

BEGA KWA BEGA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY, 2018

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COMPANY INFORMATION

BOARD OF DIRECTORS

Dr. Margrate Muganwa

Mr. Faustine Misanvu

Mr. Joseph Kakoza

Ms. Mere Kisekka

Ms. Martina Boylan

Ms. Camilla Broadbent

Fr. Augustine Kato

Mrs. Theresa Kyazze

DIRECTOR

Ms. Conche McGarr

MANAGER

Mr. Ssagala David

REGISTERED OFFICE

Kisubi Mbiru Road
P.O.Box 5731/ 28009
Kampala

INDEPENDENT AUDITOR

Quest Co.
Certified Public Accountant
P.O.Box 21286
Kampala

PRINCIPLE BANKERS

Standard Chartered bic Bank (U) Limited
P.O.Box 7111
Kampala

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 28th February, 2018 which disclose the state of affairs of the association.

MISSION STATEMENT

Bega kwa Bega was established to improve the living standards of Childcare providers in targeted African villages especially the ones and a half (1.5 million) children orphaned by war, civil unrest and the AIDS epidemic in Uganda.

This is done through complementing the efforts of the traditional African family structures to meet the immediate needs of families caused by the extra children, extra labour, stretched resources, limited resources, limited space , inadequate water and sanitation facilities and the long term economic conditions which greatly impact village life concerned parties.

PRINCIPAL ACTIVITIES

The principal activities of the association are that of provision of charitable services, education and developmental purposes.

The following are the key objectives of the association:

- a) To identify need and resources through conducting and maintaining both needs and asset assessment.
- b) To plan and conduct projects, micro business development projects and training activities.
- c) To establish and maintain a good community network.
- d) to raise the education level of both children and children providers.
- e) To improve nutrition through better farming practices.
- f) to contribute to overall health information and improvement of medical equipment.
- g) To encourage best practices for teachers through modeling and providing instructional materials.
- h) To provide instruction which supports entrepreneurs in developing micro enterprises, training business plans , marketing and market selections and in product development.
- i) To train care givers in basic business development techniques and provide demonstrations.
- j) To assist care givers in successfully launching income generating projects and project management.
- k) To establish market outlets which sustains income generating projects and establish new villages markets and develop market opportunities.

RESULTS

	2018 Shs '000	2017 Shs'000
(Deficit) / surplus before tax	(69,411)	15,239

DIRECTORS

The directors who held office during the year and up to date of this report are shown on page1.

INDEPENDENT AUDITOR

The association's auditor, Quest Co. has indicated willingness to continue in office.


DIRECTOR
KAMPALA

...12th July...2018

Bega Kwa Bega

Annual report and financial statements

For the year ended 28th February, 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Ugandan Association requires the directors to prepare financial statements for each financial year which give a true and fair view of the state affairs of the association as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company keeps proper accounting records that are sufficient to show and explain the transactions of the association and had disclose, with reasonable accuracy, the financial position of the company and that enables them to prepare financial statements of the company that comply with the International Financial Reporting Standard for Small and Medium - sized Entities (IFRS for SMEs).

The directors are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept the responsibility for the preparation and fair presentation of financial statements in accordance with IFRS for SMEs and in the manner required by the Ugandan Association.

They also accept responsibility for :

- i) Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- ii) Selecting and applying appropriate accounting policies and
- iii) Making accounting estimates and judgements that are reasonable in the circumstances.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 28 February, 2018 and of its financial performance and cash flows for the year then ended in accordance with the IFRS and SMEs and the requirements of the Ugandan Association.

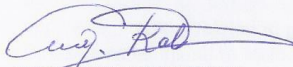
In preparation of these financial statements, the directors have assessed the company's ability to continue as a going concern.

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

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

So far as each of the directors is aware, there is no audit information which the auditor is unaware of, and each of the directors has taken all the steps that ought to have been taken in order to become aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the board of directors on ...12th July-.....2018 and signed on its behalf by :



.....
Director


3
.....
Director



Quest Co.
Certified Public Accountant

Plot 50 Motel Close,
Off Kakungulu Road
(near UNEB Offices), Ntinda
P.O.Box 21286, Kampala

Independent Auditor's Report to the Members of the Bega Kwa Bega in Respect of the Financial Statement for the year Ended 28 February , 2018.

Opinion

I have audited the financial statements of the Bega Kwa Bega as set out on pages 7 to 12 which comprise the statements of financial position as at 28 February, 2018, the statement of surplus or deficit and statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the organization as at 28 February, 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) for small and medium sized entities and the Association.

Basis for opinion

I conducted the audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor's responsibilities for audit of the financial statements section of my report. I am independent of the company in accordance with International standards Board for accountants' code of Ethics for professional Accountants (IESBA Code) together with the ethical requirements that are relevant to the audit of the financial statements in Uganda, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Directors are responsible for other information. The other information comprises the report of the Directors, but does not include the financial statements and my auditor's report. My opinion on the financial statements does not cover other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit , or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Responsibilities of directors and those charged with governance for the financial statements.

Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS for small and medium sized entities and the Association Act , and for such internal control as the directors determine is necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or errors. In preparing the financial statements, the Directors are responsible for assessing the company'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 company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for audit of the financial statements

My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IASs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or 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, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 omissions, misrepresentations, or the override of internal control.
- Obtain 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director'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 Institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Institute to cease 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Joel

Byaruhanga - P0085

Quest Co. Certified Public Accountant.



Joel Kale Byaruhanga.

Quest Co.

Kampala



STATEMENT OF SURPLUS OR DEFICIT AND ACCUMULATED SURPLUS

	Note	2018 Shs'000	2017 Shs'000
Income	2	<u>677,895</u>	<u>549,792</u>
Administrative expenses	7	(190,494)	(148,500)
Development expenses	8	<u>(556,812)</u>	<u>(386,053)</u>
Operating (deficit) / surplus		<u>(69,411)</u>	<u>15,239</u>
(Deficit) / Surplus for the year		<u><u>(69,411)</u></u>	<u><u>15,239</u></u>
Retained surplus at the start of the year		<u>87,016</u>	<u>71,777</u>
(Deficit) / surplus for the year		<u>(69,411)</u>	<u>15,239</u>
Retained surplus at the end of the year.		<u><u>17,605</u></u>	<u><u>87,016</u></u>

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	Note	2018 Shs'000	As at 28 February 2017 Shs'000
STATEMENT OF FINANCIAL POSITION			
SURPLUS			
Accumulated surplus	Page 6	17,605	87,016
REPRESENTED BY			
Cash and cash equivalents	3	97,237	87,016
Current liabilities			
Other payables	4	79,632	-
Net current assets		17,605	87,016
		17,605	87,016

The financial statements on pages 7-16 were authorised and approved for issue by the board of directors on

13th July 2018 and signed on its behalf by :



Director



Director

The notes on pages 13-14 form an integral part of these financial statements
Report of the independent auditor - pages 4 to 6.

STATEMENT OF CASH FLOWS

	Notes	2018 Shs'000	2017 Shs'000
Cash flows from operating activities			
(Deficit) /surplus before tax		(69,411)	15,239
Adjustments for:			
Changes in working capital			
* Other payables	4	79,632	-
Net cash (used in) from operating activities		<u>10,221</u>	<u>15,239</u>
Movement in cash and cash equivalents			
At start of year		<u>87,016</u>	<u>71,777</u>
Increase		<u>10,221</u>	<u>15,239</u>
At end of year	3	<u>97,237</u>	<u>87,016</u>

The notes on pages 13 to 14 form an integral part of these financial statements
Report of the independent auditor-pages 4 to 6.

NOTES: SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1. General information

Bega Kwa Bega is registered in Uganda under the Non profit Organisation.

The principal activities of the association are that of provision of charitable services, education and developmental purposes.

2(a) Basis of preparation

The financial statements of Bega Kwa Bega have been prepared in accordance with the International Financial Reporting standards for Small and Medium sized Entities (IFRS for SMEs) with early adoption of the 2015 amendments to the standard. The early adoption of the amendments has not resulted in any prior period restatements or other material changes in presentation. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2(b) below.

These financial statements comply with the requirements of the Uganda Association . The statement of surplus or deficit and retained earnings represent the surplus and deficit account . The statement of financial position represents the balance sheet.

Going Concern

The financial performance of the association is set out in the directors' report and in the statement of surplus or deficit and retained earnings. The financial position of the association is set out in the statement of financial position.

Bega Kwa Bega

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b) Key sources of estimation uncertainty.

The association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results.

c) Revenue recognition

Revenue comprises of fair value of the consideration donations received and receipts received.

d) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Uganda Shillings at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Uganda Shilling at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the profit and loss account in the year in which they arise.

e) Financial liabilities

Financial liabilities are initially recognised at the transaction price (less transaction costs). Other 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.

f) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks.

m) Employment benefits obligations

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

n) Comparatives

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

	2018 Shs'000	2017 Shs'000
2. Income		
Donations (Note 6)	594,416	261,635
Water & Nutrition for Health and Self Sufficiency in Uganda	-	180,169
Play Center income	72,107	98,150
Farm Income	11,372	9,838
	<u>677,895</u>	<u>549,792</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2018 Shs'000	2017 Shs'000
3. Cash and cash equivalents		
Cash at hand	0	5,654
Bank balance Ushs Account	94,518	50,789
Bank balance Usd Account Usd 743.85 @ 3,655.78	2,719	30,573
	<u>97,237</u>	<u>87,016</u>

For the purpose of cash flow statement, the period end cash and cash equivalents comprise of the above:

	2018 Shs'000	2017 Shs'000
4. Other payables		
Current		
Directors re-imburseables advances received	73,319	0
Audit fees payable	2,500	0
PAYE accrued for Feb 18	2,154	0
Nssf accrued for Feb 18	1,659	0
	<u>79,632</u>	<u>0</u>

5. Presentation currency

The financial statements are presented in Uganda Shillings (Shs), rounded to the nearest thousands ('000)

6- DONATIONS

SCHEDULE OF DONATIONS INCOME RECEIVED ON SHS ACCOUNT

	2018 Shs'000
14/03/2017 Rotarty Club Sun Rise	8,405
2/6/2017 BKB - Uk	21,109
29/06/2017 Bambi Uganda Orphans- USA	110,594
4/7/2017 Rotary Club	7,500
11/9/2017 BKB - Uk	55,574
21/11/2017 Bambi Uganda Orphans- USA	22,507
29/11/2017 BKB - Uk	37,206
18/12/2017 Bambi Uganda Orphans- USA	33,654
18/01/2018 Bambi Uganda Orphans- USA	119,809
27/02/2018 BKB - Uk	57,320
A	473,678

SCHEDULE OF DONATIONS INCOME RECEIVED ON USD ACCOUNT

18/05/2017 TT	Usd 21,096.00 @ 3,606.04	76,073
26/10/2017 TT	Usd 12,236.00@ 3,650.33	44,665
B		120,738

TOTAL DONATIONS RECEIVED (A + B)	594,416
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SCHEDULE OF OPERATING EXPENDITURE		2018	2017
		shs'000	shs'000
7 ADMINISTRATION EXPENSES			
Bank charges	2,970	3,324	
Salaries and wages	116,154	123,881	
Telephone , postage and internet	1,093	901	
Stationery	997	897	
Office expenses	33,916	4,908	
Travelling and transport	16,759	14,589	
Nssf contributions	10,885	-	
Insurance	1,220	-	
Architectural fees	4,000	-	
Audit fees	2,500	-	
Total administrative expenses	<u>190,494</u>	<u>148,500</u>	
8 DEVELOPMENT COSTS			
Mobile Health clinic	36,622	50,794	
Education- Orphan and vulnerable children school fees and other expenses	82,134	94,729	
Borehole construction/ water springs	62,004	78,898	
Income generating activities	12,533	17,270	
Demo farm/ Family demo gardens/Nutrition training sessions	70,298	60,854	
Gogolo Play and learning center school construction and other expenses	289,255	83,508	
Motorcycle purchase	3,966	-	
Total development expenses	<u>556,812</u>	<u>386,053</u>	