

BEGA KWA BEGA LIMITED

BY GURANTEE WITHOUT SHARE CAPITAL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY, 2021

BEGA KWA BEGA LIMITED

By guarantee without share capital

Annual report and financial statements

For the year ended 28th February, 2021

CONTENTS	PAGE
Company information	1
Report of the directors	2 - 3
Statement of directors' responsibilities	4
Report of the independent auditor	5 - 6
Financial statements:	
Statement of surplus or deficit and retained earnings	7
Statement of financial position	8
Statement of cash flows	9
Notes: Significant accounting policies	10 - 11
Notes:	12 - 13
The following pages do not form an integral part of these financial statements.	
Schedule of income received during the year	14 - 15
Schedule of operating expenditure	16

BEGA KWA BEGA LIMITED

By guarantee without share capital

Annual report and financial statements

For the year ended 28th February, 2021

COMPANY INFORMATION

BOARD OF DIRECTORS

Ms. Conche Mcgarr

Dr. Margret Muganwa

Mr. Faustine Misanvu

Mr. Joseph Kakoza

Ms. Mere Kisekka

Ms. Martina Boylan

Ms. Camilla Broadbent

Mrs. Theresa Kyazze

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 Bank (U) Limited
P.O.Box 7111
Kampala

BEGA KWA BEGA LIMITED

By guarantee without share capital

Annual report and financial statements

For the year ended 28th February, 2021

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 28th February, 2021 which disclose the state of affairs of the company.

MISSION STATEMENT

Bega Kwa Bega was established to improve the living standards of childcare providers in targeted African villages especially the ones and half (1.5 million) children orphaned by war, civil unrest and the AIDS epedemic 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, streched resources, limited resources,limited space ,inadequate water and sanitation facilities and long term economic conditions which greatly impact villages life concerned parties.

PRINCIPAL ACTIVITIES

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

The following are the key objectives of the company:

- a) To indentify need and resources through conducting and maintaining both needs and asset asesment.
- 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 overaall health information and improvement of medical equipment.
- g) To encourage best pracitices for teachers through modeling and providing instructional materials.
- h) To provide instruction which supports entepreneurs 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 lauching 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.

BEGA KWA BEGA LIMITED
By guarantee without share capital
Annual report and financial statements
For the year ended 28th February, 2021

REPORT OF THE DIRECTORS (CONTINUED)

RESULTS	2021 Shs '000	2020 Shs'000
(Deficit) / surplus for the year	<u>(70,420)</u>	<u>96,908</u>

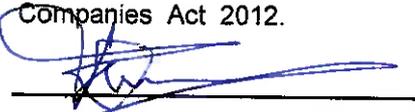
DIRECTORS

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

In accordance with the company's Articles of Association, no director is due for retirement by rotation.

INDEPENDENT AUDITOR

The company's auditor, Quest Co. has indicated willingness to continue in office in accordance with the Companies Act 2012.



**DIRECTOR
KAMPALA**

30th 03 2021

BEGA KWA BEGA LIMITED

By guarantee without share capital

Annual report and financial statements

For the year ended 28th February, 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Ugandan Companies Act, 2012 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state affairs of the company 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 company 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) and for the requirement of the Ugandan Companies Act, 2012.

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 Companies Act, 2012.

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 28th February, 2021 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 Companies Act, 2012.

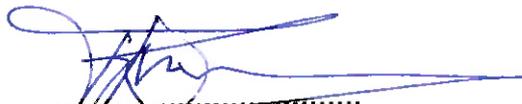
In preparation of these financial statements, the directors have assessed the company's ability to continue as a going concern.

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 ... 30th-03-2021 and signed on its behalf by :


.....
Director


.....
Director



Independent Auditor's Report to the Members of the Bega Kwa Bega Limited in Respect of the Financial Statement for the year Ended 28 February , 2021.

Opinion

I have audited the financial statements of the Bega Kwa Bega Limited as set out on pages 7 to 15 which comprise the statements of financial position as at 28 February, 2021, 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 company as at 28 February, 2021 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 here 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



BEGA KWA BEGA LIMITED

By guarantee without share capital

Annual report and financial statements

For the year ended 28th February, 2021

STATEMENT OF SURPLUS OR DEFICIT AND RETAINED EARNINGS

	Page	Note	2021 Shs'000	2020 Shs'000
Income	14 - 15	9	1,961,787	1,283,305
Administrative expenses	16	10	(521,328)	(317,542)
Development expenses	16	10	<u>(1,510,879)</u>	<u>(868,855)</u>
Operating (deficit) / surplus			<u>(70,420)</u>	<u>96,908</u>
Retained earnings at the start of the year			<u>141,039</u>	<u>44,131</u>
(Deficit) / surplus for the year			<u>(70,420)</u>	<u>96,908</u>
Retained earnings at the end of the year.			<u><u>70,619</u></u>	<u><u>141,039</u></u>



BEGA KWA BEGA LIMITED
 By guarantee without share capital
 Annual report and financial statements
 For the year ended 28th February, 2021

As at 28 February

	Page	Note	2021 Shs'000	2020 Shs'000
STATEMENT OF FINANCIAL POSITION				
ACCUMULATED SURPLUS				
Retained earnings	7		<u>70,619</u>	<u>141,039</u>
Non - current liabilities				
Borrowings	12	5	<u>185,319</u>	<u>109,319</u>
			<u>255,938</u>	<u>250,358</u>
REPRESENTED BY				
Current assets				
Cash and cash equivalents	12	6	<u>241,201</u>	<u>236,980</u>
Current liabilities				
Other payables	13	7	<u>14,737</u>	<u>13,378</u>
Net current assets			<u>255,938</u>	<u>250,358</u>

The financial statements on pages 7-15 were authorised and approved for issue by the board of directors on 30th-03- 2021 and signed on its behalf by:


 Director


 Director

The notes on pages 12-15 form an integral part of these financial statements
 Report of the independent auditor - pages 5 to 6.



BEGA KWA BEGA LIMITED

By guarantee without share capital

Annual report and financial statements

For the year ended 28th February, 2021

STATEMENT OF CASH FLOWS

	Notes	2021 Shs'000	2020 Shs'000
Cash flows from operating activities			
(Deficit) / surplus before tax		(70,420)	96,908
Adjustments for:			
Changes in working capital			
* Other payables		(1,359)	5,814
Net cash (used in) from operating activities		<u>(71,779)</u>	<u>102,722</u>
Cash flows from financing activities			
Proceeds from long term borrowings		<u>76,000</u>	<u>(2,756)</u>
Net cash used in financing activities		<u>76,000</u>	<u>(2,756)</u>
Increase in cash and cash equivalents		<u>4,221</u>	<u>99,966</u>
Movement in cash and cash equivalents			
At start of year		<u>236,980</u>	<u>137,014</u>
Increase		<u>4,221</u>	<u>99,966</u>
At end of year	6	<u>241,201</u>	<u>236,980</u>

The notes on pages 12 to 15 form an intergral part of these financial statements
Report of the independent auditor-pages 5 to 6.



BEGA KWA BEGA LIMITED

By guarantee without share capital

Annual report and financial statements

For the year ended 28th February, 2021

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 Limited is incorporated in Uganda under the Companies Act, 2012 as a private liability company by without shares and is domiciled in Uganda. The address of its registered office and principle place of business is Kisubi Mbiru Road.

The company's principal activity is that of provision of charitable services, education and developmental purposes.

2(a) Basis of preparation

The financial statements of Bega Kwa Bega Limited 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 Companies Act, 2012. The statement of profit or loss and retained earnings represent the profit and loss account referred in the Act. The statement of financial position represents the balance sheet referred to in the Act.

Going Concern

The financial performance of the company is set out in the directors' report and in the statement of profit or loss and retained earnings. The financial position of the company is set out in the statement of financial position.

b) Key sources of estimation uncertainty.

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



BEGA KWA BEGA LIMITED

By guarantee without share capital

Annual report and financial statements

For the year ended 28th February, 2021

c) Revenue recognition

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

d) Plant and equipment

All property and equipment acquired during the year are fully expensed in statement of surplus or deficit.

e) 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 surplus or deficit account in the year in which they arise.

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 .

g) Borrowings

Borrowings are initially recognised at the fair value, net of transaction costs incurred and the subsequently stated at the amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in the statement of surplus or deficit under finance costs.

Borrowings are classified as current liabilities unless the company unconditional right to defer settlement of the liability for atleast 12 months after the statement of the financial position date.

h) Employment benefits obligations

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

i) Comparatives

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



BEGA KWA BEGA LIMITED

By guarantee without share capital

Annual report and financial statements

For the year ended 28th February, 2021

	2021 Shs'000	2020 Shs'000
3. Revenue		
Income Page 14 - 15 (Schedule 9)	<u>1,961,787</u>	<u>1,283,305</u>

4. Operating profit

The following items have been charged in arriving at the operating surplus.

Auditor's remuneration	3,000	3,000
Staff Costs(Note 6)	<u>381,252</u>	<u>225,325</u>

5. Borrowings

Non- current

Re-imbursables advances received	<u>185,319</u>	<u>109,319</u>
----------------------------------	----------------	----------------

The borrowings were secured by the following:

Borrowings were denominated in Us dollars in terms of financial support of the company interest free, and without specific terms of repayments.

	2021 Shs'000	2020 Shs'000
6. Cash and cash equivalents		
Cash at hand	4,269	3,963
Bank balance Ushs Account	175,205	90,615
Bank balance Usd Account USD 16,707.82 @ 3,694.5	<u>61,727</u>	<u>142,402</u>
	<u>241,201</u>	<u>236,980</u>

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



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2021 Shs'000	2020 Shs'000
7. Other payables		
Audit fees payable	3,000	3,000
PAYE accrued	8,203	6,844
NSSF Accrued	3,534	3,534
	<u>14,737</u>	<u>13,378</u>

8. Presentation currency

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



BEGA KWA BEGA LIMITED

By guarantee without share capital

Annual report and financial statements

For the year ended 28th February, 2021

9. SCHEDULE OF DONATIONS INCOME RECEIVED DURING THE YEAR

		2021
		Shs'000
MONTHS	DONATIONS RECEIVED ON SHILLINGS ACCOUNT DETAILS	AMOUNT
5/3/2020	HONEY WAY AND WALTERS ASH	139,337
10/3/2020	HONEY WAY AND WALTERS ASH	139,500
17/03/2020	HONEY WAY AND WALTERS ASH	129,615
3/4/2020	BREAD AND WATER FOR AFRICA	43,823
21/05/2020	HONEY WAY AND WALTERS ASH	112,000
4/6/2020	HONEY WAY AND WALTERS ASH	13,283
8/7/2020	HONEY WAY AND WALTERS ASH	22,743
19/08/2020	HONEY WAY AND WALTERS ASH	140,835
3/9/2020	HONEY WAY AND WALTERS ASH	124,373
28/10/2020	HONEY WAY AND WALTERS ASH	140,822
29/10/2020	BAMBI UGANDA ORPHANS	39,792
19/11/2020	HONEY WAY AND WALTERS ASH	97,690
20/11/2020	HONEY WAY AND WALTERS ASH	50,026
19/01/2021	HONEY WAY AND WALTERS ASH	145,112
19/01/2021	HONEY WAY AND WALTERS ASH	96,834
22/01/2021	HONEY WAY AND WALTERS ASH	243,836
25/01/2021	HONEY WAY AND WALTERS ASH	140,387
9/2/2021	HONEY WAY AND WALTERS ASH	17,874
	SUB - TOTAL AMOUNT	<u>1,837,882</u>

A



BEGA KWA BEGA LIMITED
 By guarantee without share capital
 Annual report and financial statements
 For the year ended 28th February, 2021

				2021
				Shs'000
DONATIONS INCOME RECEIVED		A		1,837,882
MONTHS	DONATIONS RECEIVED ON US DOLLAR BANK ACCOUNT DETAILS	AMOUNT	RATE	
		USD		
10/12/2020	VVF AND ALBERTA ST	24,240	3,694.57	89,556
	SUB - TOTAL AMOUNT	24,240	B	<u>89,556</u>
	FARM INCOME RECEIVED DURING THE YEAR		C	<u>9,147</u>
	PLAY CENTER INCOME RECEIVED		D	<u>25,202</u>
	GRAND TOTAL AMOUNT (A TO D)			<u><u>1,961,787</u></u>



BEGA KWA BEGA LIMITED

By guarantee without share capital

Annual report and financial statements

For the year ended 28th February, 2021

10. SCHEDULE OF OPERATING EXPENDITURE

	2021 Shs'000	2020 Shs'000
ADMINISTRATION EXPENSES		
Bank charges	2,995	2,935
Salaries and wages	381,252	225,325
Staff welfare	5,491	6,427
Medical expenses	2,070	235
Telephone, postage and internet	1,398	1,895
Stationery , printing and secretarial expenses	2,458	5,436
Office expenses	11,727	17,655
Travelling and transport	7,303	10,184
Nssf contributions	33,983	22,532
Professional fees and consultancy fees	8,600	4,150
Electricity and water	1,121	1,702
Operating licence	-	1,970
Insurance expenses	23,461	-
Security	5,900	-
Secretarial expenses	900	-
Repairs and maintenance	9,829	1,019
Motorvehicle repairs	19,558	13,077
Audit fees	3,000	3,000
URA taxes for clearing books donation received	282	-
	<u>521,328</u>	<u>317,542</u>

DEVELOPMENT COSTS

Mobile Health Clinic	64,890	48,309
Education - Orphan and vulnerable children school fees	36,010	108,864
Borehole construction / water springs	159,858	80,662
Income generating activities	-	7,752
Demo farm/ Family demo gardens / Nutrition training sessions	101,520	101,344
Gogolo Play and learning center school construction	364,038	469,830
Land purchase expensed	300,000	-
Motor vehicles purchase expensed	427,592	-
Farm expenses	10,796	10,669
Field Allowances and facilitation expsnes	7,999	16,582
VVF Project and Swiss overhead expenses	38,176	24,843
	<u>1,510,879</u>	<u>868,855</u>

