

BEGA KWA BEGA LIMITED

BY GUARANTEE WITHOUT SHARE CAPITAL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY, 2025

BEGA KWA BEGA LIMITED
By guarantee without share capital
Annual report and financial statements
For the year ended 28th February, 2025

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COMPANY INFORMATION

BOARD OF DIRECTORS

Ms. Conche Mcgarr

Mr. Byamugisha Charles

Mr. Joseph Kakoza

Miss. Babirye Magdalene

Ms. Gertrude Night Niyonsenga

Mrs. Theresa Kyazze

Mr. Lukaaga Richard

MANAGER

Mr. Ssagala David

REGISTERED OFFICE

Kisubi Mbiru Road
P.O.Box 5731 or 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

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REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 28th February, 2025 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 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 long term economic conditions which greatly impacts livelihoods.

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:

General

To identify need and resources through conducting and maintaining both needs and asset assessment.

Nutrition

To increase food quantity, quality and variety at household level.

To improve dietary quality and restore malnourished children.

To develop and use school gardens as a teaching learning aid to improve academic performance and school lunches.

Education

To support Orphans and Vulnerable Children access quality education for a better future.

To encourage best practices for teachers through modelling and providing instructional materials.

Health

To improve access to safe clean water and ensure a safe water chain for households.

To promote hygiene and sanitation at household and institutional level.

To increase access to regular health care services and empower beneficiaries to manage their health and prevent illnesses.

Income

To increase family income especially among women caregivers.

To train caregivers in basic business development techniques and provide demonstrations.

To assist caregivers to successfully launch and manage income generating projects and also link them to markets.

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REPORT OF THE DIRECTORS (CONTINUED)

RESULTS	2025 Shs '000	2024 Shs'000
Surplus for the year	<u>313,095</u>	<u>157,357</u>

DIRECTORS

The directors who held office during the year and up to date of this report are shown on page 1.

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



.....2025

16/06/2025

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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 of 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 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 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 International Financial Reporting Standard for Small and Medium - sized Entities 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, 2025 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium sized Entities and for the requirement 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 16th June 2025 2025 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 , 2025.

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, 2025, 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, 2025 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

.....*Joel*.....

Quest Co. Certified Public Accountant.

.....*Joel*.....

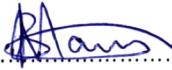
Joel Kale Byaruhanga. Kampala



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	Page	Note	2025 Shs'000	2024 Shs'000
STATEMENT OF FINANCIAL POSITION				
ACCUMULATED SURPLUS				
Retained earnings	8		851,984	538,889
Non - current liabilities				
Borrowings	12	5	788,440	788,440
			<u>1,640,424</u>	<u>1,327,329</u>
REPRESENTED BY				
Non- current assets				
Property	13	7	603,121	603,121
Current assets				
Cash and cash equivalents	12	6	1,073,444	750,504
Current liabilities				
Other payables	13	8	36,141	26,296
Net current assets			<u>1,037,303</u>	<u>724,208</u>
			<u>1,640,424</u>	<u>1,327,329</u>

The financial statements on pages 7-15 were authorised and approved for issue by the board of directors on 16/06/2025 2025 and signed on its behalf by:


 Director

 16/06/2025
 Director

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



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STATEMENT OF SURPLUS OR DEFICIT AND RETAINED EARNINGS

	Page	Note	2025 Shs'000	Re-stated 2024 Shs'000
Income	14	11	<u>4,589,900</u>	<u>5,075,162</u>
Administrative expenses	15	12	(1,195,238)	(685,135)
Development expenses	15	12	<u>(3,081,567)</u>	<u>(4,232,670)</u>
Operating surplus			<u>313,095</u>	<u>157,357</u>
Retained earnings at the start of the year			<u>538,889</u>	<u>434,124</u>
Prior year adjustment	13	10	<u>-</u>	<u>(52,592)</u>
Surplus for the year			<u>313,095</u>	<u>157,357</u>
Retained earnings at the end of the year.			<u><u>851,984</u></u>	<u><u>538,889</u></u>



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STATEMENT OF CASH FLOWS

	Page	Notes	2025 Shs'000	2024 Shs'000
Cash flows from operating activities				
Surplus for the year	8		313,095	157,357
Adjustments for:				
Changes in working capital				
* Other payables			<u>9,845</u>	<u>(8,230)</u>
Net cash (used in) from operating activities			<u>322,940</u>	<u>149,127</u>
Net Cash flows (used in) investing activities				
Property acquired	13	7	<u>0</u>	<u>(603,121)</u>
Cash flows from financing activities				
Proceeds from long term borrowings	12	5	<u>0</u>	<u>603,121</u>
Net cash used in financing activities			<u>0</u>	<u>603,121</u>
Increase in cash and cash equivalents			<u>322,940</u>	<u>149,127</u>
Movement in cash and cash equivalents				
At start of year	12	6	<u>750,504</u>	<u>601,377</u>
Increase			<u>322,940</u>	<u>149,127</u>
At end of year	12	6	<u>1,073,444</u>	<u>750,504</u>

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



NOTES TO THE FINANCIAL STATEMENTS

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 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 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 International Financial Reporting Standard for Small and Medium sized Entities require 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 on 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 surplus and retained earnings. The financial position of the company is set out in the statement of financial position. The directors and key donors have indicated willingness to continue the support of the company activities on a going concern basis.

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.



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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Revenue recognition

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

d) Property and equipment

All property and equipment acquired during the year are fully expensed in statement of surplus or deficit as per specifications in donation requisitions and donor conditions.

The land property was acquired during the year on accrual basis from the property seller.

The land property was capitalised in balance sheet during the year.

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 the Income tax 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 at least 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, a statutory defined contribution scheme registered under the National Social Security Fund 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.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)	2025 Shs'000	2024 Shs'000
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3. Revenue

Income Page 14 (Note 10)	<u>4,589,900</u>	<u>5,075,162</u>
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4. Operating profit

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

Auditor's remuneration	4,000	4,000
Professional fees and consultancy fees	91,358	13,266
Repairs and maintenance	2,339	310
Staff costs	<u>847,091</u>	<u>535,582</u>

Staff costs

Salaries and wages	780,310	522,295
Staff welfare	24,594	13,287
Medical expenses	42,187	-
	<u>847,091</u>	<u>535,582</u>

5. Borrowings

Non- current

Re-imburseables advances received	185,319	185,319
Land Cost payable	<u>603,121</u>	<u>603,121</u>
	<u>788,440</u>	<u>788,440</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.

6. Cash and cash equivalents	2025 Shs'000	2024 Shs'000
Cash at hand	22,315	9,210
Bank balance Ushs Account	1,024,436	707,574
Bank balance Usd Account USD 7,254.06 @ 3,679.73	26,693	33,720
	<u>1,073,444</u>	<u>750,504</u>

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



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2025	2024
	Shs'000	Shs'000
7. Property	Freehold	Freehold
	Land	Land
Cost		
Property owned and purchased privately in 2024	<u>603,121</u>	<u>603,121</u>
8. Other payables		
Audit fees payable	4,000	4,000
PAYE accrued	23,606	14,812
NSSF Accrued	<u>8,535</u>	<u>7,484</u>
	<u>36,141</u>	<u>26,296</u>

9. Presentation currency

The financial statements are presented in Uganda Shillings (Shs), rounded to the nearest thousands ('000). Only note 11. donations income received during the year and other income was not rounded to the nearest thousands('000).

10. Prior year adjustment

Prior year adjustment relates to the re-statement of prior year retained earnings balance to correct the current assets in the financial statements.

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11. DONATIONS INCOME RECEIVED DURING THE YEAR			
STANDARD CHARTERED BANK SHS ACCOUNT NO. 0102010808800			
DONOR AND DONATION			2025
DATE	BREAD AND WATER	Activity done	AMOUNT (SHS)
23-Aug-24	USD 17,945@ 3,635	Spring protection	A 65,230,075
DATE	HONEYWAY WALTERS	Activity done	AMOUNT (SHS)
28-Mar-2024	GBP 90,000@ 4,750	Village gardens project , School gardens project, Orphans or vulnerable children fees and administration expenses	427,500,000
28-Mar-2024	GBP 87,012@ 4,750	Village gardens project , School gardens project, Orphans or vulnerable children fees and administration expenses	413,307,000
27-May-2024	GBP 75,000@ 4,707	Village gardens project , School gardens project, school construction project and administration expenses	353,025,000
31-May-2024	GBP 72,000@ 4,700	Village gardens project , School gardens project, school construction project and administration expenses	338,400,000
31-May-2024	GBP 63,451@ 4,700	Village gardens project , School gardens project, school construction project and administration expenses	298,219,700
2-Aug-2024	GBP 89,965@ 4,630	Outreach project, school gardens construction, school construction and administration expenses	416,537,000
8-Aug-2024	GBP 81,225@ 4,600	Outreach project, school gardens construction, school construction and administration expenses	373,635,000
18-Oct-2024	GBP 99,000@ 4,650	Outreach project, School gardens project, administration costs and other related costs	460,350,000
22-Oct-2024	GBP 98,218@ 4,615	Outreach project, School gardens project, administration costs and other related costs	453,276,070
22-Jan-2025	GBP 73,000@ 4,405	School gardens project and administration costs	321,565,000
22-Jan-2025	GBP 71,411@ 4,405	School gardens project and administration costs	314,565,455
25-Jan-2025	GBP 68,985@ 4,457	School gardens project and administration costs	307,466,145
TOTAL DONATION RECEIVED FROM HONEY WAY WALTERS			B 4,477,846,370
NILDA AVE			
MOUNTAIN VIEW			Activity done
4-Sep-24	USD 5,390 @ 3,610	Orphans/ vunerable children fees	C 19,457,000
LOCAL DONATIONS			Activity done
24-Feb-25	Richard- Uganda	Orphan / vunerable child fees	D 450,000
3/11/2024	MTN Uganda	Spring Protection	E 16,056,000
TOTAL DONATIONS A TO E			4,579,039,445
FARM INCOME RECEIVED DURING THE YEAR			F 10,860,100
TOTAL INCOME AMOUNT RECEIVED DURING THE YEAR (A TO F)			4,589,899,545

Note 1. School gardens project expenses include construction of demonstration farm and set up costs, field expenses and other related costs.

Note 2. Outreach costs include training teachers workshops, accommodation , travel expenses and other related costs.

Note 3. School construction include construction of nursery block, boys dormitory and other related costs.

Note 4. The above figures in the schedule of income were not rounded to the nearest thousands.('000)



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12. OPERATING EXPENDITURE	2025 Shs'000	2024 Shs'000
A) ADMINISTRATION EXPENSES		
Bank charges	4,065	2,366
Salaries and wages	780,310	522,295
Staff welfare	24,594	13,287
Medical expenses	42,187	-
Telephone, postage and internet	6,595	1,831
Stationery, printing and secretarial expenses	26,628	4,071
Office consumables, cleaning and newspapers	5,124	2,071
Travelling and transport	13,393	14,092
National Social Security Fund 10% contributions	75,881	52,229
Professional fees and consultancy fees	91,358	13,266
Electricity and water	13,710	1,316
Motor vehicles insurance expenses	34,322	41,499
Security	13,231	-
Repairs and maintenance	2,339	310
Motorvehicle repairs	25,649	12,352
Audit fees	4,000	4,000
Other administration expenses	24,497	-
Operating licence fees	7,355	150
	<u>1,195,238</u>	<u>685,135</u>
B) DEVELOPMENT COSTS		
Mobile Health Clinic	34,122	120,276
Education - Orphan and vulnerable children school fees	100,750	87,004
Borehole construction / water springs	171,459	303,298
Wells (MTN Uganda) support	2,602	-
Demo farm/ Family demo gardens / Nutrition training sessions	94,119	328,982
Income Generating Projects / Help	65,561	-
Gogolo Primary School construction and other expenses	927,901	2,757,605
School gardens project	1,315,004	375,059
Capital asset purchased	322,873	200,148
Field Allowances and facilitation expenses	1,390	5,027
Swiss overhead expenses	23,344	10,350
Vibrant Village Foundation Project costs	-	44,921
Outreach operating expenses	22,442	-
	<u>3,081,567</u>	<u>4,232,670</u>