

HOPE OFIRIHA
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2010

Auditors: Hillary & Hills
Certified Public Accountants

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Board of directors : Linda Acen Abili - Chairperson & program director
Lucy Akot Olweny -Member
Agnes Achan -Treasurer
Achiro Knight - Member
William Logai Ochieng - Executive director
Alice Amwony - Secretary & program coordinator
Beatrice Adul - member

Registered office : Hope - Ofiriha
Magwi county
Southern Sudan

Bankers : KCB South Sudan
P.O.Box 47 Juba
South Sudan.

DnBNor
N-0021 Oslo, Norway

Auditors : Hillary & Hills
Certified Public Accountants
Plot 9 Agip, Kampala Road
P.O. Box 34138
Kampala

2. Introduction

2.1 Background

Hope Ofiriha is a partnership between European, African, Australian, and North American volunteers who work together to transform the lives of women and children in Magwi County in South Sudan—one of the most poor, remote, and neglected places in the world. We also assist South Sudanese refugee women and children stranded in Uganda and occasionally North Sudan.

We are registered as a nongovernmental organization (NGO) in Norway (no. 980 084 140) and with the semi-autonomous Government of South Sudan. Hope Ofiriha's main office is in Torit, a town southeast of Magwi County that is the capital of Eastern Equatoria State. We also have a coordinating office in Oslo, Norway.

Twelve widows founded Hope Ofiriha in 1996 to provide agricultural workshops to other widows living near Onura, a remote settlement in war-ravaged Magwi County in South Sudan. A half century of near constant civil war had made South Sudan one of the poorest and most neglected places on Earth. Virtually all of the newly widowed women, like all women in the area, had never had any formal education. Hope Ofiriha's agricultural workshops proved successful at giving them the skills they needed to become self-reliant.

We soon grew into a larger, more formal organization and became a registered nongovernmental organization (NGO) with the Magwi County Department of Community Services. Our efforts expanded to empowering widows to solve a variety of economic, environmental, educational, and healthcare challenges confronting them during the war. Village by village, we helped more and more widows take action to rebuild their lives.

2.1 Strategic objectives

2.2.1. Vision

A world free from all forms of exploitation and discrimination where every a woman and a child has the opportunity to realize their potential.

2.2.2 Mission

We empower women and children living in rural communities to overcome social injustice, disease, illiteracy, and poverty. Our small-scale interventions enhance their social and economic well being and help them reach their potential.

2.2.3 Main objectives

The small-scale grassroots projects we sponsor help women and children overcome social injustice, disease, illiteracy, and poverty. They are designed to give a **hand up**—not a **hand out**—and generally fall into six categories:

- **Healthcare.** Hope Ofiriha's healthcare projects focus on reducing child mortality rates, preserving mothers' lives, and preventing and combating HIV infection. We run a health clinic and a maternity clinic in two remote villages.
- **Education.** We invest more in education than any other type of project because we strongly believe literacy is the ticket out of poverty. We fund the construction of school buildings and work to ensure children, especially girls and war orphans, stay in school.
- **Agriculture.** Our agricultural projects are aimed at diversifying crops, increasing food supplies, and improving farming and rural business practices. They mostly target rural women farmers who are heads of their households.
- **Child Sponsorship.** We find sponsors for the children of South Sudanese refugees living in slums in the outskirts of Kampala, Uganda. Many of these children are war orphans. Child sponsorship not only pays the fees necessary for these children to attend school, it ensures they are fed, clothed, and receive regular medical care.
- **Microcredit.** Our microcredit projects give small loans to women to help them start their own businesses.
- **Environment.** Our environmental projects combat deforestation, improve environmental health, and promote environmental awareness and conservation.

2.3 Audit objectives

Hillary & Hills were appointed by Hope Ofiriha to carry out an audit of the projects for the period 01st January 2009 to 31st December 2010

The objectives of the engagement were to:

- Audit the fund accountability statement of Hope Ofiriha and express an opinion as to whether the fund accountability statement presents fairly in all material respects and in conformity with the basis of accounting described in this report, the use of funds in accordance with policies and procedures in the contracts with the organisation donors.
- Review the internal controls in order to determine whether the project's management has put in place satisfactory controls aimed at preventing, detecting, reducing or eliminating errors and irregularities.
- Test the audit compliance with terms of the donor agreements and applicable laws and regulations as part of obtaining reasonable assurance about whether

the financial statements are free of material misstatements and report on any identified material instances of non compliance.

2.5 Audit approach

We designed our audit approach in accordance with International standards on auditing in order to achieve the audit objectives.

The following audit procedures were undertaken in the course of the audit:

- Performed audit procedures to ensure that the financial statements provided to us by the management reflected the operations relating to the conduct of the project. In addition, we reviewed the reports submitted by management to the donors and summaries of accountabilities for funds spent and performed audit tests on their accuracy, completeness and validity
- Performed audit procedures on transactions relating to the various project activities to ensure that they were eligible expenditures and that they were properly authorised and adequately supported.
- Performed audit procedures to check the recording process of funds received from the donors on the bank accounts, cash and bank balances existing as at the date of the audit. In addition, requested for confirmations were sent to confirm bank balances and the amounts advanced by the respective donors
- Reviewed internal controls of the project and the extent to which financial management and reporting was adhered to by all parties.
- Performed tests to ensure that the assets procured using donor funds existed at the audit date and were recoverable.
- Reviewed minutes of executive management meetings, monthly progress reports, contracts agreements and other important correspondences
- Reviewed the donors' contracts with Hope Ofiriha and the subsequent letters of award to determine compliance of the project with terms contained there in.



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Certified Public Accountants

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3.0 Report of the independent auditor on the financial statements

We have audited the accompanying financial statements of Hope Ofriha set out on page for the year ended 31st December 2010 and a summary of significant accounting policies and other explanatory notes on pages 7 to 11.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards. This responsibility includes; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on those 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 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 those financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial statements.

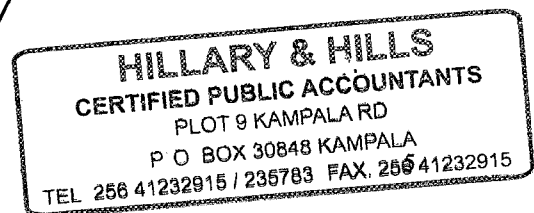
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion

Opinion

In our opinion, the accompanying financial statements give true and fair view of the state of the organisation's financial affairs as at 31st December 2010

Hillary & Hills
Certified Public Accountants

Kampala 21/01/2012



**Hope Ofiriha
Southern Sudan**

**Statement of Receipt and Expenditure
For the year ended 31st December 2010**

	Notes	2010 USD	2009 USD
<i>Receipts</i>			
Donor funds	8	112,100	80,374
Other income	9	690	834
		<u>112,790</u>	<u>81,208</u>
<i>Expenditure</i>			
Administration	10	884	1,854
Project expenses	11	105,144	53,327
		<u>106,028</u>	<u>55,181</u>
Surplus for the year		<u><u>6,762</u></u>	<u><u>26,027</u></u>

**Hope Ofiriha
Southern Sudan**

**Statement of Financial Position
For the year ended 31st December 2010**

	Notes	2010 USD	2009 USD
Fixed Assets	16.	<u>19,459</u>	<u>3,164</u>
Current Assets			
Receivables	14.	76,000	73
Cash and bank balances	12.	<u>21,842</u>	<u>37,525</u>
Current liabilities			
Accrued expenses	13.	806	506
Payables	15.	5,400	
Net Assets		<u><u>111,095</u></u>	<u><u>40,256</u></u>
Capital Employed			
Accumulated fund	7.	111,095	40,256
		<u><u>111,095</u></u>	<u><u>40,256</u></u>

Report of the independent auditors is on Page 5.

The financial statements were approved by the Board of Directors on 20/01/2012
and signed on their behalf by:

.....

Director

Willigaisochiep

Director



**Hope Ofiriha
Southern Sudan**

**Notes to the Financial Statements
For the year ended 31st December 2010**

1 Principal Accounting Policies:

a) Accounting convention

The financial statements are prepared on accrual basis of accounting and in accordance with Generally Accepted Accounting Practice. All income is recorded as revenue when received and all expenses recorded as expenditure when incurred or paid and adjustments made for payables or receivables.

b) Fixed assets

All fixed assets are expensed in full in the year of purchase

c) The accounts are presented in US Dollars.

d) The NGO was incorporated in Southern Sudan under the Non Governmental Organisation statute 1999 on 06th April 2010 Registration number S.254.

e) Foreign currency translations

All foreign currency transactions during the year have been converted to US Dollars at the rates ruling on the date of the transaction. Assets and liabilities expressed in foreign currency are translated into US Dollars at the rate of exchange ruling at the balance sheet date. Net exchange difference from conversion are recognised in the income and expenditure account in the year in which they arise.

**Hope Ofiriha
Southern Sudan**

**Notes to the Financial Statements (Cont'd)
For the year ended 31st December 2010**

4 Share capital

Hope Ofiriha has no authorised share capital and the members' liability is limited by guarantee.

5 Incorporation

The organisation is established in Southern Sudan under the NGO Statute

6 Currency

The financial statements are presented in US Dollars.

7. Accumulated funds

Accumulated fund reconciliation statement. The movement in accumulated fund is as follows:

	2010 USD	2009 USD
Funds received during the year	112,100	80,374
Other incomes received	690	834
Total expenditure	<u>106,028</u>	<u>55,181</u>
	6,762	26,027
Cash and bank balance at beginning of year	<u>41,017</u>	<u>14,990</u>
Sub total	<u>47,779</u>	<u>41,017</u>
Adjusted accrued /non cash expenses 13/14/15.	(63,316)	761
Accumulated funds as per financial position	<u><u>111,095</u></u>	<u><u>40,256</u></u>

**Hope Ofiriha
Southern Sudan**

**Notes to the Financial Statements (Cont'd)
For the year ended 31st December 2010**

	2010 USD	2009 USD
8 Donations		
Restricted	112,100	67,448
Un restricted funds		12,926
	<u>112,100</u>	<u>80,374</u>
9 Other income		
Foreign exchange gain	420	137
Bank interest	270	697
	<u>690</u>	<u>834</u>
10 Administrative expenses		
Accounting charges		564
Audit	300	
Bank charges	315	756
Internet/website	269	534
	<u>884</u>	<u>1,854</u>
11 Project expenses		
Fundraising costs	9,091	
Airtime field and community	118	
Motor vehicle /motor bike	3,618	995
Depreciation	6,898	392
Health and environmental projects	14,642	9,962
Salaries - Southern Sudan	3,536	16,307
School fees	39,698	16,454
Building project - Maternity	15,336	
Meals field	850	449
Transport - field	9,535	8,768
Transport and staff welfare- community	1,822	
	<u>105,144</u>	<u>53,327</u>
No Salaries /wages paid to employees in Norway		
Accrued expenses		
Staff salaries	506	
Audit	300	506
	<u>806</u>	<u>506</u>
12. Un expended balance carried forward		
This is represented by:		
DNB Nor Bank ; Norway	26,272	38,286
KCB Bank:Dollar account	2,854	-
Sub total	<u>29,126</u>	<u>38,286</u>
13. Accrued expenses	806	506
Depreciation	6,898	392
Exchange gain	(420)	(137)
	<u>7,284</u>	<u>761</u>
Cash and cash equivalent at year end	<u>21,842</u>	<u>37,525</u>

Hope Ofiriha
Southern Sudan

Notes to the Financial Statements (Cont'd)
For the year ended 31st December 2010

	2010	2009
	USD	USD
14 Debtors		
Micro loans	41,000	-
Donations receivable	35,000	73
	<u>76,000</u>	<u>73</u>
15 Creditors		
Website development	400	-
Knight Achiro	5,000	-
	<u>5,400</u>	<u>-</u>
16. Fixed Assets		
As at 1st January 2010	Motor bike and vehicle	
Cost	3,775	3,775
Addition	23,194	-
Disposal	875	-
	<u>26,094</u>	<u>3,775</u>
Depreciation		
As at 1st January 2009	611	611
Charge for the year	6,407	-
On disposal	383	-
As at 31st December 2009	<u>6,635</u>	<u>611</u>
Net book value		
As at 31st December 2010	19,459	
As at 31st December 2009	<u>3,164</u>	<u>3,164</u>