exchange adjustment-gain/(loss)		-	-
Surplus/(Deficit)for the period		(40,192,666)	28,091,834

The notes (7.1-7.11) to these financial statements form an integral part thereof.

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6.2 Statement of Financial Position

	Notes	2013 Ushs.	2012 Ushs.
ASSETS			
Bank and cash balances	7.6		132,065,047
Prepayments and receivables	7.7		6,753,507
Property, plant and equipment	7.8	89,600,214	8,583,240
TOTAL ASSETS		125,862,623	147,401,794
LIABILITIES AND FUNDING			
Current payables and accruals	7.9	19,619,412	6,078,457
Represented by:			
Capital Fund	7.10	13,695,780	8,583,240
General Fund	7.11	92,547,431	132,740,097
TOTAL FINANCING AND LIABILITIES		125,862,623	147,401,794

The notes (7.1-7.11) to these financial statements form an integral part thereof.

The financial statements were approved by the Board of Directors on2014 and was signed on its behalf by:

Secretary

Director

Date

Date

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6.3 Statement of Cash flows

	2013	2012
	Ushs.	Ushs.
CASHFLOWS FROM OPERATING ACTIVITIES:		
Operating surplus/(deficit) for the period	(40,192,666)	28,091,834
(Increase)/Decrease in Receivables	(15,813,122)	(6,753,507)
Increase/(Decrease) in Payables	13,540,955	5,342,598
Add: Capital expenditure	9,337,000	7,560,300
Net Cash Inflows from operating activities	(33,127,833)	34,241,225
CASHFLOWS FROM INVESTING ACTIVITIES:		
Capital expenditure	(9,337,000)	(7,560,300)
Net cash used in investing activities	(9,337,000)	(7,560,300)
Net Movement in Cash and cash equivalents in the period	(42,464,833)	26,680,925
Cash and cash equivalent at start of the period	132,065,047	105,384,122
Cash and cash equivalent at close of the period	89,600,214	132,065,047

The notes (7.1-7.11) to these financial statements form an integral part thereof.

7.0 NOTES TO THE FINANCIAL STATEMENT

7.1 Legal status

One More Child is registered under the Non-Governmental Organisations Registrations ACT, CAP113 of the Laws of Uganda. One More Child is a company limited by guarantee and not having a share capital incorporated in Uganda. The One More Child registered and principal office is at Plot 50, Magwa Crescent-Jinja, and P. O. Box 1325 Jinja – Uganda.

7.2 Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Organisation's financial statements.

7.2.1 Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investments (if applicable), and are in accordance with applicable accounting standards.

7.2.2 Incomes

All incomes are included in the Statement of Incomes and Expenditure when the Organisation is legally entitled to the income and the amount can be quantified with reasonable accuracy.

7.2.3 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they are allocated to activities on a basis consistent with use of the resources. Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance and Support costs are those costs incurred directly in support of expenditure on the objects of the Organisation and do not include project management carried out at Headquarters. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

7.2.4 Tangible fixed assets

Tangible fixed assets are shown at cost less depreciation. Assets in use in the Organisation are capitalised where the asset has a long-term useful life. Where items are acquired from funding from restricted grants, these items will be treated in accordance with the grant requirements and therefore may well be fully expensed in the year of acquisition, rather than capitalized.

Depreciation is provided so as to write off the cost of tangible fixed assets over their estimated useful lives at the following annual rates:

Fixtures and fittings: 20 straight line

Project equipment: 25% straight line

Computer equipment: 33% straight line

7.2.5 Funds

Resources are allocated to Restricted Funds according to the limitations on their use specified by the donors or other providers. Funds received in the direct operation of the charity are treated as unrestricted income funds. Other resources received without external restriction are designated by the trustees for particular purposes as deemed appropriate.

7.2.6 Foreign exchange

Assets and liabilities denominated in foreign currencies are translated into Uganda shillings on the statement of financial position at the rates of exchange ruling at the period-end as published on the Uganda Revenue Authority web site. For reporting purposes the Income and Expenditure Statement items are translated at a transaction average rate.

Unrealised gains and losses on re-translation are dealt with as part of the deficit or surplus on ordinary activities for the financial period. Gains and losses related to restricted projects cannot be allocated to specific projects. Therefore, these are accumulated in a foreign exchange revaluation fund and grouped with restricted reserves. These are then allocated to the relevant projects as they are completed.

7.2.7 Employee retirement benefit

The Organisation and all its employees are to contribute to the National Social Security Fund, a statutory defined contribution scheme. The Organisation's obligation under the scheme is limited to specific contribution legislated from time to time and are currently limited to a maximum of 10% of the employee's gross earnings per month per employee. The company's contribution in respect of retirement benefit costs is charged to the statement of incomes and expenditure in the year to which they relate.

7.2.8 Finance and operating leases

Rentals applicable to operating leases are charged to the Statement of Income and Expenditure over the period in which the cost is incurred. Assets purchased under finance lease are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written off to the Statement of Income and Expenditure over the period of the lease so as to produce a constant periodic rate of charge.

7.2.9 General fund

Revenue grants and other income are recognised as income during the period in which they are received. Income not spent or any deficit at the end of each period is added to the General Fund and carried forward to the next period.

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7.2.10 Capital fund

A capital fund is maintained, equal to the accumulated cost of fixed assets less accumulated depreciation. Depreciation is charged to this fund, and not to the income and expenditure statement.

7.3 Incomes

	2013	2012
	Ushs.	Ushs.
Donor funding	405,810,617	360,368,284
Bank Interest earned	-	79,478
Other income	-	-
Total income	405,810,617	360,447,762
Less: Capital expenditure	(9,337,000)	(7,560,300)
Balance available for recurrent expenditure	396,473,617	352,887,462

7.4 Administration costs

	2013	2012
	Ushs.	Ushs.
Personnel costs	64,329,445	49,731,055
Advertising and promotion	-	386,000
Bank charges	398,775	270,400
Electricity & water	13,085,488	8,460,273
Other office expenses	2,499,700	3,025,100
Professional fees	1,702,700	4,387,900
Rent and rates	55,538,300	35,615,500
Repairs & maintenance	7,731,100	8,327,400
Photocopying, printing & office stationery	6,425,000	6,329,700
Postage, telephone & internet	5,780,500	3,887,500
Travel costs	15,262,000	15,796,800
Audit fees	3,940,500	3,912,500
Total administration costs	176,693,508	140,130,128

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7.5 Programme cost

	2013	2012
	Ushs.	Ushs.
Children awards	2,711,000	3,957,800
Business boys	-	85,000
Clothing and Mending	1,934,000	1,927,600
Cycling challenge costs	6,398,700	106,500
Food	123,162,100	90,962,250
Holiday camps	54,301,275	28,539,000
House expenses	18,435,500	18,305,200
Medical costs	11,460,800	5,882,700
Outings	2,181,000	2,539,200
School & uniforms	36,942,500	27,236,500
Sport mentoring	1,138,600	2,811,400
Travel, Conference and Meetings	-	200,000
Tutoring	1,307,300	2,112,350
Total programme costs	259,972,775	184,665,500

7.6 Cash and bank balance

	2013	2012
	Ushs.	Ushs.
Cash at hand	3,441,400	7,121,100
Cash at bank:		
Standard Chartered	86,158,814	124,943,947
Total bank and cash balances	89,600,214	132,065,047

7.7 Receivables and Prepayments

	2013	2012
	Ushs.	Ushs.
Electricity prepaid	-	53,507
Prepaid rent	22,566,629	6,700,000
Total prepayments and receivables	22,566,629	6,753,507

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7.8 Fixed Asset Schedule

	Furniture and Fittings Ushs.	Totals Ushs.
COST:		
At 1 January 2012	4,225,000	4,225,000
Additions	7,560,300	7,560,300
Balance as at 31 December 2012	11,785,300	11,785,300
At 1 January 2013	11,785,300	11,785,300
Additions	9,337,000	9,337,000
Balance as at 31 December 2013	21,122,300	21,122,300
DEPRECIATION:		
At 1 January 2012	845,000	845,000
Charge for the year	2,357,060	2,357,060
Balance as at 31 December 2012	3,202,060	3,202,060
At 1 January 2013	3,202,060	3,202,060
Charge for the year	4,224,460	4,224,460
Balance as at 31 December 2013	7,426,520	7,426,520
NETBOOKVALUE:		
As at 31 December 2013	13,695,780	13,695,780
<i>As at 31 December 2012</i>	<i>8,583,240</i>	<i>8,583,240</i>
<i>As at 31 December 2011</i>	<i>3,380,000</i>	<i>3,380,000</i>

7.9 Payables and Accruals

	2013 Ushs.	2012 Ushs.
Accrued-audit fees	3,940,500	3,912,500
Electricity bills Payable	212,912	92,151
Loans from directors	14,000,000	527,300
P.A.Y.E payable	368,500	1,398,560
N.S.S.F payable	652,500	-
Payroll liabilities	445,000	-
Water bills Payable	-	147,946
Total payables and accruals	19,619,412	6,078,457

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7.10 Capital Fund

	2013	2012
	Ushs.	Ushs.
Balance at start of period	8,583,240	3,380,000
Additions to fixed assets	9,337,000	7,560,300
Total before depreciation	17,920,240	10,940,300
Depreciation charge for the period	(4,224,460)	(2,357,060)
Balance at close of period	13,695,780	8,583,240

A capital fund is maintained, equal to the accumulated cost of fixed assets less accumulated depreciation. Depreciation is charged to this fund, and not to the income and expenditure statement.

7.11 General Fund

	2013	2012
	Ushs.	Ushs.
Balance at start of period	132,740,097	104,648,263
Surplus/(deficit) for the year	(40,192,666)	28,091,834
Balance at close of period	92,547,431	132,740,097

Revenue grants and other income are recognised as income during the period in which they are received. Income not spent or any deficit at the end of each period is added to the General Fund and carried forward to the next period.