

CHILD AFRICA UGANDA

P.O.BOX 22232

KAMPALA -UGANDA

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

Auditors:



KAL ASSOCIATES

Certified Public Accountants

Plot 61-67, JP Plaza Building, Nkrumah Road

P.O.Box 20084, Kampala-Uganda

Tel: 0393-372 117 0772 561 129 0755 503 446

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ACRONYMS	DESCRIPTION
CA	CHILD AFRICA UGANDA
LPO.....	Local Purchase Order
NGO.....	Non Government Organisation
NSSF.....	National Social Security Fund
PAYE.....	Pay As You Earn
SCB.....	Standard Chartered Bank
URA.....	Uganda Revenue Authority

ORGANISATION INFORMATION

NAME CHILD AFRICA UGANDA

LOCATION National Office
Plot 1908/9 Mitala, Kasanga
P. O. BOX 22232, KAMPALA
Email: uganda@childafrica.org

BOARD OF DIRECTORS

Mr. Rino Solberg	- Chairman
Ms. Julie Solberg	- Managing Director
Mr. Wilson Wanyama	- Secretary
Ms. Sabilla Sanger Khan	- Treasurer
Mr. Jean Paul Deprins	- Member
Mr. Amdan Khan	- Member

BANKERS

Standard Chartered Bank Limited
DFCU Bank Limited
Centenary Bank Limited
Bank of Baroda Limited

AUDITORS

KAL Associates
Certified Public Accountants
Plot 61-67 JP Plaza Nkrumah Road
P.O. Box 20084 Kampala-Uganda
E-Mail- kalassociaates@yahoo.com, pkasango_55@yahoo.co.uk

Background.

CHILD AFRICA UGANDA is a designated non-profit child centered development organization founded and established in 1991 by Rino and Julie Solberg, who have been living and doing business in East Africa for a number of years. Since then, CHILD AFRICA UGANDA has been working in Uganda helping poor, needy and disadvantaged children to access the right to quality education and care, health, protection and participation. CHILD AFRICA UGANDA has helped approximately 10,000 children, their families and communities in different parts of East Africa over the years.

In Uganda, projects and CHILD AFRICA UGANDA schools are located in Central and Western Regions. However, other children are supported at different levels including pre-primary, primary, secondary, vocational and university in other districts around the country. While in Kenya, we have helped build and renovate schools in Kiambere and Mboti regions. With support from sponsor parents around the world, CHILD AFRICA UGANDA will be able to help tens of thousands of children in the years to come.

Our Difference:

We take a personalized, child centered, community led approach to development. We are transparent, cherishing integrity and honesty, seeking long-term impact. We are a catalyst for transformation through child development not charity. We seek to create long-term impact through increasing access to quality education and development for children.

For more information about CHILD AFRICA UGANDA, please visit our web site at www.childafrica.org or come to our offices on Plot 1908/9 Mitula Road, Kansanga, Kampala or Contact our Managing Director-Julie Solberg on 256 752896205/711896205

Our Work Approach.

Children are at the heart of everything we do. We work with children, their families, community organisations, faith based institutions and local governments to transform the lives of the children themselves and the communities that surround them

The Bingwa Magazine.

CHILD AFRICA UGANDA also supports child right based programs and the fight against corruption through the production of the "Bingwa Magazine" (Champion), which is distributed FREE to over 1000 schools in East Africa each getting 5 copies per term, and introduces to young children the spirit and culture of **honesty and integrity** that will strengthen the fight of corruption against upcoming leaders, which further underpins the organization's vision and mission.

Organization's Strategic Statements.

Vision:

To help millions of children get quality education and teach Honesty and Integrity as a tool to fight poverty and corruption.

Mission:

To guide, encourage and inspire the children of Africa to be champions of integrity in order to eradicate corruption by:

- Teaching **Honesty and Integrity** as a formal subject in all our schools as a tool to fight poverty and corruption and expect to be one of the leading schools in academic standards in all the countries where we are established.
- Developing a reading culture in children by publishing a children magazine "**Bingwa**" for free distribution of 5 copies to as many schools as we can afford every term.
- Building and running the following types of educational institutions in Africa:
 - Nursery schools
 - Primary schools
 - Secondary schools
 - Vocational Schools
 - Universities
- Enabling deprived children, their families and their communities to meet their basic needs and to increase their ability to participate in and benefit from their societies
- Promoting the rights and interests of the world's children.
- Being the best children's organization in communication between children and their sponsors.
- Letting the monies given from sponsors to children go only to children related work and not to administration of CHILD AFRICA UGANDA in general.
- Covering all administrative costs from other sources than what is given from sponsors to children.
- Trying to find the children that need help the most.
- Apart from top management, we will only use local workers for our projects in each country.
- Building and running our own schools in Uganda.
- Working together with the government in each country we are in.
- Following up our children and give them special training after school.
- Teaching our children how to be self-sufficient in their life.
- Trying to maximize the effect of our help programs.

Organization's Strategic Objectives.

- a. Providing education and development for needy children and orphans.
- b. Providing welfare and opportunities for the needy children and orphans.
- c. Linking sponsors to children through the website.
- d. Building and managing child centers and schools for our children
- e. Supporting other organizations of similar nature
- f. Development and Publishing of educational materials
- g. Strengthening health of the children, their families and the communities

- h. Empowering people living in poverty
- i. Protecting the environment in which the children grow
- j. Enhancing the protection and participation of children in all matters which affect them
- K. To equip less privileged children with life and leadership skills to enable them live healthier, productive and responsible lives.
- L. To create opportunities for less privileged children to access self or gainful employment.
- M. Incorporate deaf children in our schools, when possible.

Our core values:

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

Activities

CHILD AFRICA UGANDA undertakes Child Sponsorship as the Core Activity of the organization; supporting children right from pre-school through primary, secondary, vocational and up to University level. The organization believes education provides knowledge and skills for development and growth of an individual and that a well-educated population lives in social harmony.

The table below shows the children who were sponsored in the various categories;

Kampala	Equator	Kabale
0 Not yet in school	0 Not yet in school	0 Not yet in school
22 Primary	65 Primary	132 Primary
18 Secondary	21 Secondary	82 Secondary
10 University	5 University	25 University

The major activities included among others:-

- Providing education and development for orphans and other needy children
- Providing welfare and opportunities for the children
- Linking sponsors to children
- Building and managing child centers and schools for children
- Cooperate with other organizations of similar nature
- Development and Publishing of Educational materials (Bingwa magazines, corruption flyers etc...)
- Making Bingwa T.V program to fight corruption.
- Building an African school portal - Bingwaschools.org to fight corruption in Africa

STATEMENT OF THE BOARD OF TRUSTEE'S RESPONSIBILITIES

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

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

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

The Directors are ultimately responsible for the internal controls. The Directors delegate the responsibility for the internal controls to management. Standards and systems of internal control are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of the company's assets.

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



The Directors are of the opinion that the Financial Statements give a true and fair view of the state of financial affairs of the Company and of its operating results. The Directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

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

Signed:

National Program Director

Managing Director



A. Objective of the Audit

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

B. Preparation of Annual Financial Statements

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

Audit Scope

These terms of reference address audit requirement for the audit of financial statements of **CHILD AFRICA UGANDA** covering period 1ST January to 31ST December 2017.

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

a) Fraud and Corruption:

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

b) Laws and Regulations:

In designing and performing audit procedures, evaluating and reporting the results, consider that noncompliance by the management of CHILD AFRICA UGANDA with Non-Governmental Organization's Board (NGO) laws and regulations may materially affect the financial statements as required by ISA 250: Consideration of Laws and Regulations in an Audit of Financial Statements;

c) Governance:

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

d) Risks:

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

e) Access to Facilities and Documents

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



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REPORT OF INDEPENDENT AUDITORS TO BOARD OF TRUSTEES OF CHILD AFRICA UGANDA FOR THE YEAR ENDED 31ST DECEMBER 2020

Opinion

We have audited the financial statements of **CHILD AFRICA UGANDA**, which comprise of the statement of financial position as at 31st December 2020, the statement of comprehensive income, the statement of fund balance and a statement of cash flows for the period then ended, and the notes to the financial statements, including a summary of significant accounting policies on pages 18 to 26.

In our opinion, the accompanying financial statements of **CHILD AFRICA UGANDA** present fairly, in all material respects, the financial status of the organization as at 31st December 2020, in accordance with International Financial Reporting Standards (IFRSs).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). And Guidelines issued by the Institute of Certified Public Accountants of Uganda. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Fund Accountability statement section of our report. We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirement that are relevant to our audit of the Fund Accountability statement in Uganda, and we have fulfilled our other ethical responsibilities in accordance with the requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Fund Accountability statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with IFRSs, and for such internal control as management determines 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, management is 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 management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Fund Accountability statement 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 Fund Accountability statement.

We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, designed and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are adequate, to, modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in manner that achieves fair presentation

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit finding, including any significant deficiencies in internal control that we identify during our audit.





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Other Agreed upon procedures

In addition, we carried out the following procedures in accordance with the terms of reference:

- a) Human Resource: Reviewed the competitiveness, transparency and effectiveness of the recruitment and hiring of personnel including performance appraisal, payroll preparation as well as management of personal records.
- b) Procurement: Reviewed the competitiveness, transparency and effectiveness of the procurement activities in order to assets whether the assets and services purchased meet the requirements.
- c) Asset Management: Reviewed procedures for the receipt, storage and purchase of assets.
- d) Cash management: Reviewed procedures for safeguarding of cash
- e) Information Systems: Reviewed the adequacy and reliability of information and communication systems and the control and security of equipment and data.
- f) General Administration: Reviewed the orderliness and management of the organization and its resources.
- g) Accuracy of accounting records: Verified arithmetical accuracy of the financial reports by ensuring that the expenditures are reconciled to the expenditures as presented in the described in the supporting documents.
- h) Compliance: Reviewed the compliance with the approved Donor budget, Terms of Agreement, Laws and Regulations.

Conclusions on other agreed upon procedures:

CHILD AFRICA UGANDA acquired, protected and used its resources economically and efficiently.





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Going Concern

Use of the Going Concern Assumption

As part of our audit of the financial statements, we have concluded that management's use of the going concern assumption in the preparation of the financial statements is appropriate as stated on page 8.

Based on the work we have performed, we have not identified any material uncertainties related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern that we believe would need to be disclosed in accordance with International Financial Reporting Standards (IFRS). Because not all future events or conditions can be predicted, this statement is not a guarantee as to the Organization's ability to continue as a going concern.

Report on other legal and regulatory requirements

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA Peter Kasango** of Practicing Certificate number **P0111**.

Peter Kasango
CPA Peter Kasango
KAL Associates
Certified Public Accountants
KAMPALA



CHILD AFRICA UGANDA
FINANCIAL STATEMENTS AND AUDITOR'S REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2020

	NOTE	2020 Ushs	2019 Ushs
REVENUE:			
Donor Funds	7A	978,965,039	1,633,844,806
Other Funds	7B	126,986,940	324,332,070
GROSS INCOME		1,105,951,979	1,958,176,876
EXPENDITURE:			
Administration Expenses	8	120,748,234	200,582,112
Child Expenses	9	925,463,800	1,682,505,140
General Expenses	10	7,454,800	99,150,978
Professional fees	11	7,125,000	4,021,000
Transport and Travel	12	42,565,271	56,194,822
Marketing Expenses	13	337,000	1,063,000
TOTAL EXPENSES		1,103,694,105	2,043,517,052
Surplus /(Deficit) before depreciation		2,257,874	(85,340,176)
Depreciation	14	(46,178,511)	(53,910,295)
Surplus/(Deficit) after depreciation		(43,920,637)	(139,250,471)

The accounting policies and notes on page 18-26 form an integral part of the financial statements

National Programme Director

Managing Director

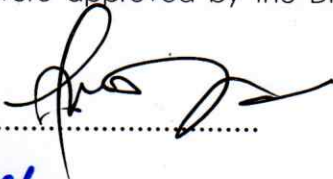


CHILD AFRICA UGANDA
FINANCIAL STATEMENTS AND AUDITOR'S REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2020

	NOTE	2020 Ushs	2019 Ushs
NON CURRENT ASSETS			
Plant & Equipment	2	3,548,503,347	3,581,191,958
		3,548,503,347	3,581,191,958
CURRENT ASSETS			
Receivables	3	650,000	2,970,000
Bank & Cash balances	4	85,730,873	91,834,852
		86,380,873	94,804,852
TOTAL ASSETS		3,634,884,220	3,675,996,810
EQUITY & LIABILITIES			
Equity			
Accumulated Funds		1,848,167,184	1,892,087,820
Capital Reserves		462,561,310	462,561,310
		2,310,728,494	2,354,649,130
NON-CURRENT LIABILITIES			
Better Globe AS	5	1,232,704,865	1,232,704,865
		1,232,704,865	1,232,704,865
CURRENT LIABILITIES			
Current Liabilities		91,450,861	88,642,815
		91,450,861	88,642,815
TOTAL EQUITY & LIABILITIES		3,634,884,220	3,675,996,810

The accounting policies the notes on pages 18 to 26 form an integral part of the financial statements. The financial statements were approved by the Directors on 26/07/2021 and were signed on their behalf by:

National Programme Director 

Managing Director 



NOTE 5: STATEMENT OF CHANGES IN EQUITY 31ST DECEMBER 2020

PARTICULARS	CAPITAL CONTRIBUTION Ushs	RETAINED EARNINGS Ushs	TOTALS Ushs
Capital contribution	462,561,310	1,892,087,820	2,354,649,130
Profit/(Loss) for the year	-	(43,920,637)	(43,920,637)
Balance as at 31.12. 2020	462,561,310	1,848,167,184	2,310,728,494

STATEMENT OF CHANGES IN EQUITY 31ST DECEMBER 2019

PARTICULARS	CAPITAL CONTRIBUTION Ushs	RETAINED EARNINGS Ushs	TOTALS Ushs
Capital contribution	462,561,310	2,031,338,291	2,493,899,601
Surplus/(Deficit) for the year	-	(139,250,471)	(139,250,471)
Balance as at 31.12. 2019	462,561,310	1,892,087,820	2,354,649,130

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020	2019
	Ushs	Ushs
Operating Activities		
Profit /(Loss) as per the financial statements	(43,920,637)	(139,250,471)
Add back Depreciation	46,178,511	53,910,295
	2,257,874	(85,340,176)
Changes in working capital		
Increase in Trade Receivables	2,320,000	(720,000)
Increase in Trade Payables	2,808,047	88,642,815
Net increase in operating activities	7,385,921	2,582,639
Investment Activities		
Business Fixed Assets	(13,489,900)	(296,543,580)
	(13,489,900)	(296,543,580)
Financing Activities		
Subordinated Loans	-	-
	-	-
Increase in Cash and Cash equivalents	(6,103,979)	(293,960,941)
Opening Cash and Bank Balances	91,834,852	385,795,792
Closing Cash and Cash equivalents	85,730,873	91,834,852

PRESENTED BY:

CASH & BANK BALANCES

Centenary Bank-Equator	103,654	20,928,154
Centenary Bank-Kabale	2,282,540	4,083,690
DFCU Bank - Kampala	16,823,934	9,469,184
DFCU Bank-EURO	-	1,291,043
SCB Accounts Bank-\$	8,391,690	12,181,769
SCB Accounts Bank-EURO	32,719,957	35,073,876
SCB Accounts Bank	23,827,794	2,542,805
Bank of Baroda-Kabale school	1,416,304	6,264,331
Cash at hand	165,000	-
	85,730,873	91,834,852

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER 2020

General Information

CHILD AFRICA UGANDA is a Non-Government Organisation (NGO) which was registered and incorporated in Uganda in 2004 as per the registration certificate No. S.5914/3841 dedicated to helping disadvantaged children to acquire quality formal education and care. The Organisation also supports children with basic needs such as food, clothing, health, psychosocial support among others. It is domiciled in Uganda, The address of its registered office and principal place of business is Plot 1908/9 Mitala, Kansanga- Kampala.

Basis of preparation

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

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

Summary of significant accounting policies

a) Revenue Recognition

Donor funds are recognized in the period in which the organization receives funds from donor agencies for the implementation of agreed upon programme activities

Also recognizes other revenues when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for each of the Organization's activities. The amount of revenue is not reliably measured until all contingencies relating to the sale have been resolved. The organization bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement.

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

Impairment and Trade Receivables

Impairment of trade receivables; the company reviews its portfolio of trade receivables on an annual basis. In determining whether receivables are impaired, the management makes judgment as to whether there is any evidence indicating that there is a measurable decrease in the estimate future cash flows expected.

b) Borrowing

Borrowings are initially recognised at transaction price, net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in the profit or loss under finance costs. Borrowings are classified as current liabilities unless the organization has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date

c) Receivables

Trade receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in profit or loss.

d) Foreign Exchange

Transactions in foreign currencies during the year are converted into Uganda Shillings (the functional currency), at the rates ruling at the transaction dates. Assets and liabilities at the reporting date which are expressed in foreign currencies are translated into Uganda Shillings at the rates ruling at that date. The resulting differences from conversion and translation are dealt with in the profit or loss in the year in which they arise.

e) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the first-in-first-out (FIFO) method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

f) Property and Equipment

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as

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

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

	Rate %
Motor Vehicle	20
Furniture and Fittings	12.5
Computers& Software	20
School Equipment	12.5
Land& Buildings	Nil

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating income and expenditure statement.

g) Cash and Cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and financial assets with maturities of less than 12 months, net of bank overdrafts and money market lines.

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in the comprehensive income or in equity. In this case, the tax is also recognized in other comprehensive income and equity.

i) Current tax

Current tax is provided on the results for the year, adjusted in accordance with tax legislation.

j) Deferred tax

h) Taxation

Deferred tax is provided using the liability method for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary timing differences can be utilized.

k) Retirement benefit obligation

The Organisation and its employees contribute to the National Social Security Fund (NSSF) a statutory defined contribution scheme registered under NSSF Act. The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

l) Trade Payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

m) Comparatives

Where necessary, comparatives figures have been adjusted to conform to changes in the presentation in the current year.

- n)** We applied the modified cash accounting principle to recognize interest on loan charge but not paid and other accrued charges thus the performance during the year resulted into a deficit of **Ushs.43,920,637=** as shown on page 14 of 26 and the current liability shown on 23 of 26 (Note 6).

CHILD AFRICA UGANDA
FINANCIAL STATEMENTS AND AUDITOR'S REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020

NOTE 2: SCHEDULE OF PROPERTY AND EQUIPMENT AS AT 31ST DECEMBER 2020

PARTICULARS	Land & School Buildings	Motor Vehicles	Computers & Equipment	School Assets	Office Equipment	Furniture & Fittings	Total
	Ushs	Ushs	Ushs	Ushs	Ushs	Ushs	Ushs
Cost Balance b/f	3,260,514,785	199,519,270	98,808,505	279,878,954	56,899,072	48,313,076	3,943,933,662
Additions	10,304,900	-	350,000	2,835,000	-	-	13,489,900
Total Cost 31/12/2020	3,270,819,685	199,519,270	99,158,505	282,713,954	56,899,072	48,313,076	3,957,423,562
DEPRECIATION							
Balance B/F	-	159,102,711	63,631,874	77,370,772	39,537,459	23,098,888	362,741,704
Charge for the year	-	8,083,312	7,105,326	25,667,898	2,170,202	3,151,774	46,178,511
Total Depreciation	-	167,186,023	70,737,200	103,038,670	41,707,661	26,250,661	408,920,215
NET BOOK VALUE:							
31/12/2020	3,270,819,685	32,333,247	28,421,305	179,675,284	15,191,411	22,062,415	3,548,503,347
31/12/2019	3,260,514,785	40,416,559	35,176,631	202,508,182	17,361,613	25,214,188	3,581,191,958

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST DECEMBER 2020 (CONTINUED)

	NOTE	2020 Ushs	2019 Ushs
RECEIVABLES	3		
Staff Advance		650,000	2,970,000
		650,000	2,970,000
CASH & BANK BALANCE	4		
Centenary Bank-Equator		103,654	20,928,154
Centenary Bank-Kabale		2,282,540	4,083,690
DFCU Bank - Kampala		16,823,934	9,469,184
DFCU Bank-EURO		-	1,291,043
SCB Accounts Bank-\$		8,391,690	12,181,769
SCB Accounts Bank-EURO		32,719,957	35,073,876
SCB Accounts Bank		23,827,794	2,542,805
Bank of Baroda-Kabale school		1,416,304	6,264,331
Cash at Hand-Petty Cash		165,000	-
		85,730,873	91,834,852
LONG TERM LIABILITIES	5		
Better Globe AS		1,232,704,865	1,232,704,865
		1,232,704,865	1,232,704,865
CURRENT LIABILITIES	6		
BG-Interest on Payable		75,071,726	36,981,146
NSSF Payable		1,534,919	6,178,994
P.A.Y.E		2,094,216	6,482,675
Rent Arrears		12,750,000	39,000,000
		91,450,861	88,642,815
FIXED ASSETS PURCHASED	2A		
Motor Vehicle		-	5,414,000
Computers& Equipment		350,000	18,700,000
School Assets		2,835,000	58,282,780
Furniture and Fittings		-	12,800,000
School Buildings		10,304,900	201,346,800
		13,489,900	296,543,580

CHILD AFRICA UGANDA
FINANCIAL STATEMENTS AND AUDITOR'S REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020

DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2020

	NOTE	2020 Ushs	2019 Ushs
DONOR FUNDS			
Sponsor Fund-Fees	7A	122,853,411	531,441,534
General Support fund		856,111,628	1,102,403,272
SUB TOTAL		978,965,039	1,633,844,806
Other Funds			
	7B		
Fees from community children		126,986,940	291,245,570
Uniform revenue		-	33,086,500
		126,986,940	324,332,070
TOTAL FUNDS RECEIVED		1,105,951,979	1,958,176,876
EXPENDITURE			
Administration Costs	8		
Interest on loan		38,090,580	36,981,146
Internet		10,235,700	17,192,000
Telephone & Postage		2,710,140	3,288,700
News Papers		1,142,000	1,320,000
Rent: Head Office		28,725,000	86,973,000
Security		2,697,000	2,907,000
Staff Meals		15,987,900	20,537,300
Licence		-	310,000
Water		4,605,500	3,628,000
Electricity		2,745,000	10,635,400
Workshops & Printing		3,300,000	3,575,000
Bank Charges		2,989,414	5,384,366
Computer expenses & Accessories		2,272,500	1,860,600
Offices Supplies		3,654,300	3,043,600
Other Administrative expenses		1,593,200	2,946,000
		120,748,234	200,582,112

DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2020

	NOTE	2020 Ushs	2019 Ushs
Children Expenses	9		
Rent: School		18,000,000	18,000,000
Rent: Teachers		24,340,000	29,146,000
Salaries- Schools		302,133,458	711,509,562
Wages for volunteers and casuals		14,475,950	3,510,000
Bigwa Magazine		1,400,000	34,114,000
Clothes & Uniforms		21,189,043	88,696,425
Co-curricular activities		13,496,500	2,000,000
Exams & Report cards		3,424,400	12,027,750
Food Supplies		79,805,500	189,969,100
Gifts & Presents		157,773,491	119,241,079
IT & Photography		110,000	510,000
Play park expenses		-	1,723,500
Medical Care		550,000	2,890,800
Scholastic Materials		2,265,000	6,282,500
School Fees: Other schools		102,986,250	218,487,000
Study Trips		-	2,070,000
Text books		-	17,118,400
Offices Running Expenses: schools		88,624,244	68,771,200
Anniversary Celebrations		-	11,342,500
Children's Project		41,501,000	53,069,000
Laboratory Expenses		-	11,939,000
Employer contribution (10%)		25,252,914	53,741,623
Other children expenses		28,136,050	26,345,701
		925,463,800	1,682,505,140
General Expenses	10		
Garbage collection		550,000	560,000
Guest visit-Accommodation & Meals		563,000	49,182,257
Guest visit-Entertainments and tours		-	626,500
Guest Visit Transport		-	6,690,000
Office Running Expenses		-	870,000
Printing & Stationary		1,031,800	2,693,000
Repairs & maintenance		3,252,000	27,618,150
Wages for casuals		250,000	355,000
Other office costs		414,000	242,071
Gallery expenses		694,000	10,314,000
Burial & Condolences		700,000	-
		7,454,800	99,150,978

DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2020

	NOTE	2020 Ushs	2019 Ushs
Professional Fees	11		
Consultation fees		-	1,021,000
Audit fee		3,000,000	3,000,000
Legal fees		4,125,000	-
		7,125,000	4,021,000
Transport and Travel			
Fuel		13,749,000	19,306,000
Insurance		1,913,951	2,384,372
Service and Repairs		10,744,100	19,216,000
Transport -Taxi & Boda boda		9,678,500	10,947,000
Air Tickets & Visas		4,280,720	4,141,450
Travel Allowances		2,199,000	200,000
		42,565,271	56,194,822
Marketing Expenses	12		
Advertisement and Publicity		-	1,013,000
Calendars and Stickers		337,000	50,000
		337,000	1,063,000
Depreciation	13		
Depreciation charges		46,178,511	53,910,295
		46,178,511	53,910,295