

G H FOUNDATION LTD

Audited Financial Statements For The Year Ended 30th June 2019

Auditors:

MEK & ASSOCIATES

Certified Public Accountants (U)

Plot 934, Floor 1, Room 101, Bombo Road

Opposite Kolping Hotel, Makerere – Kavule

P.O.Box 11237, Kampala (U)

Table of Contents

1.0	CORPORATE INFORMATION.....	3
2.0	REPORT OF THE BOARD OF DIRECTORS.....	4
3.0	STATEMENT OF THE DIRECTOR'S RESPONSIBILITIES	6
4.0	INDEPENDENT AUDITOR'S REPORT.. ..	7
5.0	STATEMENT OF PERFORMANCE	10
6.0	STATEMENT OF FINANCIAL POSITION	11
7.0	STATEMENT OF CHANGES IN ACCUMULATED FUND.....	12
8.0	STATEMENT OF CASHFLOWS	13
9.0	NOTES TO THE FINANCIAL STATEMENTS.....	14

G H FOUNDATION LTD
P O BOX 40127, KAMPALA - UGANDA

1.0 CORPORATE INFORMATION

DIRECTORS:

1. Mr. Nolbert Ronnie Muhumuza
2. Mr. Gilbert Jimmy Mwebesa
3. Ms. Irene Zawedde

REGISTERED OFFICE:

Bujwahya, Nyantozzi rd. Hoima
P O Box 40127 Kampala-Uganda

BANKERS:

Equity Bank Uganda Ltd

AUDITORS:

MEK & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS (U)
Plot 934, Floor 1, Room 101, Bombo Road
Opposite Kolping Hotel, Makerere – Kavule
P.O.Box 11237, Kampala (U)

G H FOUNDATION LTD
P O BOX 40127, KAMPALA - UGANDA

2.0 REPORT OF THE DIRECTORS AS AT 30 JUNE 2019

The Directors present their report and audited accounts for the financial year ending 30 JUNE 2019.

BACKGROUND AND PRINCIPAL ACTIVITIES:

G H Foundation LTD started as community restoration project in Makerere west (Kikoni) in 2009 after three boys (about 14 years) tempted to break into the house of G H Foundation LTD founder at 3.am to find something to steal, this drove the the founder to start a program that would find these three boys (plus other possible children) in Makerere Kikoni prevent them from taking a wrong path in their lives.

G H Foundation LTD aims at ensuring sustainable development for unprivileged rural communities by building a strong socioeconomic and healthy environment for their well-being.

VISION:

Empower unprivileged communities with supportive environment.

MISSION:

To build thriving grassroots communities where economic prosperity, environmental sustainability and emotional well-being are balanced to the long term benefit of all.

CORE VALUES:

Creativity

Humility

Integrity

Fairness

Fun

BOARD OF DIRECTORS DIRECTORS:

The following served as members of the Board of Directors during the year and up to date of this report

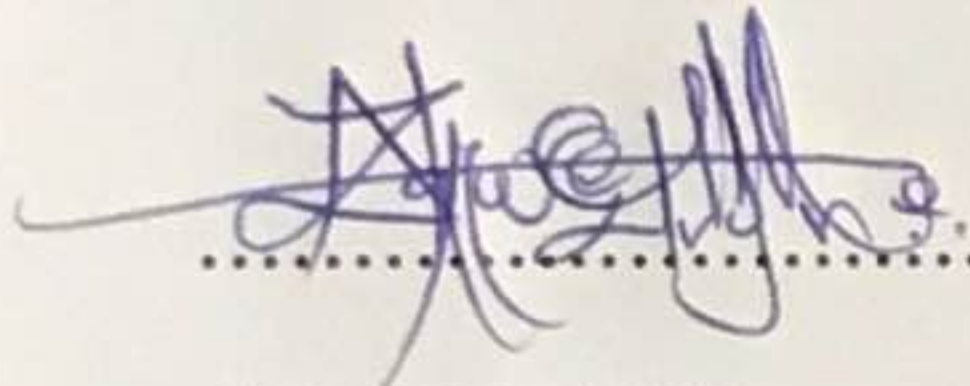
1. Mr. Nolbert Ronnie Muhumuza
2. Mr. Gilbert Jimmy Mwebesa
3. Ms. Irene Zawedde

AUDITORS:

MEK & ASSOCIATES were appointed auditors to carry out the audit and will continue in office in accordance with section 159(2) of The Companies Act (Cap.110).

BY ORDER OF THE BOARD

OF G H FOUNDATION LTD



.....
SECRETARY

Date.....

July 14th 2021

3.0 STATEMENT OF THE DIRECTOR'S RESPONSIBILITIES AS AT 30 JUNE 2019

The Board of Directors is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of G H Foundation Ltd as at the end of the financial year and its operating results. In preparing 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 G H Foundation Ltd will continue in operation.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of G H Foundation Ltd and enable them to ensure that the financial statements comply with International Financial Reporting Standards and the companies Act. They are also responsible for safeguarding the assets of G H Foundation Ltd and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

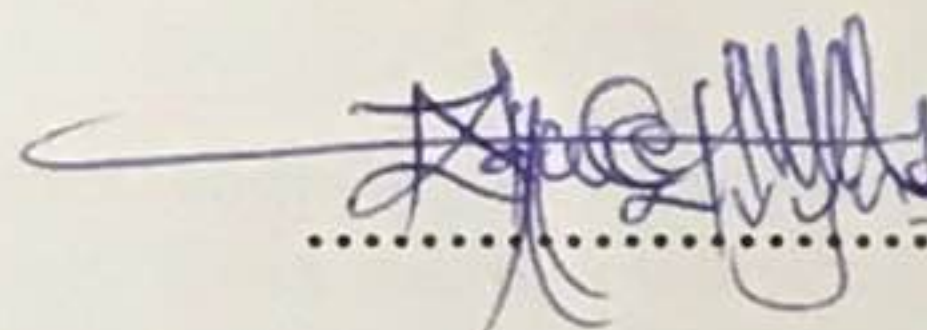
The Board accepted responsibility for the annual financial statements set out on pages 10 to 19 which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments, and estimates in conformity with International Financial Reporting standards and the companies Act.

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



.....

Director



.....

Director

Date... July 14th, 2021

Date... July 14th, 2021



MEK & ASSOCIATES
Certified Public Accountants
Plot 934, Floor 1, Room 101, Bombo Road
Opposite Kolping Hotel, Makerere - Kavule
P.O.Box 11237, Kampala (U)

Contact: +256 772 431 353
+256 703 431 353

Firm No. AF 0332

PRACTICING NO. P0282,

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF G H FOUNDATION LTD FOR THE FINANCIAL YEAR ENDED 30th JUNE 2019

Opinion

We have audited the financial statements of **G H FOUNDATION LTD** set out on pages 10 to 19 which comprise the statements of financial position as at 30th June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement cash flows for the year then ended, and notes to the financial statements, including a summary significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of **G H FOUNDATION LTD** as at 30th June 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Accountants' Act, 2013.

Basis for opinion

We 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. We are 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 we have fulfilled our other ethical responsibilities in accordance with these 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.

Key Audit Matters (KAMs)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

No Key Audit Matters came to our attention.

Responsibilities of Directors and those charged with governance for the financial statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS and the Accountants Act, 2013, 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 Institute'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.



MEK & ASSOCIATES
Certified Public Accountants
Plot 934, Floor 1, Room 101, Bombo Road
Opposite Kolping Hotel, Makerere - Kavule
P.O.Box 11237, Kampala (U)

Contact: +256 772 431 353
+256 703 431 353

Firm No. AF 0332

Auditor's responsibilities for audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 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 Institute 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 Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 opinion of my auditor's report. However, future events or conditions may cause the Company 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.

We 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 our audit.



MEK & ASSOCIATES
Certified Public Accountants
Plot 934, Floor 1, Room 101, Bombo Road
Opposite Kolping Hotel, Makerere - Kavule
P.O.Box 11237, Kampala (U)

Contact: +256 772 431 353
+256 703 431 353

Firm No. AF 0332

Report on other legal requirements

As required by the Accountants Act, 2013, I report to you based on my audit, that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
- (b) The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account;
- (c) 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 on the audit resulting in this independent auditor's report is CPA Edward Kizza Mutebi
Practicing no. 0282 and Certificate No. F439/21

MEK & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
License No. L267/21
Reg No. AF0332



5.0 STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 USHS	2018 USHS
Income	2	33,125,000	26,200,000
		33,125,000	26,200,000
Project expenditure			
Academic and Tuition	3.1	3,444,000	3,165,000
Administration	3.2	18,994,740	19,736,610
Community support	3.3	2,360,000	2,500,500
Finance cost	3.4	289,953	286,431
Total project expenses		25,088,693	25,688,541
Total project expenditure before Depreciation		25,088,693	25,688,541
Surplus before depreciation		8,036,307	511,459
Depreciation	4	1,862,692	2,517,844
Surplus for the year		6,173,615	(2,006,385)

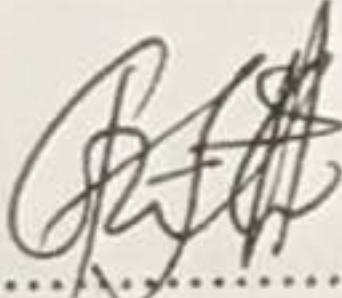
The accounting policies and notes on pages 14 to 19 form an integral part of this financial statement

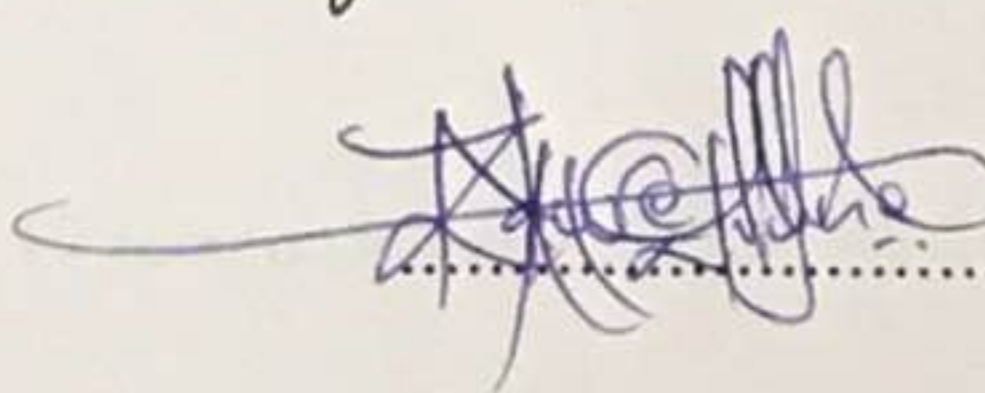
6.0 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	NOTE	2019 USHS	2018 USHS
ASSETS			
NON CURRENT ASSETS:			
Property and Equipment	4	7,583,917	9,446,609
TOTAL NON CURRENT ASSETS		7,583,917	9,446,609
CURRENT ASSETS:			
Accounts receivable	5	1,204,000	858,600
Cash and Cash Equivalents	6	7,630,012	1,456,780
TOTAL CURRENT ASSETS		8,834,012	2,315,380
TOTAL ASSETS		16,417,929	11,761,989
ACCUMULATED FUND AND LIABILITIES			
Accumulated fund		5,726,550	(447,065)
TOTAL EQUITY		5,726,550	(447,065)
CURRENT LIABILITIES:			
Accounts payable	7	10,691,379	12,209,054
TOTAL CURRENT LIABILITIES		10,691,379	12,209,054
TOTAL ACCUMULATED FUND AND LIABILITIES		16,417,929	11,761,989

The accounting policies and notes on pages 14 to 19 form an integral part of this financial statement

The Financial Statements were approved by the Directors on July 14th, 2021 and are signed on its behalf

by:  DIRECTOR

 DIRECTOR

7.0 STATEMENT OF CHANGES IN ACCUMULATED FUND AS AT 30 JUNE 2019

	<u>ACCUMULATED</u> <u>FUND or (DEFICIT)</u> <u>USHS</u>	<u>TOTAL</u> <u>USHS</u>
Accumulated reserves at 01.07.2017	1,559,320	1,559,320
less: Deficit for the year	(2,006,385)	(2,006,385)
At 30.06.2018	(447,065)	(447,065)
At 01.07.2018	(447,065)	(447,065)
ADD: Surplus for the year	6,173,615	6,173,615
At 30.06.2019	5,726,550	5,726,550

The accounting policies and notes on pages 14 to 19 form an integral part of this financial statement

8.0 STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2019

	2019 USHS	2018 USHS
Operating Surplus	6,173,615	(2,006,385)
Adjustments:		
Depreciation	1,862,692	2,517,844
Operating Profit before working Capital Changes	8,036,307	511,459
(Increase)/Decrease in Trade and other receivables	(345,400)	(858,600)
Increase/(decrease) in Trade and other payables	(1,517,675)	5,309,054
Cash Generated from Operations	6,173,232	4,961,913
Cash flow from Investing Activities, Additions and Assets		
Additions of Assets	-	(4,650,000)
	-	(4,650,000)
Cash flow from financing activities		
Long term loan repayments	-	-
Net cash used in financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	6,173,232	311,912
Net cash flow at the beginning of the year	1,456,780	1,144,868
Net increase / (decrease) in cash and cash equivalents	6,173,232	311,912
Net cash flow at the end of the year	7,630,012	1,456,780

The accounting policies and notes on pages 14 to 19 form an integral part of this financial statement

9.0 NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies

Unless otherwise stated, the significant accounting policies below have been consistently applied to all the years presented.

(a) Basis of Preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention, modified by the revaluation of investment property and available- for- sale financial assets.

All amounts are shown in UG SHILLINGS (USHS), unless otherwise stated.

a) Income and expenditure

Income and expenditure incurred by G H Foundation Ltd are recognized on accrual basis, income is earned from grants, donations and projects managed by the G H Foundation Ltd.

b) Currency of presenting the accounts

The accounts are presented in Uganda shillings (USHS) which is also the functional currency

c) Donations and Grants

Donations/grants are recognized in financial statements when received, grants received are recognized systematically as income over the period necessary to match them with the related costs, which they are intended to compensate .Grants are accounted for using the income approach in which income and their matching costs are disclosed in their entirety.

d) Bad and doubtful debts

Specific provisions are made against accounts receivable when, in the opinion of management, recovery is considered doubtful. These are dealt with in the statement of comprehensive income.

e) Taxation

G H Foundation Ltd is an exempt organization under the provisions of section 2 (bb)[C] of the Income Tax Act ,Cap 340,1997 (as amended)

f) Non –Current assets and depreciation

Non –current assets are stated at cost, less accumulated depreciation. The cost of property plant and equipment is the value of consideration given to acquire the assets and the value of other directly attributed costs incurred in bringing the assets to their current location and condition for their intended use.

Depreciation is calculated on the straight line basis at annual rates, which are estimated to write off the cost over their expected useful lives.

The annual rates applied are:

Item	Rate
Land	Nil
Buildings	5%
Furniture, Fittings and equipment	12.5%
Computers	33.3%
Motor vehicles	25%

g) Retirement Benefits

G H Foundation Ltd contributes to NSSF which is a statutory benefit scheme established under, NSSF act. This is a defined contribution Scheme to which Giving Hope Foundation contributes 10% of the employees' gross salaries. G H Foundation Ltd's contribution to the scheme during the year is charged to the statement of comprehensive income.

h) Foreign currency Transactions

Foreign currency Transactions during the year are converted into the Uganda shillings at the rate ruling at the transaction date. Assets and liabilities which are expressed in foreign currencies at the Accumulated fund date are translated in Uganda shillings at the rate ruling at the accumulated fund date. The resulting differences from conversions are dealt with in the income and expenditure statement.

i) Accumulated Fund

These funds represent revenue reserves .The amounts are used at the discretion of management within the objects of G H Foundation Ltd.

j) Long term investments

Long term investments are valued at cost. Any gains or losses on such investments are recognized in the income statement for the year such gains or losses occurred.

k) Accounts Receivable, prepayments and advances.

Income or payments accruing to the organization not yet realized as cash and realistically measurable to be recovered is recognized in the books as debtors, and is shown in the accounts net of bad debts.

l) Accounts Payable and accruals

All expenses must be matched in the same accounting period as the revenues they helped to earn .consequent bills are recognized as creditors in the accounts

m) Cash and cash Equivalentents

For the purposes of the cash flow statement, the year-end cash equivalentents comprise cash in hand and at bank, net of outstanding bank overdrafts.

	2019 USHS	2018 USHS
2: INCOME:		
Donor funds		
Sponsors and projects	25,563,000	20,500,000
Other funds		
Collections from the community	7,562,000	5,700,000
	33,125,000	26,200,000
3.1: Academic and Tuition:		
School fees and scholastic materials	1,330,000	1,200,000
Seminars and workshops	1,120,000	1,005,000
Vocational training	634,000	510,000
Sports and drama	360,000	450,000
	3,444,000	3,165,000
3.2: Administration:		
Salaries and allowances	8,500,000	8,500,000
Staff Welfare	4,532,900	5,234,600
Utilities	587,640	573,210
Office rent	3,000,000	3,000,000
Stationary & Printing	386,300	398,600
Computer repairs	150,900	254,100
Telephone, postage and Internet	281,200	279,100
Research and documentation	650,000	500,000
Transport	768,300	867,000
Office	137,500	130,000
	18,994,740	19,736,610
3.3: Community support:		
Community support expenses	2,360,000	2,500,500
	2,360,000	2,500,500
3.4: Finance cost:		
Bank Charges	289,953	286,431
	289,953	286,431

4 PROPERTY AND EQUIPMENT:

	12.5% Furniture & Fittings	33.3% Computers and Accessories	TOTAL
	USHS	USHS	USHS
COST 01.07.2018	8,950,000	5,700,000	14,650,000
ADDITIONS	—	—	—
30.06.2019	8,950,000	5,700,000	14,650,000
<u>DEPRECIATION</u>			
01.07.2018	2,781,592	2,421,799	5,203,391
DURING THE YEAR	<u>771,051</u>	<u>1,091,641</u>	<u>1,862,692</u>
	3,552,643	3,513,440	7,066,083
<u>NET BOOK VALUE:</u>			
30.06.2019	5,397,357	2,186,560	7,583,917
30.06.2018	6,168,408	3,278,201	9,446,609

	2019 USHS	2018 USHS
5 Accounts receivable		
Accounts receivable	765,300	456,900
Staff loans and advances	438,700	401,700
	1,204,000	858,600
6 Cash and cash equivalents	7,630,012	1,456,780
	7,630,012	1,456,780
7 Accounts payable		
Accounts payable	5,439,800	6,790,100
accruals	4,356,200	5,345,100
Other payables	895,379	73,854
	10,691,379	12,209,054