



the
Umbrella of Hope

F O U N D A T I O N

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2015

THE UMBRELLA OF HOPE FOUNDATION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015

ORGANISATION INFORMATION

NAME:

The Umbrella of Hope Foundation

LOCATION

Esdoornstraat 52

2565 HS

The Hague

Netherlands.

Email: info@umbrellaofhopeuganda.org

300 Metres, off Jinja-Iganga Highway

P.O Box 874

Jinja

Uganda

Email: projects@umbrellaofhopeuganda.org

Board Members-NL

Mr. Dhatemwa Michael Mawambi – Board Member
and National Programmes Coordinator

Ms. Aruna Rao - Board Member and Treasurer

Ms Agnes Nalubiri - Board Member and Secretary

Mr. Anton Quist – Adviser

Board Members-Ug

Mr. Isabirye Charles

Mr. Balaba Daniel

Dr. Mugisa John

Miss Mate Roselyn

Miss. Nalongo Sunny

BANKERS

Uganda

KCB Bank (U) Ltd

The Netherlands

ING Bank

The Umbrella of Hope is a registered Foundation in The Netherlands (KVK No: 63567563) and Uganda (5562036664).

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Introduction and Background

The Umbrella of Hope (TUH) is a Not-for-profit organization established and registered in Netherlands under Registration No. KvK-nummer 63567563 in 2015, and in Uganda under Registration No. 5562036664 in 2007. Well known nationally and internationally, for its commitment to work with marginalized sections of the society and empower them to attain dignified quality life.

We are based in The Hague Netherlands and working in rural Uganda since 2007 providing education for children in rural areas, helping young people develop the right skills to find jobs and start their own businesses and empower women to help transform their local communities.

Our goal is to structurally improve and increase access to basic social and economic livelihoods of people in marginalized communities.

An Organization that makes a Difference

Over the past years, TUH has been working relentlessly to promote programs for the wellbeing of underprivileged people in Uganda. Our bottom-up approach of inclusive development has changed lives of many and has led the path in sustainable development.

TUH is an organization that's all about the community, an organization that makes a difference and an organization you can trust; we pride ourselves on being a credible organization and are held accountable through the principles of good governance in our processes and practices.

The Umbrella of Hope Foundation has a very strong and effective audit and evaluation mechanism to ensure impact of funds and complete transparency and accountability in the utilization of funds.

The Umbrella of Hope Foundation has helped approximately 5,000 children, their families and communities in different parts of Eastern Uganda over the years.

For more information about The Umbrella of Hope Foundation, please visit our web site at www.umbrellaofhopeuganda.org or come to our offices on Esdoornstrat 52 2565 HS The Hague Netherlands or in Jinja, Uganda or Contact our International Programmes Cordinator - Dhatemwa Michael on +256 785069979(Uganda) or +31 685270275(Netherlands)

Mission

The Umbrella of Hope is run and led by community members for community members. We aim to empower the local community by providing resources to support them in education and life. Community members identify the most pressing needs and we provide support to help meet these needs.

We do this in a number of ways:

- We set up local businesses to generate income that we use to sustain our programmes and projects
- We work in the local community to strategize and help deliver on new initiatives such as:

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1. Educating orphans and vulnerable children
2. Providing life skills training to young people
3. Supplying resources to enable women to work

- As we are run by local staff, we are able to provide daily support when it is required and encourage women and young people to be ambassadors for the change they want to see in their local community

Vision

To see rural communities in Uganda develop using sustainable solutions that give hope and dignity to the most vulnerable.

Our Founder, Michael, has experienced first-hand the hardships of trying to get an education in rural Uganda, and it is our collective vision that other children, young people and women do not face these hardships. Because we believe that education is the key to overcoming poverty, we want to achieve an equitable and sustainable future through education. We will continue to provide an on-the-ground presence in rural and remote communities where education is hard to access.

Our core values:

- Honesty and integrity.
- Hard work, going the extra mile.
- Respect for diversity.
- Fairness, Equity and Justice
- Solidarity with the poor.
- Respect for the rights of children
- Team Work.

Activities

The Umbrella of Hope Foundation supports projects and programmes for accessible and relevant education, and development initiatives for underprivileged children, youth and communities in Uganda. We work for communities in which every member, most especially children have equal access to life opportunities like Education, Health care and secure livelihoods. The organisation believes education provides knowledge and skills for development and growth of an individual and that a well-educated population lives in social harmony.

The major activities included among others: -

- Providing education and development for orphans and other needy children
- Skills Training programme for young adults
- ICT for Development: Computer skills training centre
- Piggery Project: Income generating initiative for poor women.
- Cooperate with other organizations of similar nature
- Menstrual Health intervention for schools going girls and parents
- Research Project: Seen as Ghosts and Inhuman: Albino children and youth deserve a better life
- Research Project: I am a girl but ashamed of myself. I need a sanitary pad

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Statement of the project management's responsibilities

The Companies Act 2012 and NGO regulations requires management to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the project at the end of each financial year and of the operating results for that year. In respect of those financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with accounting policies and guidelines of the company. They are also responsible for the safeguarding of the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are ultimately responsible for the internal controls. The Trustees delegate the responsibility for the internal controls 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 company's assets.

To accept responsibility for the annual financial statements, which have been prepared using the appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Companies Act.

The Trustees are of the opinion that the Financial Statements give a true and fair view of the state of financial affairs of the Company 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 the financial statements, as well as adequate systems of internal financial control.

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

Board Member & National Programmes Coordinator

Board Chairman- Uganda Chapter

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A. Objective of the Audit

- The objective of the audit of the financial statements is to enable the auditor to express a professional opinion on the financial position of **THE UMBRELLA OF HOPE FOUNDATION** at the end of each year and on funds received and expenditures incurred for the relevant accounting period.
- The books of account provide the basis for preparation of the financial statements by **THE UMBRELLA OF HOPE FOUNDATION** and are established to reflect the financial transactions in respect of the organization. Management maintains adequate internal controls and supporting documentation for transactions.

B. Preparation of Annual Financial Statements

- The responsibility for the preparation of financial statements including adequate disclosure is that of the management of **THE UMBRELLA OF HOPE FOUNDATION**. Management is also responsible for the selection and application of accounting policies and prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) and Non-Government Organization Board (NGO) Act, regulations and guidelines.
- The auditor is responsible for forming and expressing opinions on the financial statements. The auditor would carry out the audit of the project in accordance with the International Standards on Auditing (ISA), as promulgated by the International Federation of Accountants (IFAC) and ISSAIs (International Standards of Supreme Audit institutions) issued by INTOSAI. As part of the audit process, the auditor may request from the management of **THE UMBRELLA OF HOPE FOUNDATION** a written confirmation concerning representations made in connection with the audit.

Audit Scope

These terms of reference address audit requirement for the audit of financial statements of **THE UMBRELLA OF HOPE FOUNDATION** covering period 1ST January to 31ST December 2015.

The audits should be carried out in accordance with International Standards of Auditing (ISA), ISSAIs (International Standards of Supreme Audit institutions) issued by INTOSAI and International Financial Reporting Standard (IFRS). In complying with International Standards on Auditing, the auditor is expected to pay particular attention to the following matters:

a) Fraud and Corruption:

Consider the risks of material misstatements in the financial statements due to fraud as required by ISA 240: The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements. The auditor is required to identify and assess these risks (of material misstatement of the financial statements) due to fraud, obtain sufficient appropriate audit evidence about the assessed risks; and respond appropriately to identified or suspected fraud;

b) Laws and Regulations:

In designing and performing audit procedures, evaluating and reporting the results, consider that noncompliance by the management of **THE UMBRELLA OF HOPE FOUNDATION** with Non- Governmental Organization's Board (NGO) laws and

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regulations may materially affect the financial statements as required by ISA 250: Consideration of Laws and Regulations in an Audit of Financial Statements;

c) Governance:

Communicate audit matters of governance interest arising from the audit of financial statements with those charged with governance of an entity as required by International Standards on Auditing 260: Communication of Audit Matters with those Charged with Governance;

d) Risks:

In order to reduce audit risk to an acceptable low level, determine the overall responses to assessed risks at the financial statement level, and design and perform further audit procedures to respond to assessed risks at the assertion level as required by International Standard on Auditing 330: the Auditor's Procedures in Response to Assessed Risks.

e) Access to Facilities and Documents

The auditor will have full and complete access at any time to all records and documents including books of account, legal agreements, minutes of board meetings, bank records, invoices and contracts etc.



KAL ASSOCIATES

Certified Public Accountants

REPORT OF INDEPENDENT AUDITORS TO BOARD OF TRUSTEES OF THE UMBRELLA OF HOPE FOUNDATION FOR THE YEAR ENDED 31ST DECEMBER 2015

We have audited the Financial Statements of **THE UMBRELLA OF HOPE FOUNDATION**, which comprise the statement of financial position as at 31st December 2015, the statement of comprehensive income, the statement of fund balances for the year then ended, and the related notes.

Responsibilities of the Management

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

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

Responsibilities of the Independent Auditors

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatements of the Financial Statements, whether due to Fraud or Error. In making those risk assessments, the Auditor considers internal controls relevant to the entity's presentation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the 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, based on the work performed, the Financial Statements give a true and fair view of the Project's financial position as at 31st December 2015 and the results of its operations for the year then ended in accordance with Generally Accepted Accounting Principles and International Financial reporting Standards.

Report on other legal and regulatory requirements

As required by the Ugandan Companies Act 2012 and NGO Board we report that:

- I. We have obtained all information and explanations which to the best of our knowledge and belief was necessary for the purpose of the audit.
- II. The Organisation's Statement of Financial Position and the Comprehensive Income and Expenditure Statement are in agreement with the books of account.
- III. In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books.



KAL Associates
Certified Public Accountants
Kampala.

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Statement of Income and Expenditure for the year ended 31st December 2015

1. Operational Results

The total income for the year 2015 is 53,700 EUROS which represents 193,320,000 Ugandan Shillings (local currency) at the exchange rate 3,600 Ugandan Shillings per EURO1.00 The account was prepared in both Ugandan Shillings and EUROS. 52,866.6EUROS which represents **190,320,000 Ugandan Shillings (local currency)** was the total expenditure for the year 2015. The local currency conversion is same as above. The fund received for the period as income was donations from individuals, donors and revenue from income generating projects.

2. Program Expenses The expenses were distributed as follows 98% of the income was used as expenditure. The Program/projects spent 86%, the administrative expenses were 11% and professional fees made up 1% of expenditure.

A: FINANCIAL STATEMENTS

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER 2015

Details	Note	UGX	EURO	%
Total Income	3	193,320,000	53,700	100
Donor Funds	3a	95,250,000	26,492	
Other Funds	3b	97,950,000	27,208	
Expenditure	4			
Programme Expenses	4a	167,000,500	46,389	86
Administrative Expenses	4b	21,319,500	5,922	11
Professional fees	4c	2,000,000	555.50	1
Total Expenditure Before Depreciation		190,320,000	52,866.6	98
Surplus before depreciation		3,000,000	833.30	
Depreciation charges		1,250,500	347.30	
Surplus after depreciation		1,749,500	485.90	

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STATEMENT OF CHANGES IN EQUITY AS 31ST DECEMBER 2015

Details	UGX	Euro
Accumulated Reserves B/f	265,000	73.6
Add: Surplus Deficit for the year	1,749,500	485.9
Accumulated Reserves C/f	2,014,500	559.5

FUNDS ACCOUNTABILITY STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2015

Details		Note	UGX	EURO	%
FUNDS:		3			
Cash and Bank Balance B/F			265,000	73.6	
Add funding during the year					
Donor Funds		3a	95,250,000	26,492	
Other Funds		3b	97,950,000	27,208	
Total Funds available			193,465,000	53,740	
Payments During the Year		4			
Programme/Projects Expenses		4a	167,000,500	46,389	86
Administrative Expenses		4b	21,319,500	5,922	11
Professional fees		4c	2,000,000	555.50	1
Total Expenditure			190,320,000	52,866.6	98
Excess funds not utilised Presented by:			3,145,000	833.30	
Cash and Bank Balances		5	3,145,000	873.6	

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NOTES: SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER 2015

General Information

The Umbrella of Hope Foundation is a Non-Government Organisation (NGO) which was registered and incorporated in Uganda in 2007 as per the registration certificate No. 5562036664 dedicated to helping providing education for children in rural areas, helping young people develop the right skills to find jobs or create self-employment enterprises and empower women to help transform their local communities. It is domiciled in Uganda, the address of its registered office and principal place of business is 300 Metres, off Jinja-Iganga Highway P.O Box 874, Jinja Uganda.

Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. They are presented in Uganda Shillings. The measurement basis used is the historical cost basis.

The preparation of financial statements in conformity with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) require the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3(b).

Summary of significant accounting policies

a) Revenue recognition

Donor funds are recognized in the period in which the organization receives funds from donor agencies for the implementation of agreed upon programme activities. Also recognizes other revenues when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for each of the Organization's activities. The amount of revenue is not reliably measured until all contingencies relating to the sale have been resolved. The organisation bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement.

Significant judgments made by management in applying the company's accounting policies

Property and Equipment

All property, plant and equipment comprising of motor vehicles, furniture and fittings, computers, faxes and copiers are initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Depreciation on equipment is calculated on reducing balance basis to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

	Rate %
Motor vehicle	20
Furniture and fittings	12.5
Computer equipment	20
School equipment	12.5
Land & Buildings	NIL

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks,

Note 5: Cash and Bank Balances	2015 Ugx	2015 Eur.
KCB (U) Ltd	2,145,000	595.8
Cash Imprest	1,000,000	277.7
TOTAL	3,145,000	873.6

SCHEDULES TO THE STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER 2015

Note 3 & 4

Details	Note	UGX	EURO	%
Total Income	3	193,320,000	53,700	100
Donor Funds				
Sponsor fund	3a	95,250,000	26,492	
Project fund				
Other incomes				
Other Funds				
Revenue:	3b	97,950,000	27,208	
Piggery farming and Computer training centre. Interest received				
Expenditure	4			
Programme Expenses				
□ Providing education and development for orphans and other needy children	4a	167,000,500	46,389	86
□ Skills Training programme for young adults				
□ ICT for Development: Computer skills training centre				
□ Piggery Project: Income generating initiative for poor women.				

<input type="checkbox"/> Cooperation and networking events with other organizations of similar nature <input type="checkbox"/> Menstrual Health intervention for schools going girls and parents <input type="checkbox"/> Research Project: Seen as Ghosts and Inhuman: Albino children and youth deserve a better life <input type="checkbox"/> Research Project: I am a girl but ashamed of myself. I need a sanitary pad					
Administrative Expenses 1. Internet 2. Telephone& postage 3.News papers 4. Rent(Offices) 5. Staff meals 6. Licence and subscriptions 7.Water 8.Electricity 9.Workshop & training 10. Bank charges 11. Computer 12. expenses and accessories 13. Volunteer Allowances 14. Office supplies 15. Other administrative expenses.		4b	21,319,500	5,922	11
Professional fees Audit Fee Legal Fees		4c	2,000,000	555.50	1