

**UGANDA WOMEN'S EFFORT TO SAVE ORPHANS
(UWESO)
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Uganda Women's Effort to Save Orphans
Annual Report and Audited Financial Statements
For the Year ended 31 December 2018

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LIST OF ACRONYMS

AROC	Advancing Rights & Opportunities for Vulnerable Children
ATA	Alberta Teachers' Association
AYEDI	Adolescent Youth Empowered and Development Initiative
CSCG	Community Savings and Credit Group
COMVIS	Community Vision Uganda
ECLT	Eliminating Child Labor in Tobacco Growing Foundation
GoU	Government of Uganda
IFAD	International Fund for Agricultural Development
IGA	Income Generating Activities
KCCA	Kampala Capital City Authority
MCV	Masulita Children's Village
MGLSD	Ministry of Gender, Labour and Social Development
MUTI	Migyera UWESO Training Institute
MUSS	Migyera UWESO Secondary School
MOU	Memorandum of Understanding
NGO	Non- Governmental Organization
NSSF	National Social Security Fund
OVC	Orphans and other Vulnerable Children
PAYE	Pay As You Earn
PROFIRA	Project for Financial Inclusion In Rural Areas
REALISE	Realizing Livelihood Improvement Through Savings and Education
UAE	United Arab Emirates
UCE	Uganda Certificate of Education
UNATU	Uganda National Teachers' Union
UNHCR	United Nations High Commissioner for Refugees
UN	United Nations
URA	Uganda Revenue Authority
Ushs	Uganda Shillings
USD	United States Dollars
USAID	United States Agency for International Development
UWESO	Uganda Women's Effort to Save Orphans
VAT	Value Added Tax
VSLA	Village savings and Loan Association
WHT	Withholding Tax

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GENERAL INFORMATION

BOARD OF DIRECTORS:

(NEC MEMBERS)

Hon. Rosemary B. Tumusiime	Chairperson
Ms. Betty Nesihwe	Vice Chairperson
Ms. Naomi Watiti	General Secretary
Ms. Baru Dominic	Treasurer
Ms. Christine Ndungu	Publicity Secretary
Ms. Sarah Masette	Member
Ms. Lydia Twine	Member
Ms. Majorie Kironde	Member
Ms. Hellen Ogwang	Member
Ms. Biryabarema B. Veneranda	Member
Ms. Betty Byanyima	Member
Ms. Pamela Ebong	Member
Ms. Jane Emulai	Member
Ms. Pelucy Ntambirweki	Member
Ms. Sarah Musoke	Member

MANAGEMENT:

Ms. Specioza Kiwanuka	Chief Executive Officer
Ms. Gladys Yiga	Head of Operations
Mr. Collins Kansiime	Group Internal Auditor
Mr. Silvanus Bob Turyamwijuka	Head of Programs

REGISTERED OFFICE:

Plot 2, Tagore Crescent Kamwokya
P.O Box 8419

INDEPENDENT AUDITOR:

PKF Uganda
Certified Public Accountants
P.O Box 24544
Kampala

BANKERS:

Stanbic Bank (U) Ltd
P.O Box 7131, Kampala, Uganda

DFCU Bank
P.O Box 70, Kampala, Uganda

Standard Chartered Bank
P.O Box 7111, Kampala, Uganda

Centenary Bank
P.O Box 1892, Kampala, Uganda

LAWYERS:

Sekabanja & Co. Advocates
P.O Box 2064, Kampala Uganda

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BACKGROUND OF THE ORGANISATION

Ugandan Women's Effort to Save Orphans (UWESO) was established in 1986 as a response to concerns and needs of children who became orphans during the civil strife of the 1980s. UWESO'S initial operations were relief oriented, providing the orphans with food, clothing, blankets, and other basic necessities.

This approach however, did not address the long-term question relating to the future of these children. In addition, the number of orphaned children was increasing at an alarming rate mainly as a result of losing their parents to HIV/AIDS. In order to more effectively and efficiently respond to the needs of orphaned children, UWESO had to transform into a development organization.

MASULITA CHILDREN'S VILLAGE (MCV)

MCV was officially opened on the 28th July 1989 as a Children's home and later became a transit center. In the year 2014, UWESO signed a Memorandum of Understanding (MOU) with the Ministry of Gender Labour and Social Development (MGLSD) and Kampala Capital City Authority (KCCA) for MCV to rehabilitate children from the street and thereafter they are resettled and reintegrated back to their communities.

UWESO has a partnership with Alberta Teachers' Association (ATA) in Canada where a team of 4-5 Teachers from ATA visit MCV once a year and during their stay they carryout education programs with Uganda National Teachers' Union (UNATU), Teachers from Wakiso District Local Government and recreational activities with children in the home. UWESO's work at MCV especially in spiritual nurturing and post resettlement services has also been supported by Koinonia Ministries, a Belgium based Christian charity, and they also donated assorted vegetable seeds and food items to the home in the year 2018.

MCV Vocational

The vocational section operates garment cutting and tailoring classes are administered to children undergoing rehabilitation at the Centre and youth from the neighboring community. The center produces metallic boxes for the community groups.

Farm section

The current activities taking place are; Animal husbandry; Dairy, Piggery and Goat rearing. Crop production activities are; growing 1 acre of sweet bananas, 1 acre of sugar cane, 7 acres of sweet potatoes and green house farming of vegetables; Tomatoes and sweet pepper (Yellow and Red). There are 8 Dairy cattle, 19 pigs and 4 goats. Farming in the home is carried out to supplement feeding of children undergoing rehabilitation.

UWESO GROUP MULTIPURPOSE COOPERATIVE

UWESO launched a Multipurpose Cooperative Society to enable their groups and other service providers access formal financial services and also access a variety of products and services. UWESO Group

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Multipurpose Cooperative works with UWESO Branches; individuals and groups to inculcate and strengthen savings culture and provide affordable credit facilities to enable households meet the basic needs of vulnerable children under their care.

The operations of UWESO Group Multipurpose Cooperative have taken root in the following areas so far; Kampala, Wakiso, Hoima, Bukomansimbi, Lwengo, Masaka, Soroti, Ngora, Kumi, Serere and Kaberamaido. A total of 3,540 members were mobilized, Ugx7,980,000 and Ugx15,182,500 collected in terms of share capital and savings respectively. A total of Ugx152,050,000 disbursed with Ugx111,108,700 recovered leaving a balance of Ugx59,473,800 as outstanding loans. UWESO Group Multipurpose Cooperative registered portfolio at Risk rate of 9.07% as at 31 Dec 2018.

MIGYERA UWESO SECONDARY SCHOOL (MUSS) & VOCATIONAL INSTITUTE

The school originally opened as a vocational training institute; however, owing to the need for dual curriculum, a secondary school section was opened in the centre. The school is a Government aided private secondary school owned by UWESO and due to failure to balance the two programs; the centre has failed to attract trainees for vocational education. The school has ordinary level only and the enrolment has been very low with the Teacher to student ratio below acceptable levels. The students have continued performing poorly. MUTI complex sits on 1 square mile i.e. 640 acres of land.

MUTI Farm

MUTI farm sits on 640 acres of land and currently 40 hectares of pine (okapi) species have been established. The farm has a total of 32 goats and 39 cows; (33 originally in the centre and 6 transferred from MCV). A proposal for commercial Bamboo production has been submitted to the Chinese embassy for support.

PROJECT FOR FINANCIAL INCLUSION IN RURAL AREAS (PROFIRA) I

The Government of Uganda (GoU) and the International Fund for Agricultural Development (IFAD) designed the Project for Financial Inclusion in Rural Areas (PROFIRA) in 2013. The goal of the project is to contribute to attainment of; increased income, improve food security and reduced vulnerability in rural areas. The development objective is to; sustainability increase access to and use of financial services by the rural population.

In partnership with CARE international, UWESO is implemented this 3 year project; (May, 2016- March, 2019) in 21 districts covering 77 sub counties in Eastern Uganda. The project objective was to increase financial inclusion in targeted areas by establishing 2,500 Community Savings and Credit Groups (CSCGs) comprised of not less than 62,500 members; 70% of whom shall be women. UWESO was honored to host IFAD President from Rome- Italy in Kibaale sub-county in Pallisa District in 2017. I am glad to report that UWESO achieved all the parameters of the project, more than 2,504 CSCGs have been formed with

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average total savings of UGX 2,023,863,250 by 31 January 2019. It had a budget of Ugx 1,630,000,000.

The project ended and a majority of staff have since moved on. However, toolkit recoveries are going on with support of 2 field supervisors, 2 M&E Assistants and 1 driver who are paid on piece rate.

Implementation was in 21 Districts in Teso, Bugisu, Bukedi and Sebei Regions

PROJECT FOR FINANCIAL INCLUSION IN RURAL AREAS (PROFIRA) II

Following the successful implementation of PROFIRA I, UWESO and Community Vision-Uganda (COMVIS) were contracted to implement phase 2 of the project. PROFIRA II is focusing on Strengthening, Innovations and Partnerships of 400 mature groups; at least 70% women and 15% Youth with approximate CSCG membership of 10,000 at average membership of 25 members per CSCG. The timeline of the project is Nov 2018 to October 2021. Its budget was UGX 2,000,779,200; WHT; 120,046,752, UWESO: 1,055,281,552, COMVIS: 825,450,000. Activities were implemented in 22 Districts in Eastern Uganda

USAID/UGANDA BETTER OUTCOMES AND LIVELIHOODS DEVELOPMENT FOR CHILDREN AND YOUTH(BETTER OUTCOMES) PROJECT IN EASTERN AND NORTHERN UGANDA

This is a five-year programme aimed at improving the wellbeing of children and youth orphaned and made vulnerable by HIV and other adversities in 20 Districts in Eastern and Northern Uganda. UWESO partnered with World Education Inc/ Bantwana (as the Prime partner), Mercy Corps, Youth Alive & Friends for Christ Revival (FOC-REV). In this project, UWESO's role was to ensure that OVC, Youth and their care givers are better economically empowered and are accessing core services. However, due to funding constraints, all the consortium partners including UWESO were terminated effective Oct, 2018.

By the end of year 3 i.e. 30th Sept 2018, Group Cumulative Savings stood at Ugx 1,802,821,600 raised through the VSLA methodology. This indicated progressive build-up of available credit for loans to enable individual members invest in viable Income Generating Activities (IGAs), besides being a cushion for VSLA member households from livelihoods shocks. The OVC Fund cumulative contribution of Ugx 139,297,400 as at Sept 2018. The innovation of OVC Fund in this project is a credit to UWESO's methodology; it has proven to be a sustainable strategy of supporting OVC in attainment of education, health and nutrition outcomes. The VSLA Members identify the most vulnerable children within and out of their VSLA membership and provide support such as scholastic items; books, uniforms, and pens. Besides, basic support on health care and nutrition in form of food stuffs is provided. All the project activities concluded. Activities were implemented in 20 Districts in Northern and Eastern Uganda

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**REALIZING LIVELIHOOD IMPROVEMENT THROUGH SAVINGS AND EDUCATION (REALISE) 1
PROJECT; IMPLEMENTED IN HOIMA DISTRICT JAN 2013 – AUGUST 2018.**

This project funded by Elimination of Child Labour in Tobacco Growing (ECLT) identified, selected, rehabilitated, integrated and enrolled in 14 participating schools 5,940 children between ages of 6 – 18 years affected by child labour in Hoima district in Western Uganda. A total of 5,600 children were enrolled in 14 participating primary schools in 5 sub counties of Buhanika, Kitoba, Kyangwali, Kigoroby and Bugambe in Hoima District. 100 were supported with tuition and scholastic materials for secondary schools within Hoima district and 90 % completed ordinary secondary education and received the Uganda Certificate of Education (UCE). A total of 240 beneficiaries were enrolled into vocational skills trainings and artisan apprenticeship for period of one year in trades of their choice and were equipped with start-up tool kits. Other activities implemented were establishment of school gardens to aid school feeding in 2 schools, provision of Income Generating activities to groups in addition to the socio-economic benefits arising out of the over 700 VSLA groups that were formed. Rehabilitation of water sources in schools and improvement of school learning environment by improving school structures.

In preparation for the second phase of the project, ECLT provided bridge funding. Its budget was USD 1,000,000. The project ended in Dec 2018, 80% were validated and taken under REALISE II. Activities were implemented in Hoima District

**REALISING LIVELIHOOD IMPROVEMENT THROUGH SAVINGS AND EDUCATION (REALISE) II –
HOIMA & KIKUUBE DISTRICTS**

Elimination of Child Labour in Tobacco growing areas (ECLT) Foundation has been supporting UWESO for last 6 years, 2013 – 2018 and now a second phase started in Jan 2019 for 3 years to Dec 2021. The project aims at scaling up intervention of phase I by increasing opportunities for children involved in child labour in tobacco growing areas access quality education, vocational skills for 14 – 17 year olds, improve livelihoods for the affected households, awareness raising on dangers of child labour and strengthen local structures to combat the vice. Orientation of stakeholders has been accomplished who include; MGLSD, UWESO Hoima BEC structures, project staff, Government workers, Private Sector and other CSOs. Its budget was \$855,000 and its activities were implemented in Hoima and Kikuube Districts

ADVANCING RIGHTS AND OPPORTUNITIES FOR VULNERABLE CHILDREN (AROC)

UWESO in partnership with United Arab Emirates (UAE) and the Government of Uganda is implementing a two (2) year project; Advancing Rights and Opportunities for Vulnerable Children (AROC) 2018 – 2019 in 11 sub counties in Mbarara & Isingiro Districts. The project targets 4,500 children and 22,500 women in refugee households and also host communities through accessing education and strengthening community and local governance structures to respond appropriately to challenges facing the OVC. The project focuses on reducing drivers of vulnerability amongst children in host communities and refugee settlements

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and this in response to the refugee problem where Uganda is currently hosting more than 1.4 million refugees. The project aims at measuring two outcome indicators that by December 2019; household income of 22,500 women in Mbarara and Isingiro Districts should be boosted by 20% to enable them provide education for vulnerable children and 4,500 (3,700 girls, 800 boys) vulnerable children in Mbarara & Isingiro districts access quality basic education. Its budget is USD 1,000,000.

RUNNING PARTNERSHIPS

S/N	PARTNER	AREA
1	Ministry of Gender labour and Social Development	Departments of; Orphans and Vulnerable Children's, Labour, youth and gender.
2	Ministry of Education and Sports	Education Support Services; Sanitary Towels Project. Vocational Training under Non formal and Formal; Skilling Uganda Project. Secondary School Section
3	Office of the Prime Minister and United Nations High Commissioner for Refugees (UNHCR).	Refugee Project in Mbarara and Isingiro and trafficking of children especially from Karamoja region.
4	UN - Agencies	Mentorship of adolescent girls at MCV
5	International Labour Organisation	Policy Development in areas of Elimination of Child Labour.
6	Elimination of Child Labour in Tobacco Growing Foundation (ECLT)	Grant for implementation of REALISE I and II Projects.
7	Government of United Arab Emirates and United Arab Emirates Embassy - Kampala	Grant for implementation of AROC Project, donation of food and Non food items at MCV and establishment of safe water source for water depressed community in Nakiwogo Entebbe Municipality.
8	Uganda Child Rights NGO Network	Lobby and Advocacy
9	Chinese Embassy	Donation for Bugolobi House Construction
10	Federation of Uganda Employers	Workers' membership organisation
11	Ministry of Finance Planning and Economic Development	Department of Rural Finance Services – PROFIRA I and II Projects.
12	CARE International in Uganda	Partnership in areas of Economic Empowerment of Grass root structures; implementation of PROFIRA I project.

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13	World Education Inc/Bantwana	Better Outcomes and AYEDI Projects
14	Hoima and Kikuube District Local Governments	Implementation of REALISE I & II Projects
15	Mbaraa and Isingiro District Local Governments	Implementation of AROC Project
16	22 Districts Local Governments in Eastern Region	Implementation of PROFIRA I and II Projects
17	Wakiso District Local Government	Rehabilitation of children at Masulita Children's Home
18	Nakasongola District Local Government	Migyera UWESO Vocational Training Centre and Secondary School.
19	Japanese Embassy	Upcoming Volunteer program
20	Community Vision Uganda Ltd	Implementation of PROFIRA II Project
21	Koinonia Ministries	Rehabilitation of vulnerable children at MCV and provision of scholastic materials to school going children in Napak.
22	Sampta Foundation	Supply of Sanitary towels and Promise for a pad making machine.
23	Alberta Teachers' Association	Education support services in Wakiso District and MCV.

R. M. M. M. M.

CHAIRPERSON, BOARD OF DIRECTORS,

18.07.19. 2019

Kampala.

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1. STATEMENT OF DIRECTORS' RESPONSIBILITIES

It is the responsibility of Directors 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 period and of the surplus or deficit for that period. The Directors are also required to ensure that proper accounting records that disclose, with reasonable accuracy, the financial position of the Organisation are maintained. The Directors are also responsible for safeguarding the assets of the Organisation.

Directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. Directors also accept responsibility for:

- i. designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. selecting and applying appropriate accounting policies; and
- iii. making accounting estimates and judgements that are reasonable in the circumstance.

Directors are of the opinion that the financial statements give a true and fair view of the financial position of the organisation as at 31 December 2018 in accordance with organisation's accounting policies set out on pages 13 to 30.

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

Approved by the Board of Directors on 18/07/ 2019 signed on its behalf by:



.....
Chairperson

Date: 18.07.2019.



.....
Chief Executive Officer

Date: 18/07/2019

2. REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF UGANDA WOMEN'S EFFORT TO SAVE ORPHANS (UWESO).

Opinion

We have audited the financial statements of Uganda Women's Effort to Save Orphans on pages 13 to 30, which comprise statement of financial position and the statement of comprehensive income as at 31 December 2018, statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Uganda Women's Effort to Save Orphans as at 31 December 2018 and its financial performance and its cash flows for the year then ended in accordance with company's accounting policies, donor requirements and the Uganda Companies Act, 2012.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of Accounting

We draw attention to accounting policy Note 8 (a) of the financial statements, which describes the basis of preparation. The financial statements are prepared to assist the board of Uganda Women's Effort to Save Orphans to report on the financial performance and status.

Other information

The Management is responsible for the other information. The other information comprises the Management's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or

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Partners: Charles Ogutu*, Frederick Kibbedi*, Alpesh Vadher**, Piyush Shah**, Gurmit Santokh**, Sumesh D'Cruz**, Ketan Shah***, Shilpa Cheda***
(*Ugandan, ** Kenyan, *** British)

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our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the financial statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the organization's accounting policies set out on pages 17 to 20 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.


- iii. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- iv. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other requirements;

We report to you that except for the matters referred to in the basis for unqualified opinion section of our report on page 10;

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) In our opinion proper books of account have been kept by Uganda Women's Effort to Save Orphans, so far as appears from our examination of those books,
- iii) Uganda Women's Effort to Save Orphans Statement of Financial Position, Income and Expenditure Statement, Statement of Changes in Fund Balance are in agreement with the books of account.
- iv) Uganda Women's Effort to Save Orphans has complied with the funding terms and conditions,

The engagement partner responsible for the audit resulting to this report of the independent auditor is;



Charles Oguttu (P0141)



Certified Public Accountants
Kampala

Date

18/7/2019
Ref: CO/S068/055/18



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3. STATEMENT OF INCOME AND EXPENDITURE

	Notes	2018 General Fund Ushs.000	2018 Restricted Fund Ushs.000	2018 Consolidation Ushs.000	2017 Total Ushs.000
INCOME					
Restricted Grant Income	3(a)	-	5,240,405	5,240,405	3,815,754
Bugolobi Housing - Fundraising	3(a)	-	4,900	4,900	759,307
Interest Income	3(a)	-	52,933	52,933	26,105
Unrestricted Income	3(b)	997,525	-	997,525	749,599
Donations	3(b)	2,306	-	2,306	18,352
Total income		999,831	5,298,238	6,298,069	5,369,117
EXPENDITURE					
Indirect Costs					
Personnel costs	4	510,574	1,041,522	1,552,097	1,368,954
Operational costs	5	4,729	54,112	58,841	156,020
Professional fees	6	23,188	52,888	76,076	74,888
Travel Expenses	7	975	3,221	4,196	30,017
Other operational expenses	8	6,641	102,733	109,374	89,405
Office expenses	9	1,231	26,984	28,215	38,659
Communication expenses	10	682	41,985	42,667	77,814
Other general expenses	11	14,821	126,549	141,370	180,617
Direct Costs					
Program costs	12	99,020	1,920,683	2,019,703	2,920,149
Total expenditure		661,861	3,370,677	4,032,539	4,936,523
Surplus/ (deficit) for the year.		337,970	1,927,561	2,265,532	432,594

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4. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Notes	As at 31 December	
		2018 Ushs.000	2017 Ushs.000
Non - Current Assets			
Property and equipment	13	4,655,970	4,757,496
Leasehold land	15	4,014,174	4,017,745
Biological Assets	14	50,605	-
		<u>8,720,749</u>	<u>8,775,241</u>
Current assets			
Receivables and prepayments	17	138,574	31,152
Short term investment	16	1,218,326	708,491
Cash and cash equivalents	18	1,834,620	505,174
Restricted Grant Receivable	21	269,576	375,039
		<u>3,461,096</u>	<u>1,619,856</u>
Total Assets		<u>12,181,845</u>	<u>10,395,097</u>
FUNDS AND LIABILITIES			
Capital Fund		8,720,749	8,775,241
General Reserve		276,292	(61,678)
		<u>8,997,041</u>	<u>8,713,563</u>
Current liabilities			
Payables and accruals	19	275,979	301,179
Deferred Income	20	-	293,628
Restricted Grant payable	21	2,908,825	1,086,727
		<u>3,184,804</u>	<u>1,681,534</u>
TOTAL FUND AND LIABILITIES		<u>12,181,845</u>	<u>10,395,097</u>

The financial statements on pages 13 - 30 were approved by the Board of Directors on 18/07/2019 and were signed on its behalf by:



Chairperson

Date: 18.07.2019.



Chief Executive Officer

Date: 18/07/2019

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5. STATEMENT OF CHANGES IN FUND BALANCES

	General Reserve Ushs.000	Capital Fund Ushs.000	Total Ushs.000
Notes			
Year ended 31 December 2018			
At start of year 01.01.2018	(61,678)	8,775,241	8,713,563
Surplus for the year	337,970	-	337,970
Additions	-	214,451	214,451
Depreciation	-	(315,977)	(315,977)
Amortization charge	-	(3,571)	(3,571)
Biological assets		50,605	50,605
At end of year 31.12.2018	276,292	8,720,749	8,997,041
Year ended 31 December 2017			
At start of year 01.01.2017	(24,882)	9,084,887	9,060,005
(Deficit) for the year	(36,796)	-	(36,796)
Additions	-	54,930	54,930
Depreciation	-	(361,047)	(361,047)
Amortization charge	-	(3,529)	(3,529)
At end of year 31.12.2017	(61,678)	8,775,241	8,713,563

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6. STATEMENT OF CASH FLOWS

	Notes	2018 Ushs.000	2017 Ushs.000
Cash flows from operating activities			
Surplus before tax		2,265,532	432,594
Adjustments for:			
Capital expenditure	13	214,451	54,930
Surplus/deficit before changes in working capital		2,479,983	487,524
Changes in working capital:			
Increase in investments		(509,835)	(397,984)
Decrease in other receivables and advances		(107,422)	(18,388)
Increase/(decrease) in payables and accruals		(25,200)	54,527
(Decrease)/increase in deferred income		(293,629)	-
(Decrease)/increase in rent deposits		-	(836)
Net cash from/(used in) operating activities		1,543,897	124,843
Cash flows from investing activities			
Purchase of property and equipment	13	(214,451)	(54,930)
Increase/(decrease) in cash and cash equivalents		1,329,446	69,913
Movement in cash and cash equivalents			
Cash and Cash equivalent at 1 January		505,174	435,261
Increase/(decrease)		1,329,446	69,913
At end of year	17	1,834,620	505,174
Cash at Hand		389	3
cash at bank		1,834,231	505,171
At end of year		1,834,620	505,174

The notes on pages 21 to 30 form an integral part of these financial statements.

7. SIGNIFICANT ACCOUNTING POLICIES

Accounting Entity

Uganda Women's Effort to Save Orphans (UWESO) is an independent, non – governmental social development organization that has been working to promote the survival, development, participation and protection of OVC in Uganda since 1986. UWESO targets Orphans and other Vulnerable Children (OVC) and their households, streets children, abandoned or neglected children without alternative family care, children exposed to worst forms of labor and children whose caregivers are chronically ill.

a) Basis of accounting

The financial statements have been prepared on an accruals basis. The financial statements are presented in Uganda Shillings except when otherwise stated. The financial statements have been prepared in accordance with the accounting policies and guidelines of Uganda Women's Effort to Save Orphans.

b) Going concern

The financial performance of the organization is set out in the Statement of Income and Expenditure. The financial position of the organization is set out in the Statement of Financial Position. Based on the financial performance and position of the organization and its risk management policies, the Directors are of the opinion that the organization is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

c) Property, Plant and Equipment

Non-Current assets purchases are charged fully to income and expenditure in the year of purchase. At the year end, all fixed assets purchases are then transferred to the balance sheet with the creation of a corresponding capital fund. Depreciation on fixed assets are charged against the capital fund at rates calculated to write off the assets over their expected useful lives on a reducing balance basis as follows:

Buildings	5%
Furniture and other equipment	12.5%
Computers and other electronics	33.3%
Motor vehicles/Motorcycles	25%

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

d) Operating lease prepayments

Operating leases are charged fully to income and expenditure in the year of payment. At the year end all assets purchases, including operating leases are then transferred to the balance sheet with the creation of a corresponding capital fund. Depreciation and Amortization on assets is charged against the capital fund at the rates calculated to write off the assets over their expected useful lives. The leases are amortized over the lease period with the charge against the capital fund.

e) Intangible assets

Software license costs are stated at historical cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated using the straight- line method to write down the cost of the software to its residual value over the estimated useful life using an annual rate 33.33%.

f) Cash and cash equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents comprise of cash in hand and held at Banks, net of bank overdrafts.

g) Receivables / advances

The advances relate to project funds advanced to staff members and service providers such as beyonic and Yo Uganda that were yet to be accounted for by the close of the financial year.

h) Payables

These balances relate to the outstanding payments to suppliers, statutory bodies and accrued expenses to by the close of year.

i) Income

Income represents transfers made by funding agents. Income is further classified in to 2 distinct categories as noted bellow.

Restricted Income

Most donor grants to UWESO are restricted and hence are recognized as Income when actually expended and the unspent portion is deferred as restricted grants for the future year depending on the duration of the project or activity. Income from those donors is matched to the actual total expenditure of the programme projects and the operational costs that a donor supports.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Other Income

Other earned income are recognized as income at the time of receipt, which includes income generated from providing services to third parties, Interest earned from bank, rental income, proceeds from the sale of properties and any other miscellaneous items.

j) Transactions in Foreign Currencies

Transactions denominated in foreign currencies are converted into Uganda shillings at the exchange rates ruling in the month in which the transaction is recorded. Balances denominated in foreign currencies are translated at the rates ruling at the Statement of Financial Position date. Differences arising on conversion and translation are dealt with in the Statement of Income and Expenditure.

k) Expenditure

Expenses are recognized in the financial statements in the period in which they are incurred.

l) Funds

The funds of the company are analyzed between Restricted, Capital and General Funds.

- **Restricted Funds** are amounts received from donors which must be used for specific purposes and separately accounted for. Amounts may not ordinarily be spent or transferred from such funds without permission of donors. Unspent balances are carried forward.
- **Capital Fund** represents the net book value of fixed assets of the organisation. All transactions relating to fixed assets (acquisitions, depreciation, disposals etc.) are credited or charged to this fund.
- **General Fund** may be used to further the objectives of the organization at the discretion of Directors.

m) Donations

Donated non-Current assets are recognized as gift income at the time of receipt. These are valued at the lower of cost and net market value. Other donations in kind are only recognized in the financial statements if reliable valuation can be ascertained.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

n) Interest

Interest income from loans is recognized on an accrual basis.

o) Pension Obligations

The Organization makes contribution to a statutory pension scheme, National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Organization's contribution under the scheme is limited to contributions legislated from time to time. The Organization's contribution to the scheme is charged to Income and Expenditure Statement in the year in which it is made.

p) Comparatives

Comparative figures have been adjusted where necessary, to conform to changes in presentation.

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8. NOTES TO THE FINANCIAL STATEMENTS

3 INCOME

a) RESTRICTED FUNDS

	2018 Ushs.000	2017 Ushs.000
Grant Income		
Hilltop Academy	12,609	25,182
Care BOC 2	-	16,507
ECLT-Realise project	29,757	1,041,859
AYEDI	86,081	57,392
Koinonia	-	900
Skilling Uganda	-	9,977
Better Outcomes	1,022,200	1,874,954
MGLSD MCV Children	26,730	10,000
PROFIRA	298,419	624,210
Conference & Solar Funds (ECLT)	-	21,422
Mini-project (ECLT)	49,576	133,351
AROC	3,252,740	-
Bridge Funding	309,811	-
Immediate Intervention	152,482	-
	5,240,405	3,815,754
Other Restricted Incomes		
Bugolobi house-fundraising	4,900	759,307
Interest Income - Stanlib	52,933	26,105
TOTAL RESTRICTED FUNDS	5,298,238	4,601,166

3 b) UNRESTRICTED INCOME

Rentals	662,715	592,045
Other Income	113,857	104,627
Other receipts	86,050	38,985
Foreign Exchange Gain	4,160	343
Interest Income - Lugogo Rent	198	13,599
Interest Income other	59,178	-
Toolkits	71,367	-
	997,525	749,599
DONATIONS		
Indian 1 st Lady donation	-	18,000
Unifreight : Children support	2,306	352
	2,306	18,352
UNRESTRICTED INCOME	999,831	767,951

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	2018	2017
	Ushs.000	Ushs.000
4 PERSONNEL COSTS:		
Gross -Permanent Staff	1,220,353	1,165,060
10% NSSF	121,842	116,499
Health Insurance Scheme	50,257	41,125
Staff recruitment and development	-	320
Staff training	2,200	-
Gratuity	151,245	38,580
Day Allowances	-	258
Other Earnings & workman's com	6,200	7,112
	<u>1,552,097</u>	<u>1,368,954</u>
5 OPERATIONAL COSTS		
Fuel	6,654	8,335
Repairs & Servicing/Maintenance	42,187	137,504
License & Insurance	10,000	10,181
	<u>58,841</u>	<u>156,020</u>
6 PROFESSIONAL FEES		
Audit Fees 2018	17,700	0
Audit Fees 2017	2,700	31,060
Legal Expenses	16,197	9,450
General Consultancy	39,392	34,198
Medical and Rehabilitation	87	180
	<u>76,076</u>	<u>74,888</u>
7 TRAVEL EXPENSES		
Transport	3,200	29,847
Other travel related costs	996	170
	<u>4,196</u>	<u>30,017</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2018	2017
	Ushs.000	Ushs.000
8 OTHER OPERATIONAL COSTS		
Administration meetings/workshop Expenses	75,587	7,743
General Advertisement	9,500	6,600
Branch Coordinator	-	188
Interest Expenses	-	31,840
Penalties	-	3,133
Foreign Exchange Loss	-	12,346
Bank Charges	24,287	27,555
	<u>109,374</u>	<u>89,405</u>
9 OFFICE EXPENSES		
Office Premises	16,722	6,536
Office Furniture & Equipment	802	4,421
Insurance Cover	4,769	16,362
Cleaning Expenses	5,922	11,340
	<u>28,215</u>	<u>38,659</u>
10 COMMUNICATION COSTS		
Telephone and Email	42,039	76,110
Postage and Faxing	628	1,704
	<u>42,667</u>	<u>77,814</u>
11 OTHER GENERAL COSTS		
Stationery and Computer	45,139	78,334
Office Rent	17,700	15,850
Water	3,160	3,835
Electricity	25,180	25,276
Office Supplies & Sundries	20,954	36,539
Security Expenses	29,237	20,783
	<u>141,370</u>	<u>180,617</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2018 Ushs.000	2017 Ushs.000
12 PROGRAM EXPENSES:		
Stipend	256,594	395,288
Other Program costs	24,246	58,229
Training Expenses	88,997	47,393
Venue	12,244	1,106
Supplies & materials	110,439	77,514
Transport	64,970	148,369
Per diem & Day allowances	224,698	227,946
Meals & accommodation	389,859	1,009,027
Equipment hire	11,833	15,627
Fuel	57,569	67,456
Construction costs	23,285	118,893
Tool kits	120,635	178,739
Fees and Scholastic materials	193,284	162,447
Agricultural inputs	42,792	79,490
Treatment Costs	2,423	1,929
TV & Radio programs	440	3,870
Communication costs	10,357	11,349
General Assembly Costs	4,436	0
Equipment and Supplies	312,687	123,259
Advocacy Materials, & Supplements	42,447	45,865
UWESO properties	25,468	146,353
	<u>2,019,703</u>	<u>2,920,149</u>

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13 NOTES TO THE FINANCIAL STATEMENTS (Continued)

PROPERTY & EQUIPMENT

	Buildings	Motor Vehicles	Motor Cycles	Equipment and Furniture	Computers and Accessories	Total
	Ushs. 000	Ushs. 000	Ushs. 000	Ushs. 000	Ushs. 000	Ushs. 000
Cost/Valuation						
At 1 January 2018	4,978,856	313,424	74,552	316,374	229,471	5,912,677
Additions	-	140,170	26,871	14,320	33,090	214,451
At 31 December 2018	4,978,856	453,594	101,423	330,694	262,561	6,127,128
Depreciation						
At 1 January 2018	710,110	162,917	36,898	101,965	143,291	1,155,181
Charge for the year	213,437	37,627	9,414	26,801	28,698	315,977
At 31 December 2018	923,547	200,544	46,312	128,766	171,989	1,471,158
Net Book Value						
At 31 December 2018	4,055,309	253,050	55,112	201,928	90,572	4,655,970
At 31 December 2017	4,268,746	150,507	37,654	214,409	86,180	4,757,496

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	2018	2017
14 BIOLOGICAL ASSETS	UShs. 000	UShs. 000
Cows	42,600	-
Goats	4,415	-
Pigs	3,590	-
Total Biological Assets	50,605	-
Reconciliation of carrying amount		
At start of year	44,080	-
Increase due to plantation/birth	6,525	-
Increase due to purchase	-	-
Decrease due to sales	-	-
Decrease due to harvest/mortality	-	-
Fair value gain/(loss)	-	-
At end of year	50,605	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2018	2017
	Ushs. 000	Ushs.000
15 LEASEHOLD LAND		
Cost		
At the start of the year	4,101,929	4,101,929
Additions	-	-
At the year end	<u>4,101,929</u>	<u>4,101,929</u>
Amortization		
At the start of the year	84,184	80,655
Amortization	<u>3,571</u>	<u>3,529</u>
At the year end	<u>87,755</u>	<u>84,184</u>
Net Book Value		
At the year end	<u><u>4,014,174</u></u>	<u><u>4,017,745</u></u>
16 SHORT TERM INVESTMENT		
Money market Fund - Stanlib		
Principal	708,491	682,386
Interest	52,933	26,105
Withdraw	(131,476)	-
Deposit	<u>4,700</u>	<u>-</u>
	<u>634,648</u>	<u>708,491</u>
Money market Fund - UAP		
Principal	525,000	-
Interest	<u>58,678</u>	<u>-</u>
	<u>583,678</u>	<u>-</u>
Total short term investments	<u><u>1,218,326</u></u>	<u><u>708,491</u></u>
17 RECEIVABLES AND PREPAYMENTS		
a) Beyonic - AYEDI	16	8,196
Beyonic - AROC	6,189	
Staff Working Advance	2,445	4,258
Beyonic- Better Outcomes	-	11,791
Other Receivables	<u>123,389</u>	<u>372</u>
	<u>132,039</u>	<u>24,617</u>
b) Expenses incurred on behalf of MUTI	<u>6,535</u>	<u>6,535</u>
	<u><u>138,574</u></u>	<u><u>31,152</u></u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2018 Shs.000	2017 Shs.000
18 Cash and cash equivalents		
UWESO Standard chartered USD	1,468,521	42,575
UWESO ECLT USD	123,506	722
CARE/FAO Standard chartered	(1,278)	2,290
UWESO Standard chartered Masulita Stanbic	6,603	37,809
Stanbic (Reserves)	2,788	12,829
Lugogo Rental A/c DFCU	14,215	11,040
DEVT. CRDB SOROTI	4,379	88,193
IFAD/BCF Masaka CRDB	3,055	1,184
UWESO ECLT UGX	-	8
UWESO ECLT HOIMA	39,600	75,355
UWESO-CAST Project	4,598	894
Better Outcomes	28,642	36,311
Skilling Uganda	-	191,275
Better Outcomes- Field account	178	733
UWESO Profira Project	-	40
DFCU AROC Bank Account	54,870	2,071
UWESO Mbale DFCU account	83,710	-
	844	1,842
	<u>1,834,231</u>	<u>505,171</u>
Petty cash UWESO Headquarter	-	3
Masulita Children's Village	389	-
	<u>389</u>	<u>3</u>
Total Cash and bank balances	<u>1,834,620</u>	<u>505,174</u>

For the purpose of the statement of cash flows, the yearend cash and cash equivalents comprise of the following:

Cash and bank balances	<u>1,834,620</u>	<u>505,174</u>
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	2018	2017
	Shs.000	Shs.000
19 PAYABLES AND ACCRUALS		
PAYE	49,125	43,176
NSSF 15%	29,636	50,684
Net Salary	9,980	6,159
Staff Welfare scheme	24,144	12,152
WHT 6%	849	11,815
Project Supplies	-	34,097
Payables - Admin	-	39,833
Audit Fees Payable	-	16,060
Internet Fees Payable	-	1,130
Bugolobi Construction	-	34,750
Development of UWESO OVC MIS	-	22,323
Construction of Lorena stoves	-	14,000
Sundry creditors	144,545	-
PKF Uganda	17,700	15,000
	<u>275,979</u>	<u>301,179</u>
20 DEFERRED RENTAL INCOME		
URA rental income	-	293,628
	<u>-</u>	<u>293,628</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

21 RESTRICTED FUND ANALYSIS

Donors	Opening Balance 1-Jan-18 Ushs. 000	Restricted Income Grants Ushs. 000	Restricted Income Internally Generated Ushs. 000	Expenditure Restricted Fund Ushs. 000	Closing Balance 31-Dec-18 Ushs. 000
HILLTOP ACADEMY	20,652	12,609	-	(33,261)	-
CARE BOC 2	(29,536)	-	-	-	(29,536)
ECLT- REALISE PROJECT	63,033	29,757	-	(92,790)	-
AYEDI	(73,152)	86,081	-	(12,929)	-
KOINONIA	(11,166)	-	-	-	(11,166)
SKILLING UGANDA	3,916	-	-	(3,916)	-
BETTER OUTCOMES	228,492	1,022,200	-	(1,248,078)	2,614
MGLSD MCV CHILDREN	(109,504)	26,730	-	(46,382)	(129,156)
PROFIRA	(135,060)	298,419	-	(246,456)	(83,097)
CONFERENCE & SOLAR FUNDS (ECLT)	55,665	-	-	(10,933)	44,732
OPM-STREET CHILDREN	(16,621)	-	-	-	(16,621)
MINI-PROJECT (ECLT)	541	49,576	-	(50,117)	-
BUGOLOBI H'SE-FUNDRAISING	688,323	-	4,900	(37,924)	655,299
BUGOLOBI H'SE- INTEREST EARNED	26,105	0	52,933	0	79,038
AROC	-	3,252,740	-	(1,197,118)	2,055,622
BRIDGE FUNDING	-	309,811	-	(305,570)	4,241
IMMEDIATE INTERVENTION	-	152,482	-	(85,203)	67,279
Total	711,688	5,240,405	57,833	(3,370,677)	2,639,249

Represented by:

Restricted Funds Receivable	(269,576)
Restricted Funds Payable	2,908,825
Net Restricted Funds	2,639,249