

**AGENCY FOR ACCELERATED REGIONAL
DEVELOPMENT – AFARD**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

31 DECEMBER 2013

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

ACRONYMS

AFARD	Agency for Accelerated Regional Development
AIDS	Acquired Immuno-deficiency Syndrome
AMI	AFARD Micro Finance Initiative
BCC	Behavioral Change Communication
BOs	Beneficiary Organizations
CSF	Civil Society Fund
EC	European Commission
FAO	Food and Agriculture Organization
FO	Field Office
FSN	Food Security and Nutrition
HCT	HIV Counseling and Testing
HIV	Human Immuno-deficiency Virus
IEC	Information Education Communcation
IGA	Income Generating Activity
KNH	Kinder Not Hilfe
LLG	Lower Local Government
NASON	Nebbi AIDS Services Organization Network
NGO	Non-Governmental Organization
NSSF	National Social Security Fund
OVC	Orphans and Vulnerable Children
PELUM	Participatory Ecological Land Use and Management – Uganda
PLHIV	Persons Living With HIV
PLWA	Persons Living With Aids
PMC	Project Management Consultancy

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

ACRONYMS (CONTINUED)

SGHs	Self Help Groups
UNASO	Uganda National AIDS Services Organizations
UWASNET	Uganda Water and Sanitation NGO Network
UWIN	Uganda Water Integrity Network
VAT	Value Added Tax
VCT	Voluntary Testing and Counseling
VHT	Village Health Team
VIP	Ventilated Improved Pitlatrine
WAD	World Aids Day
WATSAN	Water and Sanitation Project
WENDI	West Nile Development Initiative

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

CORPORATE INFORMATION

DIRECTORS	Rt. Rev. Dr Sabino Ochan Odoki	Chairperson
	Mr. Kura Vasco	Vice Chairperson
	His Grace Henry Luke Orombi	Member
	Lady Justice Flavia Anglin Senoga	Member
	Ms. Royce Gloria Androa	Member
	Dr. Sam Orochi Orach	Ex-officio Member
	Mr. Okecha Michael	Board Secretary
	Dr. Alfred Lakwo	Executive Director
BOARD SECRETARY	Mr. Michael B. Okecha	
SENIOR MANAGEMENT	Dr. Alfred Lakwo	Executive Director
	Mr. Wilfred Cwinyai	Programmes Manager
	Ms. Florence Candiru	Finance and Administration Manager
	Mr Robert Bakyalire	Business Development Manager
	Ms. Vuni Julie Flavia	Yumbe Team Leader
AUDITORS	Deloitte & Touche Certified Public Accountants (Uganda) Plot 1, Lumumba Avenue P.O Box 10314, Kampala, Uganda	
REGISTERED OFFICE AND PLACE OF OPERATION	Plot 3-5 Butime Road P.O. Box 80 Nebbi.	
BANKERS	Stanbic Bank Uganda Limited P.O.Box 29 Nebbi	
	Centenary Rural Development Bank Uganda Limited P.O.Box 1892 Nebbi	

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

REPORT OF THE MANAGEMENT

The directors present their report together with the audited financial statements for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

Agency for Accelerated Regional Development is a non-profit making organisation which focuses on safe water, hygiene and sanitation, HIV/AIDS prevention and mitigation, education and good governance.

FINANCIAL RESULTS

	2013 Ushs 000
Income	5,696,337
Expenditure	(5,149,211)
	<hr/>
Surplus for the year	<u>547,216</u>

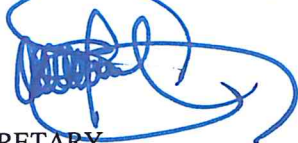
DIRECTORS

The present membership of the board of directors is set out on page 3.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office in accordance with the provisions of section 159(2) of the Ugandan Companies Act (Cap 85).

BY ORDER OF THE BOARD



SECRETARY

14th March

2014

Kampala

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

DIRECTOR'S REPORT

Background

Agency For Accelerated Regional Development (AFARD) is a local professional, not for profit Non-governmental development agency currently operating in Nebbi, Arua, Yumbe, Moyo and Zombo districts of West Nile. AFARD was formed in July 2000 and registered with the NGO Board (Reg. No S.5914/3753) and with the Registrar of Companies (Reg. No. 45179).

AFARD is an affiliate member of a number of active networks, namely: Uganda Water Integrity Network (UWIN); Uganda National NGO Forum; Participatory Ecological Land Use and Management – Uganda Chapter (PELUM); Uganda Water and Sanitation NGO Network (UWASNET); Uganda National AIDS Services Organizations (UNASO); District NGO Forum in Nebbi, Yumbe, and Moyo Districts and Nebbi AIDS Services Organization Network (NASON).

Vision: “Prosperous, Healthy and Informed people of West Nile”.

Mission: “To contribute to the molding of a region in which the local people, including those who are marginalized, are able to participate effectively and sustainably undertake a lead in the development of the region”.

Organizational Objectives:


- To harness the knowledge, skills and experience of the development practitioners within the region and channel it for the accelerated, equitable and sustainable development of the region.
- To act as a midwife, an interim link between the grass roots and the sources of new information, innovations expertise and the funds required for the type of development that places people firmly in the center of all development efforts.
- To avail our expertise by way of consultancy to other development stakeholders interested in obtaining current, detailed, reliable and authoritative information about the region.

Thematic Focus

AFARD's scope of operation is mainly focused on:

- Food and income security: This is being pursued through the promotion of improved agro-technology, entrepreneurship, nutrition skills, engaging in own production; and improved market access for poor marginalized communities.
- Human development through the provision of safe water and sanitation chain management, community-driven HIV/AIDS prevention and mitigation, and supporting primary education of children in disadvantaged communities.
- Good governance through building effective leadership in lower local governments as well as community empowerment to demand for responsive and accountable governance.
- Organizational development is conducted as a means of developing sustainable local organizations able to cause enduring development impacts in the lives of their members through self-organizing and leverage building with other stakeholders.
- AFARD sustainability development
- Other cross cutting issues such as gender, environment, and HIV/AIDS

The projects implemented by AFARD during the year ended 31 December 2013 were funded by various donors including: Gorta, Irish Aid, Manos Unidas (Jaca and Zamora Cities), Civil Society Fund (CSF), Kinder Not Hilfe (KNH), Food and Agriculture Organization (FAO) in Uganda, Total E&P Uganda B.V, Andy Solari and Stephen .J.


Executive Director 14.03.2014

2014

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Ugandan Companies Act requires the directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company for that year. It also requires the directors to ensure the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors are responsible for the preparation of financial statements that gives a true and fair view in accordance with the accounting policies stated in Note 1 of the financial statements and the requirements of the Ugandan Companies Act, and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the accounting policies stated in Note 1 of the financial statements and in a manner required by the Ugandan Companies Act. The directors are of the opinion that the fund accountability statement gives a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of fund accountability statement, as well as adequate systems of internal financial control.

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

Signed on behalf of the board of directors by:



Board of Directors

14th March 2014

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

Report on the Financial Statements

We have audited the accompanying financial statements of Agency For Accelerated Regional Development, set out on pages 9 to 32, which comprise the organisation statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Director's Responsibility for the Financial Statements

The Directors are responsible for the preparation of these financial statements that give a true and fair view in accordance with the accounting policies stated in note 1 of the financial statements, and the requirements of the Ugandan Companies Act, for such internal controls as the management determine are necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal controls relevant to the organisation's preparation of the financial statements that give a true and fair view in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the organisation's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the financial position of Agency For Accelerated Regional Development as at 31 December 2013 and of its financial performance and cash flows for the year then ended in accordance with the accounting policies stated in note 1 of the financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT
(CONTINUED)

Report on other legal requirements

As required by the Uganda Companies Act we report to you based on our audit, that,

- i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- ii) In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and
- iii) The company's statement of financial position (Balance Sheet) and statement of comprehensive income (Profit and loss account) are in agreement with the books of account.

This report is intended for the information of Agency For Accelerated Regional Development. However, upon release by Agency For Accelerated Regional Development, this report is a matter of public record and its distribution is not limited.

Dabito & Tache

Certified Public Accountants (Uganda)

14 March 2014

Kampala

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

		2013	2012
	Note	Ushs '000	(Restated) Ushs '000
INCOME			
Grant income	2	3,987,528	3,599,095
Other income	3	574,412	331,828
Income from farming activities	4	985,748	455,888
TOTAL INCOME		<hr/> 5,547,688 <hr/>	<hr/> 4,386,811 <hr/>
EXPENDITURE			
Program costs	5	3,987,528	3,599,095
Farming activities expenditure	6	602,782	417,387
Administrative expenses	7	410,252	368,476
TOTAL EXPENDITURE		<hr/> 5,000,562 <hr/>	<hr/> 4,389,958 <hr/>
SURPLUS FOR THE YEAR		<hr/> 547,126 <hr/> <hr/>	<hr/> 1,853 <hr/> <hr/>


AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

		2013	2012
	Note	Ushs '000	(Restated) Ushs '000
ASSETS			
Current assets			
Grant receivables	8	845,964	783,612
Receivables	9	381,352	-
Inventory	10	30,165	-
Cash and bank balances	11	430,982	2,350,359
		<hr/>	<hr/>
		1,688,463	3,133,971
		<hr/>	<hr/>
TOTAL ASSETS		<u><u>1,688,463</u></u>	<u><u>3,133,971</u></u>
FUNDS AND LIABILITIES			
Funds			
Accumulated fund		1,493,710	946,584
		<hr/>	<hr/>
		1,493,710	946,584
		<hr/>	<hr/>
Non current liabilities			
Unexpended grants	8	148,998	2,152,386
		<hr/>	<hr/>
Current liabilities			
Payables and accruals	12	45,755	35,001
		<hr/>	<hr/>
TOTAL FUNDS AND LIABILITIES		<u><u>1,688,463</u></u>	<u><u>3,133,971</u></u>

The financial statements on pages 9 to 32 were approved by the board of directors on
its behalf by:

2014 and signed on


Executive Director

14th March 2014

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Director

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 DECEMBER 2013

	Accumulated fund Ushs'000
Fund balance at 1 January 2012	944,731
Surplus for the year	1,853
	<hr/>
Fund balance at 31 December 2012	946,584
	=====
Fund balance at 1 January 2013	946,584
Surplus for the year	547,126
	<hr/>
Fund balance at 31 December 2013	1,493,710
	=====

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 Ushs'000	2012 (Restated) Ushs'000
Cash flows from operating activities			
Surplus for the year		547,126	1,853
Movement in working capitals			
(Increase) in grant receivables		(62,352)	(783,612)
(Increase) in advances		(381,352)	-
(Increase) in inventory		(30,165)	-
Increase in payables		10,754	35,001
(Decrease)/increase in unexpended grants		(2,003,388)	1,963,610
Net Cash (used in)/generated from operations		(1,919,377)	1,216,852
Net (Decrease)/Increase in cash and cash equivalents		(1,919,377)	1,216,852
Cash and cash equivalents at 1 January		2,350,359	1,133,507
Cash and cash equivalents at 31 December	11	430,982	2,350,359
		=====	=====

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention. The principal accounting policies adopted in the preparation of these financial statements remain unchanged from the previous year and are set out below. These policies have been applied consistently throughout the year and have been adopted as per AFARD accounting policies.

Revenue recognition

Income from donor grants shall be recognized when grants are utilized by AFARD to carry out the programme stipulated. All donor funds received shall be initially recorded at fair value as liabilities in the Grant Received in Advance account. Amounts equivalent to depreciation charged on donor funded fixed assets shall be transferred to revenue. In case of ongoing projects and programmes for which funding has been agreed but any expenditure yet to be funded shall be recognized as grant receivable

Expenditure

Expenditures accrued but not paid shall be recognized as expenditure in the year it was obligated.

Property and Equipment

Fixed assets are expensed on purchase. Fixed assets shall be stated at cost less accumulated depreciation.

Depreciation

Depreciation shall be provided for on an a straight line basis over the estimated useful lives at the following annual rates and be recorded in the Project wise depreciation register.

Furniture and fittings	12.5%
Equipment	12.5%
Motor vehicles	25%
Bicycles	25%
Motor cycles	25%
Buildings	5.0%
Computers	33.3%

Foreign Currencies

Assets and liabilities expressed in foreign currencies are translated into Uganda shillings at the rates of exchange ruling at the balance sheet date. Transactions during the year are translated at the rates ruling at the dates of the transactions. Gains and losses on exchange are recognised in the income and expenditure statement.

Pension Obligations

The Programme contributes to the National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Programme's NSSF obligations under the scheme are specific contributions legislated from time to time, and are currently limited to 10% of the respective employees' gross salaries. The contributions are charged to the income and expenditure statement in the year to which they relate.

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

Components of Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentations in the current year.

Accruals

Accruals are stated at their nominal value.

Tax Status

No provision for corporate tax has been made in these financials. Agency for Accelerated Regional Development is exempt from Income Tax under the provisions of the Ugandan Income Tax Act. The entity has however not received the tax exemption certificate.

Presentation currency

These financial statements are presented in Uganda Shillings.

2 GRANT INCOME

	2013	2012
		(Restated)
	Ushs '000	Ushs '000
Grants income recognised (note 9)	3,987,528	3,599,095
	=====	=====

3 AFARD OPERATIONS INCOME

Members Contribution	471,149	313,991
Bid fee	6,302	10,000
Interest Income	81,881	7,337
Members contribution for VAT refund to EC	15,080	-
Income from disposal of assets	-	500
	=====	=====
Total	574,412	331,828
	=====	=====

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 FARMING ACTIVITIES INCOME

	2013 Ushs '000	2012 Ushs '000
Sale of Produce	858,748	455,888
Farm sales	4,536	-
Refund	4,642	-
Lorry Hire	810	-
Guest House	1,005	-
Sale of Iron Sheets	15,285	-
Sale of Seeds	10,585	-
Tractor Hire	44,610	-
Interest earnings	45,527	-
Total	<u>985,748</u>	<u>455,888</u>

5 PROGRAM COSTS

Civil Society Fund	95,336	73,638
European Commission	-	40,126
Gorta Ireland	2,786,559	2,088,985
Irish Aid	799,606	1,144,289
Total ES & P	15,963	-
WASH Project Ulamkule	44,446	19,959
Manos Unidas	7,031	66,209
Food And Nutrition Organisation	35,136	69,943
Kinder Not Hilfe (KNH)	139,112	95,946
Community wide Project	64,339	-
Total	<u>3,987,528</u>	<u>3,599,095</u>

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 FARMING ACTIVITIES EXPENDITURE

	2013 Ushs '000	2012 Ushs '000
Other Staff Costs	22,686	-
Capital Costs	26,170	-
Office Supplies	101	-
Vehicle Hire	7,696	-
Other Costs	76,262	-
Other Procurement Materials	26,290	-
Cleaning Machine	28,160	-
Transport Cost	607	-
Procurement of Produce	278,362	417,387
PMC Facilitation	999	-
Procurement of Seeds	3,850	-
FO Facilitation	2,282	-
AFARD Farm	21,542	-
Allowance Field Workers	550	-
Construction Cost	18,313	-
FAL Costs	4,706	-
Guest House Expenses	297	-
Poultry Farm	72,785	-
Commissions	10,755	-
Produce Store	369	-
Total	602,782	417,387

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 ADMINISTRATIVE COSTS

	2013 Ushs '000	2012 Ushs '000
Governance	700	-
Salaries/Wages	35,502	135,640
Medical Contributions	26,980	13,803
Workman's Compensation	8,402	1,700
Staff Trainings	7,637	1,700
Professional fees	16,319	10,061
Per diems	43,820	49,018
Settling in allowance	800	-
Orbituary	5,780	3,300
Land	48,200	-
Buildings	118,240	-
Computers and accessories	1,170	6,209
Furniture	-	1,500
Vehicle	-	56,811
Other Tools	1,666	3,600
Stationeries	1,469	2,943
Toner and Cartridges	351	4,140
Other office supplies	6,789	10,659
Electronic print and media	4,500	8,000
Vehicle hire	3,570	1,650
Meals and Refreshments	3,245	2,193
Transport refund	727	-
Hall hire	400	-
Maintenance of Equipments and tools	21,237	21,599
Fuel and Lubricants	10,218	11,351
Communications	1,451	8,943
Licence & Other Statutory Charges	348	-
Network Subscriptions	741	1,025
Office Rent	600	400
Charity and Donations	300	1,568
Utilities	2,400	1,593
Imprest	6,535	6,152
News Papers	1,344	198
Bank Charges	1,758	1,520
Accomodation	504	-
International Travels	8,937	1,200
VAT on Audit Refund to EC	17,266	-
Postages	346	-
Total	410,252	368,476

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 UNEXPENDED GRANTS/GRANT RECEIVABLE

	Grant receivable b/f Ush'000	Unexpended grant b/f Ush'000	Income received Ush'000	Grant income recognised Ush'000	Other	Grant receivable c/f Ush'000	Unexpended grant c/f Ush'000
Civil Society Fund	(9,954)		117,677	95,336	-	-	12,387
European Commission	-	2,463	-	-	2,463*	-	-
Gorta Ireland	-	2,120,568	920,011	2,786,559	146,186**	-	107,834
Irish Aid	(679,942)	-	773,339	799,606	-	(706,209)	-
Total ES & P	-	-	21,620	15,963	-	-	5,657
WASH Project Ulamkule	-	29,355	19,501	44,446	-	-	4,410
Manos Unidas	(39,360)	-	-	7,031	-	(46,391)	-
Food and Nutrition Organisation	(25,410)	-	31,521	35,136	-	(29,025)	-
Kinder Not Hilfe (KNH)	(28,946)	-	186,768	139,112	-	-	18,710
Community wide Project	-	-	-	64,339	-	(64,339)	-
Total	<u>(783,612)</u>	<u>2,152,386</u>	<u>2,070,437</u>	<u>3,987,528</u>	<u>148,649</u>	<u>(845,964)</u>	<u>148,998</u>

* This relates to a refund made to the European Commission.

** This relates to expenses incurred under the Capital Seed project that was funded by Gorta Ireland for purposes of arriving at the unexpended grant at the end of the period.

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 ADVANCES TO CONTRACTORS

	2013 Ushs '000	2012 Ushs '000
Advances to contractors	216,352	-
Interest receivable	15,000	-
Loan Receivable	150,000	-
	-	-
Total advances	<u>381,352</u>	<u>-</u>
	=====	=====

10 INVENTORY

Sim sim	30,165	-
	=====	=====

11 CASH AND BANK BALANCES

This represents balances on the various bank accounts operated by AFARD plus petty cash under the different projects as follows:

	2013 Ushs '000	2012 Ushs '000
AFARD Operational	21	9,060
AFARD Personnel Cost	12,947	36,378
AFARD Gorta	175,324	2,022,314
AFARD Irish Aid Project	26,072	37,738
Community Wide Project	1,510	32,549
AFARD Decentralisation-Total	5,657	2,463
Food Security Programme	49	7,080
AFARD CSF	22,341	-
AFARD Microfinance	118,695	30,664
Payera Community Development Project	51,540	115
AFARD wash project Ulamkule	4,095	29,354
AFARD FSN Account	-	3,616
Seed Capital	12,731	139,028
	<u>430,982</u>	<u>2,350,359</u>
	=====	=====

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 PAYABLES AND ACCRUALS

This represents amounts owed by AFARD to third parties as follows:

	2013 Ushs '000	2012 Ushs '000
Audit fees	35,000	35,001
Commission to contractors	10,755	-
	<u>45,755</u>	<u>35,001</u>
	=====	=====

13 CONTINGENT LIABILITY

There were no contingent liabilities as at 31 December 2013.

14 PRIOR YEAR ADJUSTMENTS

The 2012 financial statements have been restated to correct prior year misstatements due to wrong application of the revenue recognition policy for restricted grants resulted in restatement of grant income, unexpended grant and grant receivable in the 2012 financial statements.

The effect of the restatement on the financial statements is summarised below.

Restatement of statement of comprehensive income for the year ended 31 December 2012

	As previously reported 2012	Prior year adjustment 2012	Restated 2012	Note
Grant income	4,779,094	(791,566)	3,987,528	(a)
	=====	=====	=====	

Restatement of statement of financial position as at 31 December 2012

	As previously reported 2012	Prior year adjustment 2012	Restated 2012	Note
ASSETS				
Property and equipment	-	1,120,546	1,120,546	(a)
Grant receivables	-	783,612	783,612	(b)
	=====	=====	=====	
LIABILITIES				
Unexpended grant	-	2,152,386	2,152,386	(a)
Accumulated asset reserve	-	1,120,546	1,120,546	(b)
	=====	=====	=====	

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 PRIOR YEAR ADJUSTMENTS (CONTINUED)

Restatement of statement of changes in funds for the year ended 31 December 2012

	As previously reported 2012	Prior year adjustment 2012	Restated 2012	Note
Accumulated fund	2,315,359	(1,368,775)	946,584	(a)
	=====	=====	=====	

- a) Property and equipment and the accumulated asset reserve are contra entry accounts that have been created to track assets expensed by the AFARD on purchase and reflects the net book value of the assets at the statement of financial position date.
- b) Revenue recognition policy for restricted grants requires that grants received for specific purposes are treated as unexpended grants and credited to the statement of comprehensive income when the activities for which they were provided for have been undertaken. Specific grant pledges that have not been received but for which expenditure has been incurred, as well as the excess of expenditure over receipts for specific grants are recognised as revenue and included in the financial statements as grant receivable from donors. The effect of wrong application of the revenue recognition policy resulted in restating the grant income and creation of two new account balances, namely, the unexpended grant and grant receivable to correct the misstatement in the 2012 financial statements.

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

APPENDIX I: CIVIL SOCIETY FUND

	2013 Ushs '000	2012 Ushs '000
Income	117,677	63,684
Expenditure		
Conduct 6 Orientation Sessions	3,387	1,355
Conduct 1 Training for 140 Peer Educators	60,698	-
Conduct Behavioural Change Communication to 40,100 individuals on the project	3,990	-
Reproduce & Distribute 24,000 IEC Materials	2,800	1,360
Engage 28 PLHIV to give Live Testimonies During community events	840	-
Conduct Joint Project Launch	1,500	-
Hold awareness creation seminars	-	12,345
Hold video and drama shows	-	4,190
Support routine PEC /CF operations	-	5,400
Support VCT outreach in 8 fishing villages	-	2,240
Participate in 3 Annual WAD Celebrations	4,428	-
Conduct 1 Orientation Meeting for PRP in Data Collection	1,522	-
Produce & Distribute Data Tools(BCC,HCT)	3,360	-
Build Capacity of Project Staff	1,120	-
Other Monitoring & Evaluation Activities	4,533	16,026
Terminal evaluation	-	5,000
Other costs	-	5,234
Programme Management	7,258	20,488
Total Expenditure	95,336	73,638
Fund balance	22,241	(9,954)
Opening fund balance	9,954	-
Closing fund balance	12,387	(9,954)

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

APPENDIX II:GORTA IRELAND

	2013 Ushs '000	2012 Ushs '000
Income	920,011	2,587,734
Interest income	-	5,876
Total income	920,011	2,593,610
Expenditure		
Access to sustainable and improved agro technologies increased	553,978	493,483
BOs & BO members secured better marketing margins	70,387	306,881
BO members enabled to save & loan themselves in a fraud free business manner	13,200	13,600
Ability of BO members to engage in productive IGAs enhanced	-	13,400
Access to safe public water & sanitation facilities increased	538,020	347,804
Utilization of safe sanitation & water chain management practices increased	30,810	13,600
Comprehensive knowledge & positive attitude & practices regarding HIV/AIDS improved	20,400	64,430
Community care and support for PLWA & OVCs increased	-	12,119
Educational participation of children increased	607,722	56,090
Community ability to fund education of best performing children improved	92,810	41,340
Vocational skills promoted among out of school youths	112,650	-
Women & local government leaders effectiveness to represent their constituencies improved	33,709	-
AFARD capacity to initiate, coordinate, account for and learn from development programmes improved	543,728	-
AFARD is financially sustainable	70,132	-
BO participation in local governance increased	-	27,200
Direct disbursement to Bos	44,114	98,449
KRA 16: AFARD capacity to initiate, coordinate, account for and learn from development programmes improved	-	575,589
Audit fees	-	-
BO Screening	24,000	-
Baraka Students Tutition	9,899	-
Audit fees	21,000	25,000
Total expenditure	2,786,559	2,088,985
Fund balance	(1,866,548)	504,625
Opening fund balance	2,120,568	1,615,943
Capital Seed project expense	(146,186)	-
Closing fund balance	107,834	2,120,568

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

APPENDIX III: EUROPEAN COMMISSION

	2013 Ushs '000	2012 Ushs '000
Income	-	42,589
Expenditure		
Bank charges	-	-
Local (staff assigned to the Action)	-	640
End of Project evaluation	-	19,800
Auditing costs	-	18,755
Administrative costs	-	931
Total expenditure	-	40,126
Fund balance	-	2,463
Opening fund balance	2,463	-
VAT on Audit Refund to EC	(2,463)	
Closing fund balance	-	2,463
	=====	=====

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

APPENDIX IV: IRISH AID

	2013 Ushs '000	2012 Ushs '000
Income	773,339	464,347
Expenditure		
Access to sustainable and improved agro technologies increased	62,025	400,516
BOs & BO members secured better marketing margins	369,925	372,870
Knowledge & practice of better nutrition improved	44,040	43,200
BO organizational management competencies and growth improved.	144,416	142,635
AFARD capacity to initiate, coordinate, account for and learn from development programmes improved	169,200	175,068
Audit Fees	10,000	10,000
Total expenditure	799,606	1,144,289
Fund balance	(26,267)	(679,942)
Opening fund balance	(679,942)	-
Closing fund balance	706,209	(679,942)

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

APPENDIX V: TOTAL EP & S

	2013 Ushs '000	2012 Ushs '000
Income	21,620	-
Expenditure		
Hold Debriefing Meeting for Project LLG Official	2,385	-
Hold Debriefing Meeting at Parish Levels	5,025	-
Conduct A Baseline Survey	8,425	-
Other Costs	128	-
Total expenditure	15,963	-
Fund balance	5,657	-
Opening fund balance	-	-
Closing fund balance	5,657	-
	=====	=====

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

APPENDIX VI: ULAMKULE

	2013	2012
	Ushs '000	Ushs '000
Income	19,501	49,314
Expenditure		
Local IECs	163	650
Administration Cost	2,541	327
Boreholes	25,477	1,084
VIP Latrines	12,000	-
Hygiene Education	2,520	-
Support Bye-Law Formulation	1,745	-
Debrief Area Local Government	-	1,255
Debrief Community members	-	570
WES Practices assessment	-	7,523
Train and Equip VHT	-	8,550
Total Expenditure	44,446	19,959
Fund balance	(24,945)	29,355
Opening fund balance	29,355	-
Closing fund balance	4,410	29,355

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

APPENDIX VII: FOOD AND AGRICULTURAL ORGANIZATION

	2013	2012
	Ushs '000	Ushs '000
Income	31,521	44,533
Expenditure		
Procurement of seeds	6,552	-
Field Activities	1,270	32,315
Mobilisation of Local Community Groups	919	894
Orientation Meeting at LLG Levels	26,273	31,101
Administrative Cost	122	5,633
Total Expenditure	35,136	69,943
Fund balance	(3,615)	(25,410)
Opening fund balance	(25,410)	-
Closing fund balance	29,025	(25,410)
	=====	=====

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

APPENDIX VIII: MANOS UNIDAS

	2013 Ushs '000	2012 Ushs '000
Income	-	26,849
Expenditure		
Provide agro inputs	-	27,593
Personnel	-	11,808
Train in agronomy skills	-	3,192
Train in livestock management skills	-	694
Train in bulk marketing/storage skills	-	4,465
Conduct nutrition education	-	4,179
Train in IGA market management skills	-	580
Train Community Health Frontline Advisors	-	6,551
Train in participatory and accountable leadership	-	781
Train in financial management & reporting skills	-	546
Train in implementation monitoring & reporting skills	-	1,092
Running Costs	-	399
Periodic management monitoring visits	-	2,825
Hold quarterly beneficiary review meetings	-	1,504
Administrative Costs	7,031	-
Total Expenditure	7,031	66,209
Fund balance	(7,031)	(39,360)
Opening fund balance	(39,360)	-
Closing fund balance	(46,391)	(39,360)
	=====	=====

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

APPENDIX IX: KINDER NOT HILFE

	2013	2012
	Ushs '000	Ushs '000
Income	186,768	67,000
	<hr/>	<hr/>
Expenditure		
Formation and Development of SGHs	49,229	30,375
Correspondence relations between Foster Parent and Registered Children	33,365	13,074
Personnel	39,856	36,283
Running and Administration costs	6,849	16,214
Repairs and Maintenance	962	-
Payera field maintenance	4,851	-
Audit fees	4,000	-
	<hr/>	<hr/>
Total Expenditure	139,112	95,946
	<hr/>	<hr/>
Fund balance	47,656	(28,946)
Opening fund balance	(28,946)	-
	<hr/>	<hr/>
Closing fund balance	18,710	(28,946)
	<hr/>	<hr/>

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

APPENDIX X: PROPERTY AND EQUIPMENT MEMORANDUM ACCOUNT

	Free hold land	Buildings	Motor vehicles and cycles	Furniture	Equipment	Computer equipment	Work in progress	Total
	Ush'000	Ush'000	Ush'000	Ush'000	Ush'000	Ush'000	Ush'000	Ush'000
COST								
At 1 January 2012	35,411	239,064	600,599	76,814	148,443	44,954	-	1,145,285
Disposals	-	-	-	-	(1,600)	-	-	(1,600)
Additions	19,200	258,419	190,837	14,660	3,825	12,918	290,311	790,170
At 31 December 2012	54,611	497,483	791,436	91,474	150,668	57,872	290,311	1,933,855
At 1 January 2013	54,611	497,483	791,436	91,474	150,668	57,872	290,311	1,933,855
Additions	74,170	40,579	329,725	1,844	403,542	2,700	136,158	988,718
At 31 December 2013	128,781	538,062	1,121,161	93,318	554,210	60,572	426,469	2,922,573
DEPRECIATION								
At 1 January 2012	-	366,097	26,736	87,684	30,314	-	-	534,542
Charge for the year	-	43,516	197,859	13,544	10,105	15,343	-	280,367
Eliminated on disposal	-	-	-	(1,600)	-	-	-	(1,600)
At 31 December 2012	-	409,613	224,595	99,628	40,419	15,343	-	813,309
At 1 January 2013	-	409,613	224,595	99,628	40,419	15,343	-	813,309
Charge for the year	-	59,427	163,455	8,329	58,436	7,898	-	297,545
At 31 December 2013	-	469,040	388,050	107,957	98,855	23,241	-	1,110,854
NET BOOK VALUE								
At 31 December 2013	128,781	69,022	733,111	(14,639)	455,355	37,331	426,469	1,811,719
At 31 December 2012	54,611	87,870	566,841	(8,154)	110,249	42,529	290,311	1,120,546

* Property and equipment and the accumulated asset reserve are contra entry accounts that have been created to track assets expensed by the AFARD on purchase and reflects the net book value of the assets at the statement of financial position date

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

PAYERA COMMUNITY DEVELOPMENT PROJECT

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

APPENDIX XI

ITEM	Cumulative Budget (B)	Cummulative Income and Expenditure (D)	Annual Variance E=B-D
INCOME			
Funds from KNH	186,537,462	186,537,462	-
Total Income	186,537,462	186,537,462	-
Expenditure	-		-
Operating Costs	-		-
Direct Expenses on project Activities	-	-	-
FORMATION & DEVELOPMENT OF SHGS	-	-	-
SHG formation	9,569,000	9,569,000	-
Training SHG book writers on record keeping	474,000	474,000	-
Training on regular saving & credit management	1,250,000	-	1,250,000
Training saving vision building / Goal Setting	1,250,000	1,250,000	-
Train P.I on development and implementation of work plans	1,250,000	1,250,000	-
Training P.I in rotational leadership	1,250,000	1,250,000	-
Hold SHG days	15,100,000	15,000,000	100,000
Participatory grading (PG) financial & Auditing for SHG	251,100	-	251,100
Training and support of Community Facilitators in SHG Concept (TOT)	10,130,000	8,730,000	1,400,000
Training P.I in incorporation of social issues on their agenda	1,250,000	-	1,250,000
Printing T-Shirts for project visibility	-	-	-
Sensitization of local leaders, parents & community on SHG	1,540,000	-	1,540,000
Bicycles for CFs	2,500,000	2,500,000	-
Subtotal	45,814,100	40,023,000	5,791,100
CLA formation and Strengthening	-	-	-
Training CLA in their roles and responsibilities	-	-	-
Train P.I on development and implementation of work plans	-	-	-
Conduct training on CLA concept in 8 CLAs	491,000	491,000	-

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

ITEM	Cumulative Budget (B)	Cummulative Income and Expenditure (D)	Annual Variance E=B-D
Holding internal exchange visit for 8 CLAs	600,000	-	600,000
Training CLA book writers	310,400	-	310,400
staff trainings workshops and forums	9,277,669	6,791,000	2,486,669
Facilitate Participatory Grading and Financial Auditing in CLAs	127,200	83,700	43,500
Exposure visit for CLA representatives in Amuru	3,100,000	-	3,100,000
Hold quarterly meeting with CLAs	5,520,000	1,840,000	3,680,000
Needs Analysis and Prioritisation	977,000		977,000
Meeting with SHG	917,000		917,000
Prevention and care of HIV/AIDS	-	-	-
Training 100 SHG members in I.G.A management	-	-	-
Environmental protection and conservation at SHG Member level	-	-	-
	21,320,269	9,205,700	12,114,569
Correspondence relations between Foster Parent and Registered Children	-	-	-
Facilitation of letter writing	2,574,900	2,344,900	230,000
Facilitation for Child monitors	7,800,000	4,440,000	3,360,000
Childrens records	1,501,000	1,252,000	249,000
Christmas cards	2,450,000	2,450,000	-
Counseling and guidance	220,000	-	220,000
Conducting quarterly child census	4,942,000	4,890,000	52,000
Meeting with Children	607,000	-	607,000
Promoting Child rights, Participation & development	-	-	-
Training child monitors in life skills promotion	-	-	-
Life skills promotion among children's groups	-	-	-
Support and monitoring of children's groups	3,894,000	1,281,000	2,613,000
Development and printing of IEC materials for child rights	-	-	-
Formation of children's groups	1,070,000	1,032,000	38,000
Introduction of SHG modules to children's group	1,900,000	1,690,000	210,000
Training children groups in modules	1,700,000	1,700,000	-
Sensitisation and Training of duty bearers	-	-	-

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

ITEM	Cumulative Budget (B)	Cummulative Income and Expenditure (D)	Annual Variance E=B-D
Training children in child rights and responsibilities	1,675,000	1,675,000	-
Training Clubs in child rights	-	-	-
Monthly monitoring of groups	800,001	-	800,001
Celebration of African Child prayer Day	10,610,000	10,610,000	-
Health Screening Exercises for children	-	-	-
Planning & Budgeting	700,000		700,000
Feedback Meeting to the Community	2,860,000		2,860,000
Proposal writing	-	-	-
	45,303,901	33,364,900	11,939,001
PERSONNEL	-	-	-
Basic Salary	36,301,410	28,803,384	7,498,026
Leave Allowance	2,700,000	2,700,000	-
N.S.S.F 10%	3,630,140	2,880,338	749,802
Medical Insurance	2,448,060	1,152,135	1,295,925
Provident fund 15%	5,445,210	4,320,508	1,124,702
Workman's Compensation	960,000	-	960,000
	51,484,820	39,856,365	11,628,455

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

APPENDIX XII

LIST OF POSITIONS

STAFFING	POSITION	MONTHLY BASIC	ANNUAL BASIC PAY	LEAVE ALLOWANCE	MEDICAL INSURANCE	EMPLOYERS ANNUAL CONTRIBUTION TO PROVIDENT FUND(15%)	EMPLOYERS ANNUAL CONTRIBUTION TO NSSF(10%)	TOTAL PERSONNEL COSTS
Name								
Ahero Mary Atare	Project Officer	972,868	11,674,416	1,000,000	466,977	1,751,162	1,167,442	16,059,997
Richard Kumaketch	Project Officer	803,383	9,640,596	1,000,000	385,624	1,446,089	964,060	13,436,369
Oyirwoth .O. Norbert	Accountant	356,589	4,279,068	350,000	171,163	641,860	427,907	5,869,998
Cwinyaai Wilfred	Programme Manager	267,442	3,209,304	350,000	128,372	481,396	320,930	4,490,002
Grand Total		2,400,282	28,803,384	2,700,000	1,152,135	4,320,508	2,880,338	39,856,365