RWENZORI INFORMATION CENTRES NETWORK
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

3.0 REPORT ON THE DIRECTORS' RESPONSIBILITIES

The directors are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its operating results for that year.

The directors are also required 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 accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Financial Reporting Standards (IFRS).

The Directors are of the opinion that the financial statements give 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 financial statements, 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.

Chairman Board

20/05/2015

Date

Treasurer

20th/May/2015

Date

B & FCC Audit fir

06 MAR 2015

B&FCC

Certified Public Accountant

P.O. Box 440 Fort Portal, Plot 1 Kibogo Road
Tel. +256 772 988245, +256 772 603923, +256 782 454191
Email: bfcc_cpa@yahoo.com Tin 1000104219

6th march 2015

The Executive Director
RIC-NET
P.O. Box 916
Fort Portal, Uganda

4.0 REPORT OF THE INDEPENDENT AUDITORS

We have audited the accompanying financial statements of RIC-NET which comprise of the Statement of financial position as at 31st December 2014, statement of comprehensive income, statement of changes in Equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, and for such internal controls as management determines is necessary to enable the preparations of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's 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. These 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.

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

B & FCC Audit firm
06 MAR 2015
P.O. BOX 440, FORTPORTAL

Opinion

In our opinion, proper books of account have been kept and the financial statements, which are in agreement therewith, give a true and fair view of the state of the financial affairs of the RIC-NET as at 31st December 2014 and of its operations and cash flows for the period then ended and comply with the International Financial Reporting Standards.

Compliance with Regulatory Requirements

i. The Annual General Meeting in respect of the previous year was held
ii. The Board of Directors held scheduled meetings
iii. Local service Tax
iv. Monthly PAYE Returns to Uganda Revenue Authority were submitted during the year

B & FCC Audit firm
06 MAR 2015

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B&FCC
Certified Public Accountant **March 2015**

B & FCC Audit firm
06 MAR 2015
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RWENZORI INFORMATION CENTRES NETWORK
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

5.0 STATEMENT OF FINANCIAL POSITION

	Notes	2014	2014	2013
ASSETS		EURO	UGX	UGX
Property, Plant and Equipment	9.3	18,934	60,589,227	25,075,230
Cash and Cash Equivalents	9.4	690	2,208,157	47,764,632
Debtors and advances	9.5	5,279	16,894,000	15,200,000
TOTAL ASSETS		24,904	79,691,384	88,039,862
EQUITY				
General Reserves	9.6	18,783	60,105,884	75,679,862
Donated equity	9.7	-	-	11,360,000
Total equity		18,783	60,105,884	87,039,862
LIABILITIES				
Accounts Payables	9.8	2,031	6,500,000	1,000,000
Deferred Income	9.9	4,089	13,085,500	
Total Liabilities		6,120	19,585,500	1,000,000
EQUITY AND LIABILITIES		24,904	79,691,384	88,039,862

The notes on pages 16 to 30 form an integral part of these financial statements

The financial statements were approved by the Directors on 21/05/2015 ~~2014~~ and were signed on its behalf by:

Executive Director ______________ Sign

Chairperson Board ______________ Sign

Treasurer ______________ Sign

6.0 STATEMENT OF COMPREHENSIVE INCOME

	Notes	2014	2014	2013
Income		**EURO**	**UGX**	**UGX**
Net Grant Remittances	9.10	40,861	130,755,523	510,462,571
Other Income	9.11	14,312	45,799,000	45,573,103
Total Income		**55,173**	**176,554,523**	**556,035,674**
Expenditure				
Direct Costs	9.12	49,323	157,834,687	565,289,542
Administrative costs	9.13	6,016	19,251,561	46,218,700
Depreciation	9.3	4,701	15,042,254	18,460,116
Total expenses		**60,040**	**192,128,502**	**629,968,358**
Deficit/Surplus for the period		(4,867)	(15,573,979)	(73,932,684)
Other comprehensive income				
Total Comprehensive Income		**(4,867)**	**(15,573,979)**	**(73,932,684)**

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RWENZORI INFORMATION CENTRES NETWORK
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

7.0 STATEMENT OF CHANGES INTO RESERVES

	General Reserves		Donated Equity		Total	
	EURO	UGX	EURO	UGX	EURO	UGX
Balance as at 1/1/2014	23,650	75,679,862	3,550	11,360,000	27,200	87,039,862
						0
Surplus for the year	(4,867)	(15,573,979)		0	(4,867)	(15,573,979)
						0
Depreciation			(3,550)	(11,360,000)	(3,550)	(11,360,000)
						0
Balance as at 31/12/2014	18,783	60,105,884	-	-	18,783	60,105,884

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RWENZORI INFORMATION CENTRES NETWORK
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

8.0 STATEMENT OF CASHFLOWS

	2014	2014	2013
Cash flow from operating activities	**EURO**	**UGX**	**UGX**
Deficit for the Year	(4,867)	(15,573,979)	(73,932,684)
Deferred Income	4,089	13,085,500	
Adjustments for:	-		
Add: Depreciation	4,701	15,042,254	18,460,116
Donated Equity	(3,550)	(11,360,000)	
Increase in Receivables	(529)	(1,694,000)	2,360,000
	-		
Decrease in Payables	1,719	5,500,000	(1,222,645)
	-		
Net cash from operating activities	**1,562**	**4,999,775**	**(54,335,213)**
	-		
Cash flows from Investing activities	-		
	-		
Purchase of property plant & equipment	(16,814)	(53,806,250)	(4,800,000)
	-		
Net cash used in investing activities	**(16,814)**	**(53,806,250)**	**(4,800,000)**
	-		
Cash flows from financing activities	-		
Proceeds on disposal	1,016	3,250,000	
	-		
Net Cash flows from Financing Activities	1,016	**3,250,000**	
Net Increase in cash and cash equivalents	(14,236)	(45,556,475)	(59,135,213)
	-		
Opening cash and cash equivalents	14,926	**47,764,632**	**106,899,845**
	-		
Closing cash and cash equivalents	690	**2,208,157**	**47,764,632**

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9.0 NOTES TO THE ACCOUNTS

9.1 Entity Description
RIC-NET is a Non-Profit Institutions/Company registered with the National Registrar of Companies under Registration Number 85565 under the Companies Act of The Republic of Uganda, and having a principle place of business at Plot 18 Mugurusi Road, South Division, Fort Portal Municipality, Kabarole District.

9.2 Accounting Policies
The principle accounting policies adopted in the preparation of these financial statements are set below:

a) **Basis of preparation**

The financial statements are prepared in accordance and comply with international accounting standards, which have been adopted with effect from 1st January 2014.

b) **Income recognition**

Incomes are recognized upon performance of services and acknowledgement/registration by the prospective clients.

c) **Property, plant and equipment**

All property, plant and equipment are initially recorded at historical cost and subsequently stated and historical cost less depreciation.

Depreciation is computed on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives as follows:

Computer and accessories	24%
Motor Vehicles	25%
Furniture, fittings & Equipments	12.5%
Building	2%

d) **Cash and cash equivalents**

These balances comprise deposits held at call with the bank.

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9.3 Property Plant and Equipment

Cost/	Computers and Accessories		Land & Buildings		Furniture and fittings		Motor vehicle		Office Equipments		Total Assets	
valuation	EURO	UGX	EURO	UGX	EURO	UGX	EURO	UGX	EURO	UGX	EURO	UGX
depreciation Rate		24%		2%		12.5%		25%		12.5%		
As at 01/01/2014	8,152	27,179,817		-	1,089	3,632,256	8,380	27,937,813	4,729	15,766,013	22,350	74,515,899
Additions		2,756,250	14,828	47,450,000		2,000,000				1,600,000		53,806,250
Disposals	-				-		(4,063)	(13,000,000)	-		(4,064)	(13,004,063)
As at 31/12/2014	9,355	29,936,067	14,828	47,450,000	1,760	5,632,256	4,668	14,937,813	5,427	17,366,013	36,038	115,322,149
Accumulated		Computers		Land &		Furniture		Motor vehicle		Office		Total
Depreciation		Accessories		Buildings		Fittings	-			Equipment		Assets
As at 01/01/2014	6,550	21,837,957			409	1,362,096	6,285	20,953,360	1,586	5,287,256	14,829	49,440,669
Additions	2,339	7,484,017	297	949,000	220	704,032	1,167	3,734,453	678	2,170,752	4,701	15,042,254
Disposals	-				-		(2,924)	(9,750,000)	-		(2,925)	(9,752,924)
As at 31/12/2014	9,163	29,321,974	297	949,000	646	2,066,128	4,668	14,937,813	2,331	7,458,008	17,104	54,732,922
	-				-		-		-		-	
Net Book		Computers		Land &		Furniture		Motor vehicle		Office		Total
Value		Accessories		Buildings		Fittings	-			Equipment		Assets
As at 31/12/2014	192	**614,093**	**14,532**	**46,501,000**	**1,114**	**3,566,128**	**0**	**0**	**3,096**	**9,908,005**	**18,934**	**60,589,227**
As at 31/12/2013	1,602	5,341,860	-	-	681	2,270,160	2,095	6,984,454	3,143	10,478,757	7,521	25,075,230

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06 MAR 2015

9.4 Cash and Cash Equivalents

Account Description	2014	2013
A/No 5510600403	8,742	200,369
A/No 5510400161	(120,000)	20,500
A/No 5520315060	1,123,310	50,234
A/No 5528200000	608,600	624,000
A/No 6002710127	587,505	45,902,829
Cash at hand		966,700
Total	**2,208,157**	**47,764,632**

9.5 Account receivable

	2014	201
Sanza John	3,000,000	
Prepaid Rent	1,800,000	
Prepaid Webhosting	2,600,000	
CEWIT	6,000,000	6,000,00
Staff advances	3,494,000	9,200,00
Total	**16,894,000**	**15,200,00**

9.6 General Reserves

	2014	2014	201
	EUROS	UGX	UG
Balance b/f	23650	75,679,862	149,612,54
Total Comprehensive Income	-4867	(15,573,979)	(73,932,684
Balance c/f	18783	**60,105,884**	**75,679,86**

9.7 Donated Equity

	2014	20
Bal b/d	11,360,000	11,360,0
Depreciation	(11,360,000)	
Total	-	**11,360,0**

9.8 Account Payable

	2014	2
Soke solution Limited	5,000,000	
B&FCC (Audit fees)	1,500,000	1,000,
Total	**6,500,000**	**1,000,**

06 MAR 2015

9.4 Cash and Cash Equivalents

Account Description	2014	2013
A/No 5510600403	8,742	200,369
A/No 5510400161	(120,000)	20,500
A/No 5520315060	1,123,310	50,234
A/No 5528200000	608,600	624,000
A/No 6002710127	587,505	45,902,829
Cash at hand		966,700
Total	**2,208,157**	**47,764,632**

9.5 Account receivable

	2014	2013
Sanza John	3,000,000	
Prepaid Rent	1,800,000	
Prepaid Webhosting	2,600,000	
CEWIT	6,000,000	6,000,000
Staff advances	3,494,000	9,200,000
Total	**16,894,000**	**15,200,000**

9.6 General Reserves

	2014	2014	2013
	EUROS	UGX	UGX
Balance b/f	23650	75,679,862	149,612,546
Total Comprehensive Income	-4867	(15,573,979)	(73,932,684)
Balance c/f	18783	**60,105,884**	**75,679,862**

9.7 Donated Equity

	2014	2013
Bal b/d	11,360,000	11,360,000
Depreciation	(11,360,000)	
Total	-	**11,360,000**

9.8 Account Payable

	2014	2013
Soke solution Limited	5,000,000	-
B&FCC (Audit fees)	1,500,000	1,000,000
Total	**6,500,000**	**1,000,000**

06 MAR 2015

9.9 Donor Remittances

Donor	2014 EUROS	2014 UGX	2013 UGX
HIVOS -RIC NET RO EA HO 1005338	0		119,565,900
RWECO HIVOS RO EA HO 1002681	12931	41,380,000	236,423,373
HIVOS EU SOCIAL ACCOUNTABILITY PROJECT NO RO EA HO 1004399	0		107,232,798
Connect for Change(C4C)	14620	46,783,000	26,500,000
DRT (Development research training)	7913	25,320,000	-
KALI	0		4,888,000
Kamwenge DLG	0		1,500,000
DRT(Development research and training)	0		14,052,500
Kasese DLG	0		300,000
Ceda International	844	2,700,000	
Dackena Community Based service	386	1,236,273	
Global fund for children. 2	507	1,621,750	
Global fund for children .1	7750	24,800,000	
Total	44950	143,841,023	510,462,571

9.10 Other Incomes

	2014 EUROS	2014 UGX	2013 UGX
Local Collection	13189	42,204,000	45,176,600
Profit on disposal	1016	3,250,000	
Bank interest	108	345,000	396,503
Total	14312	45,799,000	45,573,103

9.11 Direct Costs

HIVOS -RIC NET RO EA HO 1005338		UGX
Salaries for staff		-
Executive Director (30% RWECO, 25 % HIVOS and 45% RIC-NET)		8,897,148
Finance Administrator (30% RWECO, 25% HIVOS and 45% RIC-NET)		7,859,148
Information & Advocacy Officer (75% RWECO ,25% HIVOS)		6,672,852
System Administrator Officer (75% RIC-NET 25 HIVOS)		6,672,852
Local travel to implement activities (three journeys per month)		4,921,500
Telecommunication (Telephone bills) for office		2,580,000
Project internet bills		4,998,000
Project brochure		1,650,000
Financial Auditing		3,100,000

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