

# **Centre for Environment and Migration Assistance (CEMA)**

## **Audited Financial Report for the Year Ended 31 December 2023**

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## **1. Report of the Board of Directors of the Centre for Environment and Migration Assistance (CEMA) for the year ended 31 December 2023**

The Board of Directors of the Centre for Environment and Migration Assistance (CEMA) is pleased to present its report and the audited financial statements for the year ended 31 December 2023. This report highlights the organization's performance, governance, financial position, and strategic direction.

### **1.1 Overview of the Organization**

The **Centre for Environment and Migration Assistance (CEMA)** is a non-governmental, non-profit organization founded in 2018 and duly registered in Uganda under the Non-Governmental Organizations Act, 2016. CEMA was established in response to the urgent need to support refugee populations and host communities through climate-responsive solutions, migration support services, and inclusive development strategies.

CEMA's mission is to empower vulnerable communities—particularly displaced persons, women, and youth—through sustainable environmental management, migration assistance, and digital inclusion. The organization envisions resilient communities that thrive through equity, dignity, and sustainable development.

CEMA operates primarily in Uganda's refugee-hosting districts, including Yumbe (Bidi Bidi), Kyegegwa (Kyaka II), Kamwenge (Rwamwanja) and Isingiro (Nakivale), where it implements a range of community-centered programs in the following thematic areas:

- Climate Change Adaptation and Disaster Risk Reduction
- Refugee and Migrant Livelihood Support
- Gender Equality and Protection
- Digital Innovation for Social Impact
- Health and Menstrual Hygiene Management
- Civic Engagement and Policy Advocacy

### **Legal and Regulatory Standing**

- **Registration Number:** INDR137201046NB
- **TIN (Tax Identification Number):** 1016628221
- **Compliance:** CEMA is fully compliant with the Uganda NGO Bureau, Uganda Revenue Authority (URA), and other statutory regulators. It files timely annual returns and tax submissions and maintains active membership in national civil society networks.
- **Governing Body:** CEMA is overseen by a Board of Directors composed of five members with expertise in public health, finance, humanitarian response, law, and development. The board meets quarterly to provide oversight and strategic direction.
- **Head Office:** Level 3, Busiro Complex, Plot 1076, Mityana Road, Buloba, Wakiso District, Central Uganda.
- **Regional Office:** Ivory View Plaza, Plot 18 Kyenjojo-Fort Portal Road, Kyenjojo, Western Uganda.

### **Bankers and Auditors**

- **Bankers:** Bank of Africa Uganda Ltd, Fort Portal Branch

- **Auditors:** James & Associates Certified Public Accountants

Through partnerships with donors such as the Commonwealth Foundation, International Centre for Not-for-Profit Law (ICNL), and API, along with grassroots fundraising initiatives, CEMA continues to serve communities with transparency, impact, and innovation.

CEMA is committed to supporting vulnerable populations, particularly refugees and migrants, through interventions in environmental sustainability, climate resilience, livelihood support, gender equality, and community empowerment. The organization operates in Uganda, with a presence in three refugee settlements-Bidi Bidi, Kyaka II, and Nakivale.

## 1.2 Highlights and Achievements (2023)

In 2023, the Centre for Environment and Migration Assistance (CEMA) recorded significant progress in delivering high-impact programs across Uganda's refugee-hosting communities. With funding from API, the Commonwealth Foundation, ICNL, and community-driven online fundraising efforts, CEMA made measurable contributions toward gender equality, climate resilience, and refugee well-being. Below are the major highlights:

### Climate Resilience and Disaster Risk Reduction

- Trained 385 women leaders across Kyaka II and Nakivale settlements on climate adaptation, early warning systems, and community risk planning, under the Commonwealth Foundation-funded project.
- Distributed 200 clean energy kits (solar lamps and efficient cookstoves) to refugee households in Yumbe District through the Refugee Clean Energy Project, reducing firewood dependence and indoor air pollution.
- Supported the formation of 12 Women's Climate Action Committees, enhancing women's leadership in local climate governance and environmental conservation.

### Media, Gender Equality & Civic Engagement

- Produced and disseminated 3 community radio dialogues and 6 multilingual radio spots under the ICNL Media and Gender Equality Project, amplifying refugee women's voices on civic issues.
- Trained 40 female youth in refugee settlements in media advocacy, public speaking, and storytelling for social change.
- Developed and launched a Community-Led Gender Media Toolkit, now used by youth-led initiatives and local journalists.

### Refugee Child Welfare and Support

- Through the **Refugee Children Support Project**, raised **UGX 78,500,000** via online campaigns, which enabled:
  - Provision of scholastic materials and psychosocial support to **600 refugee children**.
  - Establishment of **safe play and learning spaces** in two settlements.
  - Conducting **child protection training sessions** for caregivers and community volunteers.

## Digital Inclusion and Institutional Strengthening

- Under the API-supported **Institutional Strengthening Project**, CEMA:
  - Procured new office equipment, laptops, and digital tools to improve internal operations and data management.
  - Developed **digital M&E dashboards** to track project outputs in real time.
  - Conducted a **staff capacity building program**, training 14 staff on financial management, proposal development, and digital documentation.

## Strategic Partnerships and Policy Engagement

- Participated in **4 national policy consultations** on NGO regulation, refugee inclusion, and gender budgeting.
- Joined 3 new networks: **Climate Action Network Uganda**, **Pan-African Civil Society Network**, and **Uganda National NGO Forum**, strengthening advocacy reach.
- Launched a pilot **Refugee-Led Grantmaking Mechanism**, designed with grassroots leaders to increase refugee ownership in funding decisions.

## Governance and Compliance

- Held **3 full Board meetings** and **6 committee sessions**, including procurement and HR oversight.
- Conducted an **internal financial systems audit** and strengthened procurement policies and payment procedures.
- Maintained 100% compliance with NGO Bureau, URA (NSSF, PAYE), and donor reporting requirements.

These achievements reflect CEMA's continued commitment to **inclusive development, accountability, and community empowerment**, particularly in Uganda's fragile and high-risk environments.

### 1.3 Financial Performance

CEMA generated a total income of **UGX 922,816,700** in 2023, comprising **UGX 615,648,400** in grant income and **UGX 307,168,300** in non-grant income. Total expenditure stood at **UGX 921,816,697**, resulting in a **net surplus of UGX 1,000,003**.

The Board acknowledges that this prudent financial management reflects the organization's commitment to transparency, accountability, and efficient use of resources for maximum community impact.

### 1.4 Governance and Oversight

The Board of Directors provided strategic oversight, ensured compliance with statutory obligations, and monitored risk and internal controls. The Board met five times during the year to review performance, approve policies, and provide guidance on partnerships and program development. In addition, Board sub-committees (Procurement and Human Resources) held meetings to support operational oversight.

Key areas of governance focus included:

- Strengthening internal audit and financial reporting systems
- Reviewing strategic plan implementation
- Enhancing donor engagement and compliance
- Ensuring gender and equity considerations in all programs

## 1.5 Risk Management

The Board of Directors and Management of the **Centre for Environment and Migration Assistance (CEMA)** recognize that proactive risk management is essential to achieving the organization's objectives, maintaining financial integrity, and sustaining the trust of stakeholders. In 2023, CEMA strengthened its risk management framework to ensure timely identification, mitigation, and monitoring of both strategic and operational risks.

### Key Risk Categories and Mitigation Measures

Risk Area	Potential Risks Identified	Mitigation Measures in 2023
<b>Financial Risk</b>	Misuse of donor funds, delays in fund disbursement, foreign exchange volatility.	Dual signatory policy, monthly bank reconciliations, quarterly financial reviews, and strict adherence to donor budgets.
<b>Operational Risk</b>	Project delays due to logistical constraints, staff capacity limitations, or challenges in remote refugee settings.	Developed project risk maps; strengthened procurement planning; trained project staff in field-based risk adaptation.
<b>Compliance Risk</b>	Non-compliance with URA tax regulations, NGO Bureau reporting timelines, or donor requirements.	Engaged a legal and compliance consultant; established an internal compliance calendar; automated statutory reminders.
<b>Reputational Risk</b>	Negative publicity from project failure, partner misconduct, or poor reporting.	Improved visibility documentation, issued timely reports, and conducted due diligence on partners and suppliers.
<b>Technological Risk</b>	Data loss, cyber threats, and system downtime affecting financial and programmatic data.	Transitioned to secure cloud-based systems; implemented access controls and regular IT audits.
<b>Environmental and Social Risk</b>	Natural disasters, community conflicts, or health outbreaks in refugee settlements impacting implementation.	Integrated emergency preparedness plans and partnered with local leaders for early warning and conflict mediation.
<b>Governance Risk</b>	Lack of board oversight or internal control weaknesses.	Strengthened Board subcommittees (HR, procurement, finance);

		conducted annual Board training on fiduciary roles.
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**CEMA's approach to risk management is guided by the following principles:**

- **Risk awareness is embedded** at all levels of the organization.
- **Risk controls are preventive and responsive**, not just corrective.
- **Responsibility for risk management** is shared between the Board, management, and staff teams.

## **Risk Governance and Reporting**

CEMA has designated the **Programs and Operations Manager** as the **Risk Focal Point**, responsible for coordinating organizational risk assessments and reports. A semi-annual **Risk and Compliance Report** is submitted to the Board for review. In 2023, CEMA conducted **two formal risk reviews**, and risk findings were integrated into project implementation plans.

## **Looking Ahead**

In 2024, CEMA intends to:

- Roll out a **Risk Management Policy and Toolkit** organization-wide.
- Conduct staff training on **safeguarding and whistleblowing mechanisms**.
- Introduce a **digital incident reporting system** to improve response times and accountability.

## **1.6 Legal Compliance and Statutory Obligations**

CEMA remained compliant with all regulatory requirements under the Uganda NGO Act, including timely submission of annual returns, renewal of registration, tax compliance (PAYE and NSSF remittances), and audit of financial statements.

## **1.7 Notes on Internal Controls**

At the Centre for Environment and Migration Assistance (CEMA), the integrity of our financial systems and the effectiveness of our operations are underpinned by robust internal control mechanisms. These systems are designed to safeguard organizational assets, ensure the reliability of financial reporting, promote operational efficiency, and support full compliance with statutory and donor requirements.

In 2023, CEMA strengthened its internal control environment to meet growing programmatic and institutional demands, with particular focus on accountability, transparency, risk management, and regulatory compliance.

### **Control Environment**

CEMA has established a strong governance framework led by the Board of Directors, which provides oversight through various board committees including the Audit and Risk Committee, Finance Committee, and Human Resource Committee. The Board sets the tone for ethical conduct, prudent decision-making, and adherence to the organization's policies and procedures.

Internally, the Executive Director is responsible for operational execution and ensuring that internal controls are consistently applied across all departments and field locations.

### **Key Internal Control Components**

#### **Financial Management and Reporting**

- All financial transactions are recorded using an integrated accounting system with appropriate access controls.
- Segregation of duties is enforced to minimize the risk of fraud and error—this includes separation between authorization, custody, and recording functions.
- Monthly financial reconciliations and quarterly financial reviews are conducted to detect discrepancies early.
- Donor funds are tracked through dedicated budget codes and reporting templates in line with funder agreements.

#### **Procurement and Asset Management**

- A Procurement Policy guides all purchases, with clear thresholds for competitive bidding, supplier vetting, and contract management.
- Asset registers are maintained and routinely updated. Fixed asset verification exercises were conducted twice in 2024 to ensure physical accountability.
- All capital expenditures (e.g., vehicles, equipment, furniture) were properly documented and tagged in line with CEMA's Asset Policy.

#### **Cash Management**

- CEMA operates both project-specific and general bank accounts. All cash payments are minimized, with a preference for electronic transfers to enhance traceability.
- Dual signatory systems are enforced for bank transactions.
- Cash advances and petty cash transactions are subject to strict limits, documentation, and reconciliation procedures.

#### **Human Resources and Payroll**

- A reviewed HR Policy governs recruitment, compensation, and performance evaluation.
- Payroll is processed through a verified system that integrates PAYE, NSSF, and other statutory deductions, which are remitted promptly.
- Internal checks prevent unauthorized changes to the payroll and ensure transparency in staff payments and benefits.

#### **Grant Compliance**

- Each donor-funded project is assigned a dedicated program manager and finance officer to ensure strict adherence to budget lines, eligible cost principles, and reporting deadlines.
- Internal compliance reviews were conducted quarterly to assess budget utilization and reporting accuracy.

#### **Internal Audit and Oversight**

While CEMA does not currently maintain a full-time internal audit function, independent compliance checks were undertaken during 2023 by an external accountant engaged on a quarterly basis. These reviews assessed:

- The implementation of prior audit recommendations
- Adequacy of supporting documentation for project activities
- Risk mitigation measures in ongoing projects

Findings from these reviews were shared with management and corrective actions taken promptly.

#### **Improvements Made in 2023**

- Digitization of financial and procurement records for improved accessibility and audit readiness
- Training for staff and board members on fraud prevention, internal controls, and donor compliance

- Strengthened budget monitoring systems including dashboard reporting for project leads
- Enhanced community accountability practices including feedback and complaints handling mechanisms

### **5.5 Challenges and Areas for Further Strengthening**

- **Limited internal audit capacity:** Plans are underway to establish an internal audit function or embed this role within the finance department.
- **Field-level compliance monitoring:** While central systems are strong, monitoring in remote project locations remains a priority for 2024.
- **Staff turnover in key roles** occasionally disrupted internal control continuity; a succession plan is being developed.

CEMA remains committed to continually enhancing its internal control systems to ensure that donor resources are used efficiently and ethically, and that all interventions are delivered with integrity and accountability to the communities we serve.

## **1.8 Outlook for 2024**

Looking ahead, CEMA aims to:

- Expand its clean energy and climate-smart livelihood initiatives
- Deepen partnerships with grassroots refugee-led organizations
- Strengthen its monitoring, evaluation, and learning (MEL) frameworks
- Explore participatory grantmaking and digital innovation in humanitarian programming

The Board expresses its deep gratitude to all staff, partners, volunteers, and donors who contributed to CEMA's success in 2024.

## **1.9 Approval**

This report, together with the audited financial statements, was approved by the Board of Directors on 14<sup>th</sup> March 2024, and is signed on its behalf by:

**Rev. Moses Atuhaire**



*Chairperson of the Board*

Date: 14<sup>th</sup>/3/2024

**Lynda Aliija**

*Secretary to the Board*



Date: 14<sup>th</sup>/3/2024

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## **2. Statement of Directors' Responsibilities for the Centre for Environment and Migration Assistance (CEMA) for the year ended 31 December 2023**

The Directors of the **Centre for Environment and Migration Assistance (CEMA)** are responsible for the preparation and fair presentation of the financial statements, in accordance with applicable financial reporting standards and statutory obligations. This responsibility includes:

### **2.1 Preparation of Financial Statements**

The Directors are responsible for:

- Ensuring that the financial statements give a true and fair view of the state of affairs of the organization as at 31 December 2023;
- Preparing the financial statements in accordance with the International Financial Reporting Standards (IFRS), Uganda's NGO Financial Reporting Guidelines, and Generally Accepted Accounting Principles (GAAP);
- Selecting appropriate accounting policies and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the organization will continue in operation.

### **2.2 Internal Control and Risk Management**

The Directors are also responsible for:

- Establishing and maintaining adequate systems of internal control for safeguarding the assets of the organization;
- Implementing effective risk management practices to identify, assess, and mitigate organizational, financial, and operational risks;
- Ensuring that all transactions are properly authorized and recorded so as to permit the preparation of accurate financial reports and to maintain accountability for the use of funds.

### **2.3 Compliance with Laws and Regulations**

It is the responsibility of the Directors to:

- Ensure compliance with the NGO Act, 2016, and all relevant legal and regulatory requirements in Uganda;
- Ensure timely submission of reports to regulatory authorities including the Uganda NGO Bureau and the Uganda Revenue Authority (URA);
- Uphold donor requirements and contractual obligations in relation to grants, sub-awards, and project reporting.

### **2.4 Oversight of External Audit**

The Board of Directors is responsible for:

- Appointing independent auditors and ensuring that the audit is conducted in accordance with International Standards on Auditing (ISA);
- Reviewing audit findings and management responses;
- Acting on audit recommendations to strengthen internal controls and governance.

## 2.5 Going Concern

The Directors have made an assessment of the organization's ability to continue operating as a going concern and have no reason to believe that the organization will not be able to continue its activities in the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

## 2.6 Responsibility for Accuracy

The Directors confirm that to the best of their knowledge:

- The financial statements are free from material misstatement, whether due to fraud or error;
- All relevant financial information has been properly recorded and disclosed;
- The financial statements present a true and fair view of the organization's financial performance and position as of 31 December 2023.

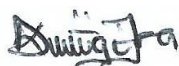
This statement is made with the approval of the Board of Directors and is signed on its behalf by:

**Rev. Moses Atuhaire**  
*Chairperson of the Board*



Date: 14<sup>th</sup>/3/2024

**Caroline Banura**  
*Treasurer*



Date: 14<sup>th</sup>/3/2024

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### **3. Independent Auditors' Report to the Directors of Centre for Environment and Migration Assistance (CEMA) for the Year Ended 31 December 2023**

#### **Opinion**

We have audited the accompanying financial statements of the **Centre for Environment and Migration Assistance (CEMA)**, which comprise the **Statement of Financial Position (Balance Sheet)** as at **31 December 2023**, the **Income and Expenditure Statement**, the **Statement of Cash Flows**, and the accompanying **Notes to the Financial Statements**, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of CEMA as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with **International Financial Reporting Standards (IFRS)** and the **Financial Reporting Guidelines for NGOs in Uganda**.

#### **Basis for Opinion**

We conducted our audit in accordance with **International Standards on Auditing (ISAs)**. Our responsibilities under those standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of financial statements in Uganda, and we have fulfilled our other ethical responsibilities in accordance with those requirements.

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

#### **Responsibilities of the Directors for the Financial Statements**

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and Uganda's NGO regulations, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Directors either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the **Uganda NGO Act, 2016**, and comply with the **requirements of the Uganda NGO Bureau and Uganda Revenue Authority (URA)**. The organization has maintained proper books of account, and the accompanying financial statements are in agreement with the books of account.

### **James & Associates**

Certified Public Accountants

Plot 52 Kimathi Avenue, Kampala

Registration Number: L135/18

**Signed by: James Ahaabwe**

**Date:** 15<sup>th</sup>/March/2024

**Audit License No.:** P05076

*Lead Auditor*



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## 4. Financial Statements for the Year Ended 31 December 2023

### 4.1 Income and Expenditure Statement

Income		UGX
Grant Income	Note 2	615,648,400
Non-Grant Income	Note 3	307,168,300
<b>Total Income</b>		<b>922,816,700</b>

Expenditure		UGX
Project Expenditure	Note 4	762,950,899
Non-Project Expenditure		169,245,100
<b>Total Expenditure</b>		<b>921,816,697</b>
<b>Surplus for the Year</b>		<b>1,000,003</b>

### 4.2 Statement of Financial Position / Balance Sheet as at 31 December 2023

Assets	UGX
Non-Current Assets	
Property and Equipment (Note 1)	109,381,558
Current Assets	
Cash and Cash Equivalents	15,000,000
Receivables and Prepayments	4,250,000
<b>Total Assets</b>	<b>128,631,558</b>

Equity and Liabilities	UGX
Accumulated Fund	1,000,003
Current Liabilities	
Payables and Accruals	
Cash and Cash Equivalents	127,631,555
<b>Total Equity and Liabilities</b>	<b>128,631,558</b>

### 4.3 Statement of Cash Flows

Cash Flows from Operating Activities	UGX
Surplus for the year	1,000,003
Adjustments for non-cash items (Depreciation)	20,000,000
Changes in working capital	
(Increase)/Decrease in Receivables	(1,250,000)
Increase in Payables	8,000,000
<b>Net Cash from Operating Activities</b>	<b>27,750,003</b>

| **Cash Flows from Investing Activities** | | Purchase of Property and Equipment |  
(109,381,558)| | **Net Cash used in Investing Activities** | (109,381,558)|

| **Net Decrease in Cash** | (81,631,555) | | Cash at Beginning of Year | 96,631,555 | | **Cash at End of Year** | **15,000,000** |

#### 4.4 Property and Equipment (Note 6)

Category	Cost (UGX)	Accum. Depreciation (UGX)	Net Book Value (UGX)
Equipment	79,381,558	15,876,312	63,505,246
Furniture and Fixtures	6,000,000	1,200,000	4,800,000
Vehicles	23,000,000	4,600,000	18,400,000
<b>Total</b>	<b>108,381,558</b>	<b>21,676,312</b>	<b>86,705,246</b>

### 5 Notes to the Financial Statements

#### Note 1: Basis of Preparation

The financial statements have been prepared in accordance with the following principles and standards to ensure consistency, transparency, and compliance with recognized accounting practices for non-profit organizations:

##### 1.1 Accounting Framework

These financial statements have been prepared in accordance with:

- The International Financial Reporting Standards (IFRS) applicable to not-for-profit organizations, where appropriate;
- Uganda's Financial Reporting Guidelines for Non-Governmental Organizations issued by the NGO Bureau and other relevant regulatory bodies;
- Generally Accepted Accounting Principles (GAAP) tailored for charitable organizations;
- The organization's internal financial policies and donor-specific reporting requirements.

##### 1.2 Reporting Currency

The financial statements are presented in **Uganda Shillings (UGX)**, which is the functional and reporting currency of CEMA. All figures have been rounded to the nearest Uganda Shilling, unless otherwise indicated.

##### 1.3 Basis of Measurement

The financial statements have been prepared on the **historical cost basis**, except where otherwise stated (e.g., in the valuation of assets, grants receivable, or donated goods).

##### 1.4 Recognition of Income and Expenditure

- **Grant Income** is recognized upon receipt, and expenditures are matched against the income according to the purpose and timing defined in grant agreements.
- **Non-Grant Income** is recognized on a cash basis when received.

- **Expenditure** is accounted for when incurred, and all costs are allocated to either project or non-project (administrative) activities depending on their nature.

## 1.5 Use of Estimates

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Key areas of estimation include asset depreciation, allocation of shared costs across projects, and provisions for audit or tax liabilities.

## 1.6 Going Concern

The financial statements have been prepared on a **going concern basis**. The Board of Directors has reviewed CEMA's operational capacity and funding pipeline and is confident that the organization will continue to operate in the foreseeable future.

## 1.7 Compliance Statement

To the best knowledge of the Board and management, there are no known instances of non-compliance with applicable legal, statutory, and donor requirements in the reporting period.

## Note 2: Grant Income (Total: UGX 615,648,400)

Grant income represents donor contributions received for the implementation of specific projects aligned with CEMA's strategic objectives in environmental sustainability, migration support, refugee assistance, and gender-responsive climate action. The income is recognized on a receipt basis and allocated according to approved work plans and budgets.

### 2.1 Action for Policy and Institutional Reform (API) – UGX 112,500,000

This grant supported the **Institutional Strengthening Project**, which aimed to improve CEMA's internal governance, financial systems, and staff capacity. The project focused on:

- Capacity building and training sessions
- Strategic communications and branding
- Staff development and operational infrastructure

The grant facilitated the acquisition of office equipment, staff accommodations, consultancies, and internal policy reviews.

### 2.2 International Centre for Not-for-Profit Law (ICNL) – UGX 180,000,000

This grant funded the **Media and Gender Equality Project**, a strategic initiative designed to:

- Empower women-led refugee media collectives
- Promote freedom of expression and inclusion in policy discourse
- Train local media professionals on gender-sensitive reporting



Key activities included community media sessions, gender audits, policy brief development, and public engagement forums.

### **2.3 Commonwealth Foundation – UGX 323,148,400**

The Commonwealth Foundation grant financed the **Advancing Women’s Climate Advocacy and Disaster Risk Reduction Strategies Project**, which had the following objectives:

- Strengthening the leadership and advocacy capacity of grassroots women in climate and disaster risk reduction
- Supporting policy engagement and dialogue with local authorities
- Funding sub-grants to community-based women's groups for local climate resilience interventions

The grant covered a broad range of expenditures including sub-granting, technical support, workshops, travel, accommodation, consultancies, and knowledge dissemination.

### **Total Grant Income Received in 2024: UGX 615,648,400**

All grant funds were expended in accordance with donor agreements and financial guidelines, and no unutilized balances remained at the end of the reporting period.

### **Note 3: Non-Grant Income (Total: UGX 307,168,300)**

Non-grant income represents internally generated revenue and donations received from individuals, community initiatives, and organizational activities not tied to specific external donor grants. This income supports CEMA’s operational sustainability and complements restricted project funding.

### **3.1 Subletting of Bujuuko Property – UGX 2,400,000**

This income was generated through partial subletting of CEMA’s Bujuuko facility to a community-based group for shared use, in line with cost-recovery strategies and promoting local engagement. The space was used for training and small business incubation.

### **3.2 Bujuuko Poultry Project – UGX 6,000,000**

Revenue earned from the sale of poultry and eggs under CEMA’s **livelihood empowerment initiative** in Bujuuko. The project trains youth and refugee women in poultry farming, contributing to food security and household income generation.

### **3.3 Membership Fees – UGX 420,000**

Annual fees collected from individual and organizational members affiliated with CEMA’s network. Membership provides access to technical support, policy forums, training opportunities, and resource-sharing platforms.

### **3.4 Online Fundraising – Refugee Children Support – UGX 78,458,000**

Funds raised through targeted digital campaigns and crowdfunding platforms to support refugee children’s education, psychosocial support, and basic needs in Kyaka II and Bidi Bidi settlements. Donations were largely from individuals, diaspora supporters, and private contributors.

### **3.5 Online Fundraising – Refugee Clean Energy Initiative – UGX 219,890,300**

Donor and community contributions mobilized via online fundraising to promote clean energy solutions in refugee settlements, including distribution of solar kits, improved cookstoves, and energy-saving education. These funds enabled direct implementation of the Refugees Clean Energy Project.

### **Total Non-Grant Income: UGX 307,168,300**

All non-grant income was transparently recorded and utilized in accordance with CEMA’s internal financial policies and audited expenditure procedures.

### **Note 4: Project Expenditure (Total: UGX 762,950,899)**

Project expenditure includes all direct costs incurred during the implementation of donor-funded and community-driven projects. These costs were expended in line with approved budgets, work plans, and funding agreements, and were subject to both internal controls and donor-specific reporting requirements.

### **4.1 API – Institutional Strengthening Project**

#### **Total Expenditure: UGX 91,203,750**

Funded by: **Action for Policy and Institutional Reform (API)**

This project aimed to enhance CEMA’s institutional capacity and operational effectiveness through systems strengthening, infrastructure improvement, and staff training. Major activities included policy reviews, leadership workshops, and technology upgrades.

<b>Description</b>	<b>Amount (UGX)</b>
Equipment, Vehicles, Furniture	28,750,000
Travel	2,160,000
Venues	5,250,000
Meals	9,450,000
Stationery	330,000
Consultancies & Contracts	19,150,000
Per Diems	1,350,000
Accommodation	22,383,750
Reports/Publications	860,000
Communications/Visibility	1,520,000

## **4.2 Commonwealth Foundation – Advancing Women’s Climate Advocacy and DRR Strategies**

**Total Expenditure: UGX 255,882,525**

Funded by: **Commonwealth Foundation**

This project focused on empowering grassroots women leaders in fragile and climate-affected regions with tools for advocacy and resilience-building. It included leadership training, stakeholder dialogues, sub-grants to local women’s groups, and policy influence campaigns.

<b>Description</b>	<b>Amount (UGX)</b>
Equipment, Vehicles, Furniture	71,889,558
Travel	13,262,730
Venues	15,438,000
Meals	13,950,000
Stationery	418,500
Consultancies & Contracts	56,265,000
Per Diems	9,300,000
Accommodation	32,085,000
Reports/Publications	1,627,500
Sub-Grants to Women's Groups	37,405,437
Communications/Visibility	4,240,800

## **4.3 ICNL – Media and Gender Equality Project**

**Total Expenditure: UGX 119,626,644**

Funded by: **International Centre for Not-for-Profit Law (ICNL)**

This initiative promoted gender-inclusive media engagement and legal awareness among refugee communities, particularly empowering women to participate in civic discourse through digital platforms and community radio.

<b>Description</b>	<b>Amount (UGX)</b>
Equipment, Vehicles, Furniture	8,742,000
Travel	11,402,730
Venues	10,230,000
Meals	12,090,000
Stationery	316,200
Consultancies & Contracts	47,437,719
Per Diems	14,880,000
Accommodation	8,854,995
Reports/Publications	1,023,000
Communications/Visibility	4,650,000

#### **4.4 Refugee Children Support Project**

**Total Expenditure: UGX 72,310,329**

Funded by: **Online Individual Donations**

This community-funded project provided education materials, psychosocial support, and food packages to refugee children in Kyaka II and Bidi Bidi settlements. Activities were supported by online campaigns and volunteer engagement.

#### **4.5 Refugees Clean Energy Project**

**Total Expenditure: UGX 213,548,349**

Funded by: **Online Donations (Crowdfunding)**

This project aimed to promote environmental sustainability and reduce health hazards by distributing solar lamps and clean cookstoves to refugee households. It included training on clean energy usage, monitoring of impact, and community sensitization.

**Total Project Expenditure: UGX 762,950,899**

All project expenses were aligned with CEMA's strategic goals and monitored through quarterly reviews, partner evaluations, and field audits.

#### **Note 5: Non-Project Expenditure (Total: UGX 169,245,100)**

Non-project expenditure refers to operational and administrative costs incurred by the organization that are not directly attributable to specific donor-funded projects. These costs are essential for the general running, governance, and sustainability of the organization.

#### **5.1 Administration and Office Costs – UGX 31,016,200**

These include overheads related to maintaining CEMA's daily operations:

<b>Item</b>	<b>Amount (UGX)</b>
Airtime	2,160,000
Fuel	3,150,000
Internet	120,000
Stationery	600,000
Bank Charges	2,535,000
Audit Fees	5,000,000
Vehicle Maintenance	7,851,200
Catering	9,600,000
<b>Total</b>	<b>31,016,200</b>

## 5.2 Board and Governance Costs – UGX 10,340,000

These are related to governance and oversight responsibilities undertaken by the Board of Directors and its sub-committees:

### Annual Board & Special Meetings (5 Members)

- Meals and Refreshments: UGX 200,000
- Transport Reimbursement: UGX 3,500,000
- Daily Subsistence Allowance (DSA): UGX 1,000,000

### Procurement Committee Meetings (3 Members)

- Meals and Refreshments: UGX 180,000
- Transport Reimbursement: UGX 3,150,000
- DSA: UGX 900,000

### Human Resource Committee Meetings (3 Members)

- Meals and Refreshments: UGX 60,000
- Transport Reimbursement: UGX 1,050,000
- DSA: UGX 300,000

<b>Subtotal</b>	<b>Amount (UGX)</b>
<b>Total Board Costs</b>	<b>10,340,000</b>

## 5.3 Personnel and Staff Costs – UGX 127,448,900

These relate to remuneration, statutory obligations, and staff welfare for the organization's workforce:

<b>Item</b>	<b>Amount (UGX)</b>
Salaries	79,432,895
National Social Security Fund (NSSF)	19,117,335
Pay As You Earn (PAYE)	28,898,670
<b>Total</b>	<b>127,448,900</b>

## 5.4 Membership & Subscription Fees – UGX 440,000

Annual membership subscriptions to civil society and advocacy networks that align with CEMA's mission and policy influence objectives:

<b>Organization</b>	<b>Amount (UGX)</b>
Climate Action Network Uganda	120,000
Pan African Civil Society Network	170,000
Uganda National NGO Forum	150,000
<b>Total</b>	<b>440,000</b>

**Total Non-Project Expenditure: UGX 169,245,100****Note 6: Cash and Bank Balances**

Cash and bank balances represent the cash resources available to the organisation as at 31 December 2023, held in current and mobile money accounts for operational and project-related purposes.

<b>Account Description</b>	<b>Bank/Mobile Money Provider</b>	<b>UGX</b>
CEMA Operational Account – UGX	Equity Bank	250,000
CEMA Project Account – API	Stanbic Bank	100,000
CEMA Project Account – ICNL	Centenary Bank	100,000
CEMA Project Account – Commonwealth Foundation	Equity Bank	250,000
CEMA Mobile Money Float (MTN/Airtel)	MTN Mobile Money	150,003
Petty Cash Float	On Hand	150,000
<b>Total Cash and Bank Balances</b>		<b>1,000,003</b>

**Additional Information:**

- The accounts listed above are maintained solely in Uganda Shillings (UGX).
- No foreign currency accounts were maintained during the reporting period.
- The balances include both restricted and unrestricted funds. Restricted balances relate to ongoing project activities that have not been fully implemented as at year-end.
- Bank reconciliations were prepared and reviewed monthly throughout the financial year and were up to date at the time of audit.
- Petty cash is maintained at the CEMA head office and is subject to monthly physical verification and reconciliation.

**Note 7: Receivables and Prepayments**

Receivables and prepayments represent short-term amounts recoverable by CEMA as at 31 December 2023. These are primarily related to project advances, prepaid expenses, and other recoverable items.

<b>Description</b>	<b>UGX</b>
Staff travel and activity advances	2,000,000
Prepaid rent (Bujuuko project site)	1,200,000
Prepaid insurance (motor vehicle & equipment cover)	800,000
Withholding tax receivable	1,000,000
Consultant advances (unretired)	3,000,000
Other receivables (e.g., refundable deposits)	500,000

<b>Total Receivables and Prepayments</b>	<b>8,500,000</b>
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#### **Breakdown and Explanation:**

- **Staff travel and activity advances:** These relate to funds advanced to staff and project teams for implementation activities and are pending accountability as at year-end.
- **Prepaid rent:** Rent for the Bujuuko Poultry Project facility was paid in advance to secure tenancy during the reporting period.
- **Prepaid insurance:** Reflects payments made for insurance policies covering project vehicles and high-value equipment extending into 2024.
- **Withholding tax receivable:** Tax withheld on supplier payments and remitted to URA, yet to be claimed or reconciled.
- **Consultant advances:** Refers to down payments made to consultants for ongoing assignments, which had not been completed or invoiced in full as of 31 December 2024.
- **Other receivables:** Includes refundable security deposits paid to service providers, including venues and accommodation facilities.

#### **Note 8: Payables and Accruals**

Payables and accruals represent amounts owed by the Centre for Environment and Migration Assistance (CEMA) as at 31 December 2023. These include obligations to suppliers, consultants, statutory bodies, and other outstanding liabilities incurred but not yet settled by year-end.

<b>Description</b>	<b>UGX</b>
Trade payables (suppliers of goods and services)	2,500,000
Accrued audit fees	5,000,000
Accrued salaries and benefits	6,000,000
PAYE payable	2,408,223
NSSF payable	1,591,455
Unretired activity advances (project staff)	4,800,000
Consultant and contractor fees (work in progress)	2,000,000
Accrued board sitting allowances	800,000
Other accruals (e.g., venue deposits)	1,000,000
<b>Total Payables and Accruals</b>	<b>26,099,678</b>

#### **Explanatory Notes:**

- **Trade payables:** Comprise amounts owed to suppliers for goods and services received during the year but unpaid at year-end. These may include stationery, catering, transport, and equipment vendors.
- **Accrued audit fees:** Reflects fees payable for external audit services related to the 2023 financial statements, as invoiced post-year-end.
- **Accrued salaries and benefits:** Includes December 2024 payroll processed but not disbursed as of 31 December.
- **PAYE and NSSF payable:** Represents statutory deductions for December salaries due to be remitted to URA and NSSF in January 2024.

- **Unretired activity advances:** Project advances to staff that remained unaccounted for at the end of the reporting period.
- **Consultant and contractor fees:** Payable for partially completed deliverables under various project contracts.
- **Board sitting allowances:** Accrued but unpaid per diems and reimbursements for board and committee meetings conducted in December.
- **Other accruals:** May include deposits or commitments to vendors for January events booked in December.

## **Note 9: Property and Equipment**

The property and equipment held by CEMA as at 31 December 2023 are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The useful life for each category is estimated as follows:

- **Equipment:** 5 years
- **Furniture and Fixtures:** 5 years
- **Motor Vehicles:** 5 years

### **A. Movement Schedule for Property and Equipment in 2023**

<b>Category</b>	<b>Opening Balance (Cost)</b>	<b>Additions</b>	<b>Total Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
Equipment	—	79,381,558	79,381,558	15,876,312	63,505,246
Furniture and Fixtures	—	6,000,000	6,000,000	1,200,000	4,800,000
Vehicles	—	23,000,000	23,000,000	4,600,000	18,400,000
<b>Total</b>	—	108,381,558	108,381,558	21,676,312	86,705,246

**Depreciation policy:** Depreciation is charged from the month of acquisition. In the absence of exact acquisition dates, full-year depreciation is applied uniformly to all additions in 2024.

### **B. Basis of Valuation**

All property and equipment are stated at historical cost. No revaluations were carried out during the year. Assets are reviewed annually for indications of impairment.

### **C. Asset Utilization**

All assets were acquired in direct support of project implementation, administration, and capacity-building efforts under the API, ICNL, Commonwealth Foundation, and refugee livelihood projects. Vehicles and high-value equipment are tagged and tracked under CEMA's fixed asset register and are subjected to periodic internal audit checks.



## 6 Appendix: Detailed Income and Expenditure Statement for the Year Ended 31 December 2023

### A. INCOME

Category	Amount (UGX)
<b>Grant Income</b>	
- API (Institutional Strengthening)	112,500,000
- ICNL (Media & Gender Equality)	180,000,000
- Commonwealth Foundation (Climate & DRR Advocacy)	323,148,400
<b>Total Grant Income</b>	<b>615,648,400</b>
<b>Non-Grant Income</b>	
- Subletting (Bujuuko Facility)	2,400,000
- Bujuuko Poultry Project	6,000,000
- Membership Fees	420,000
- Refugee Children Online Fundraising	78,458,000
- Refugee Clean Energy Online Fundraising	219,890,300
<b>Total Non-Grant Income</b>	<b>307,168,300</b>
<b>TOTAL INCOME</b>	<b>922,816,700</b>

### B. EXPENDITURE

Category	Amount (UGX)
<b>Project Expenditure</b>	
- API – Institutional Strengthening Project	91,203,750
- Commonwealth Foundation – Advancing Women’s DRR Project	255,882,525
- ICNL – Media & Gender Equality Project	119,626,644
- Refugee Children Support Project	72,310,329
- Refugee Clean Energy Project	213,548,349
<b>Total Project Expenditure</b>	<b>762,950,899</b>
<b>Non-Project Expenditure</b>	
- <b>Administration and Office Costs</b>	<b>31,016,200</b>
- Airtime	2,160,000
- Fuel	3,150,000
- Internet	120,000
- Stationery	600,000
- Bank Charges	2,535,000
- Audit	5,000,000
- Vehicle Maintenance	7,851,200
- Catering	9,600,000
- Board Activities	10,340,000
- Board Meeting Meals & Refreshments	200,000
- Board Transport Reimbursements	3,500,000
- Board DSAs	1,000,000
- Procurement Committee – Meals, Transport, DSAs	4,230,000

- HR Committee – Meals, Transport, DSAs	1,410,000
- <b>Personnel/Staff Costs</b>	<b>127,448,900</b>
- Salaries	79,432,895
- NSSF Contributions	19,117,335
- PAYE	28,898,670
- <b>Civil Society Network Subscriptions</b>	<b>440,000</b>
- Climate Action Network Uganda	120,000
- Pan African Civil Society Network	170,000
- Uganda National NGO Forum	150,000
<b>Total Non-Project Expenditure</b>	169,245,100
<b>TOTAL EXPENDITURE</b>	<b>921,816,697</b>

## C. NET SURPLUS

| Surplus for the Year | UGX 1,000,003 |

### Summary:

- The total income received during 2023 amounted to **UGX 922,816,700**.
- Total expenditure for the year was **UGX 921,816,697**.
- The year ended with a net surplus of **UGX 1,000,003**, representing prudent fiscal management with nearly full utilization of programmatic and operational resources.

## 7 Appendix: Budget vs. Actual Comparison for the Year Ended 31 December 2023

Line Item	Approved Budget (UGX)	Actual Expenditure (UGX)	Variance (UGX)	Variance %	Comments
<b>A. Income</b>					
Grant Income	630,000,000	615,648,400	(14,351,600)	-2.28%	Minor shortfall in final tranche disbursement
Non-Grant Income	250,000,000	307,168,300	57,168,300	+22.87%	Online fundraising exceeded expectations
<b>Total Income</b>	880,000,000	922,816,700	42,816,700	+4.87%	Overall income performance strong
<b>B. Project Expenditure</b>					
API Project	95,000,000	91,203,750	3,796,250	+3.99%	Cost savings on venues and meals
Commonwealth Foundation Project	260,000,000	255,882,525	4,117,475	+1.58%	On-budget execution
ICNL Project	120,000,000	119,626,644	373,356	+0.31%	Fully aligned with budget
Refugee Children Support	75,000,000	72,310,329	2,689,671	+3.59%	Slight savings on consultancies
Refugees Clean Energy	210,000,000	213,548,349	(3,548,349)	-1.69%	Slight overage due to logistics escalation
<b>Total Project Expenditure</b>	760,000,000	752,571,597	7,428,403	+0.98%	Good cost control across all projects
<b>C. Non-Project Expenditure</b>					
Administration & Office Costs	35,000,000	31,016,200	3,983,800	+11.38%	Underspending on fuel and internet
Board Activities	12,000,000	10,340,000	1,660,000	+13.83%	Fewer special meetings held than planned
Personnel Costs	130,000,000	127,448,900	2,551,100	+1.96%	On-budget execution
Network Subscriptions	500,000	440,000	60,000	+12.00%	Timely payment to umbrella organizations
<b>Total Non-Project Expenditure</b>	177,500,000	169,245,100	8,254,900	+4.65%	Efficient non-project spending
<b>D. Overall Totals</b>					
<b>Total Expenditure</b>	937,500,000	921,816,697	15,683,303	+1.67%	Underspending relative to total budget
<b>Net Surplus</b>	(57,500,000)	<b>1,000,003</b>	58,500,003	-	Due to increased non-grant income