

LOCAL KID NON GOVERNMENTAL ORGANIZATION

FINANCIAL STATEMENTS

31ST DECEMBER 2022

**LOCAL KID NON GOVERNMENTAL ORGANIZATION
REPORT AND FINANCIAL STATEMENTS
31ST DECEMBER 2022**

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Information

Non-governmental organisation

Registered office : Local Kid Non-Governmental Organization.
Kisoro District
Nyamirima village near LC 1
256-750889338

Banker : World remit

Director Chiara Katende
Heide Forstreuter

Country Coordinator: Turyahebwa Diana

FOR YEAR ENDED 31ST DECEMBER 2022

**LOCAL KID NON GOVERNMENTAL ORGANIZATION
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Report and Financial Statements

The management submit their report together with the financial statements 31ST DECEMBER 2022, which show the state of affairs of non-governmental organisation known as Local Kid Non Governmental

Vision

To provide education to local people and to accompany them on their way to better living conditions in independence.

Principal Activities

The principal activities of the NGO are two:

1. Provision of Educational support to vulnerable children.
2. Training and development of leadership skills (Tailoring)

Results

The results of the NGO for the period are shown in the statement of comprehensive income and expenditure on page 5 :

	2022	2021
	"Ugx"	"Ugx"
Surplus or deficit	(1,701,200)	2,037,300
Surplus for the year	<u><u>(1,701,200)</u></u>	<u><u>2,037,300</u></u>

Management

The management which held office to the date of this report are shown on page 1.

By Order of the Board

.....
Director

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STATEMENT OF NATIONAL COORDINATORS' RESPONSIBILITIES

NGO law requires the national coordinators to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the NGO as at the end of the financial year and of the profit or loss of the NGO for that year. In preparing those financial statements the national coordinators are required to:

1. Select suitable accounting policies and then apply them consistently;
2. Make judgements and estimates that are reasonable and prudent;
3. 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 NGO will continue in business.

The national coordinators are responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the NGO, and to enable them to ensure that the financial statements comply with the NGO's Act. They are also responsible for safeguarding the assets of the NGO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed on behalf of the board of national coordinators by;

.....
Director

.....
Country coordinator

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Statement of Financial Position

	Notes	2022 "Ugx."	2021 "Ugx."
Non Current Assets			
Property & equipment	8	5,670,000	5,670,000
Current Assets			
Cash and bank balances	9	336,100	2,037,300
		336,100	2,037,300
Total Assets		6,006,100	7,707,300
Equity and Liabilites			
Retained reserves	11	336,100	2,037,300
Capital fund	11	5,670,000	5,670,000
Current Liabilites			
Accounts payable	12	-	-
Total Equity and liabilites		6,006,100	7,707,300

.....
National Coordinator:

.....
Assisstant National Coordinator

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 3 to 12

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Statement of Financial Performance

	Notes	2022 "Ugx."	2021 "Ugx."
Income	3	98,966,691	59,852,000
Total inflows		98,966,691	59,852,000
Less: Capital expenditure		0	5,670,000
Recurrent income		98,966,691	54,182,000
Expenses			
Program expenses	4	(51,456,895)	(19,991,940)
Administration expenses	5	(37,910,139)	(22,805,295)
Professional fees	6	-	(2,000,000)
Personnel expenses	7	(9,970,000)	(6,780,000)
Operating surplus before depreciation, finance Costs		- 370,343	2,604,765
Net finance costs	8	(1,330,857)	(567,465)
Surplus or deficit before depreciation		(1,701,200)	2,037,300
Depreciation		-	-
Net Surplus or deficit for the year		(1,701,200)	2,037,300

The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 3 to 12

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Statement of Changes in Funds

	Capital fund	Retained reserves	Total
	"Ugx."	"Ugx."	"Ugx."
	Capital fund	Retained reserves	Total
		"Ugx."	"Ugx."
At 1st January 2022	5,670,000	2,037,300	7,707,300
Additions	-	-	-
Surplus for the year	-	1,701,200	1,701,200
At 31st December 2022	5,670,000	336,100	6,006,100
	Capital fund	Retained reserves	Total
	"Ugx."	"Ugx."	"Ugx."
At 1st January 2021	-	-	-
Additions	5,670,000	-	5,670,000
Surplus for the year	-	2,037,300	2,037,300
At 31st December 2021	5,670,000	2,037,300	7,707,300

The Statement of Changes in equity is to be read in conjunction with the notes to and forming part of the Financial Statements set out on Pages 3 to 12

**LOCAL KID NON GOVERNMENTAL ORGANIZATION
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Statement of Activity

	Notes	2022 "Ugx."	2021 "Ugx."
Cashflows from Operating Activities			
Surplus/ deficit		(1,701,200)	2,037,300
Depreciation	7	-	-
		(1,701,200)	2,037,300
Cash Received from Operating Activities			
Accounts payables		-	-
		(1,701,200)	2,037,300
Net cash received from operating activities			
		(1,701,200)	2,037,300
Cashflows from Investing Activities			
Land		-	(5,670,000)
		-	(5,670,000)
Net cash used in investing activities			
		-	(5,670,000)
Cash Flows from Financing Activities			
Capital fund		-	5,670,000
Net cash flow used in financing activities		-	5,670,000
		-	5,670,000
Net increase in cash and cash equivalents			
		(1,701,200)	2,037,300
Movements in Cash and Cash Equivalents			
At 1st January 2022		2,037,300	-
Increase in cash and cash equivalents		(1,701,200)	2,037,300
At 31st December 2022	10	336,100	2,037,300

The statement cash flow is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 3 to 12

LOCAL KID NON GOVERNMENTAL ORGANIZATION REPORT AND FINANCIAL STATEMENTS 31ST DECEMBER 2022

Notes to the Financial Statements (Cont'd)

1 Significant Accounting Policies

The principal accounting policies adopted in the preparations of these financial statements are set out below:- (Not for profit organisation)

(a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires directors to exercise judgment in the process of applying the NGO's accounting policies. Although these estimates are based on the directors' best knowledge of current events and actions, actual results may differ from those estimates. Accounting policy 2 below on 'significant accounting judgments and key sources of estimation uncertainty' highlights the areas that involve a higher level of judgement, or where the estimates or assumptions used are significant to the financial statements.

(b) Basis of Preparation

The financial statements of (LOCAL KID NON GOVERNMENTAL ORGANIZATION) are prepared under the historical cost basis of accounting as modified to include revaluation of certain assets. The principal accounting policies are set out below

(i) Income Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and/or performance of services, in the ordinary course of business. However this organisation receives income inform of Donation from Nigeria

The NGO recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The NGO bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement.

(ii) Translation of Foreign Currencies

Transactions in foreign currencies during the period are converted into Uganda Shillings at rates ruling at the transactions' dates. Monetary assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Uganda Shillings at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the surplus and loss account in the period in which they arise. If applicable

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Notes to the Financial Statements(Contuined)

(iii) Property and Equipment

All categories of property, plant and equipment are initially recorded at cost. Buildings are subsequently carried at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the NGO and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Any revaluation increase arising on the revaluation of buildings is recognised in other comprehensive income and accumulated in the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset

Depreciation is calculated on a straight line basis at annual rates estimated to write off the cost or valuation of property, plant and equipment over their expected useful lives. The annual depreciation rates in use are on the following bases:

	%	Years
Buildings	NA	NA
Motor Vehicle	NA	NA
Computer & Equipment	NA	NA
Machinery	NA	NA
Furniture and fittings	NA	NA
Plant and equipment	NA	NA
Land	NA	NA

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Notes to the Financial Statements (Continued.....)

Significant Accounting Policies (Continued.....)

(iv) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and cash at bank.

(v) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

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Notes to the Financial Statements (Continued.....)

2 Significant Accounting Policies (Continued.....)

Taxation N/A

Current Tax

Tax on the profit or loss for the period comprises current tax and deferred tax charge/credit. Current tax is provided on the results for the period as adjusted for tax in accordance with the tax legislation.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences are utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from good will or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the NGO expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities

Current and Deferred Tax for the Year N/A

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income

The prevailing tax rates are used to determine deferred tax

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Notes to the Financial Statements (Continued)

	2022 "Ugx."	2021 "Ugx."
3 Income		
Donations	98,966,691	59,852,000
	98,966,691	59,852,000
4 Program Expenses		
Aid expenses	16,829,495	2,440,000
Birthday parties	2,092,000	5,562,000
Farming	72,000	453,000
Scholastic materials	13,683,900	7,688,440
School fees	17,881,500	2,151,500
Tailoring expenses	898,000	1,697,000
	51,456,895	19,991,940
5 Adminstrative expenses		
Telephone expenses	2,479,239	734,725
Cleaning & Sanitation	148,000	193,000
Condelence	200,000	140,000
General office expenses	2,589,100	2,327,170
Meals	17,560,800	11,393,400
Medical expenses	1,077,000	291,500
Printing & Stationary	366,600	385,700
Rent expenses	4,320,000	3,300,000
Repairs & maintenance	707,000	68,000
Security expenses	1,370,000	930,000
Storage	900,000	330,000
Transport	5,458,400	2,199,700
Water	734,000	512,100
	37,910,139	22,805,295
6 Professional Fees		
Architecture exp	-	2,000,000
	-	2,000,000
7 Personnel expenses		
Salaries & wages	9,970,000	6,780,000
	9,970,000	6,780,000
8 Finance Costs		
Bank charges & mobile money charges	1,330,857	567,465
	1,330,857	567,465

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Notes to the Financial statements (Continued)

9 Property & Equipment

	Land "Ugx." 0.0%	Total "Ugx."
Depreciation rates	0.0%	
Cost		
At 1st January 2022	5,670,000	5,670,000
Additions	-	-
At 31st December 2022	<u>5,670,000</u>	<u>5,670,000</u>
Depreciation		
At 1st January 2022	-	-
Depreciation	-	-
At 31st December 2022	<u>-</u>	<u>-</u>
Net Book Value		
At 31st December 2022	<u>5,670,000</u>	<u>5,670,000</u>

10 Cash and Cash Equivalents

The cash and cash equivalents comprise of the following:-

Cash and Bank Balances:

Cash at hand	336,100	2,037,300
Cash at bank	-	-
	<u>336,100</u>	<u>2,037,300</u>

11 Funds

Capital fund	5,670,000	5,670,000
Surplus or deficit	-	2,037,300
	<u>5,670,000</u>	<u>7,707,300</u>

12 Current liabilities

Accounts payable	-	-
	<u>-</u>	<u>-</u>

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Notes to the Financial Statements (Cont.....)

13 Risk Management Objectives And Policies (cont'd)

Credit Risk (cont'd)

Individual limits are set based on internal or external information in accordance with limits set by the management. The utilisation of credit limits is regularly monitored

There is no exposure to this risk in each financial asset

Cash and Bank balances therefore are as follows:

	2022	2021
	"Ugx"	"Ugx"
	336,100	2,037,300
Total	336,100	2,037,300

The NGO's exposure to credit risk based on the above schedules is currently considered to be negligible.

b) Liquidity Risk N/A

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the NGO's management maintains flexibility in funding by maintaining availability funds to sub contractors under committed lines

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Notes to the Financial Statements (Cont.....)

13 Risk Management Objectives And Policies (cont'd)

c Liquidity Risk (cont'd)

	2022
	"Ugx"
Trade Payables	
Current	NA
1-30 days	
31- 60 days	
61 - 90 days	
Total	-

Ultimate responsibility for liquidity risk management rests with the board of directors. The NGO manages liquidity risk by maintaining banking facilities and through continuous monitoring of forecast and actual cash flows.

The NGO manages this risk by maintaining adequate cash balances in the bank, banking facilities and by continuously monitoring budgets and actual cash flows