CHILDCARE
SUPPORT & Education
Organisation

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

CONTENTS

COMPANY INFORMATION

ORGANISATIONAL DIRECTORS	: Mr. Kabukuru Moses
	: Ms. Agasha Fiona
	: Mr. Max Kamukama
	Mr. Rogers Atwiine
REGISTERED OFFICE	: Kigando LC1. Nyarubanga Parish. Kanoni Sub-County:
	Kazo District, South - Western, Uganda
	: P.O.Box 130 Ibanda
	: Email:projects@childcare-support.org
AUDITOR	: Roberaikes & Co
	: Certified Public Accountant
	: Solar House Muteesa 1 Road
	: P. O. Box 70509 Clock Tower
PRINCIPAL BANKERS	: Centenary Rural Development Bank

REPORT OF THE DIRECTORS

The directors submit their report and the financial statements for the year ended 31 December 2019 which disclose the state of affairs of the organisation.

PRINCIPAL ACTIVITY
The organisation carries out its activities in the field children and youth programs, Sanitation and hygiene programs and empowerment programs

PROJECT BENEFICIARIES
The beneficiaries of the project include:- Destiny primary school for children, Destiny Secondary school for women and youth,Skill training for the community.

FINANCIAL PERFOMANCE SUMMARY	**2019** **Shs**	**2018** **Shs**
Total incomes	51,000,000	43,810,000
Less-Expenditure	55,383,669	56,112,210
Less-Depreciation	570,000	570,000
Surplus/Deficit for the year	**-4,953,669**	**-12,872,210**

DIRECTORS
The directors who held office during the year and to the date of this report are shown on page 2.
In accordance with the company's Articles of Association, no director (s) are due for retirement by rotation.

BY ORDER OF THE BOARD

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GRACE AGABA
BOARD MEMBER,CEO & FOUNDER

________________________ 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In accordance with the Companies Act 2012 and NGO regulations, it is the responsibility of the management to prepare financial statements for each financial year that accurately portray the state of the project at the fiscal year-end and its operational results for that period. The Board is further tasked with the following responsibilities:

- Exercise Transparency and rightful use of Money (Grants, Fundraising & Donations)
- Select appropriate accounting policies and consistently apply them.
- Declare whether applicable accounting standards have been adhered to.
- Formulate the financial statements on the assumption of the Organization's continuity in Charity, unless such a presumption is inappropriate.

The Board of Members are accountable for maintaining accurate accounting records that provide a reasonably precise picture of the Organization’s financial position at any given time. This enables them to ensure that the financial statements comply with the organization’s accounting policies and guidelines. They also bear responsibility for safeguarding the Organization’s assets and, consequently, must take reasonable measures to prevent and detect fraud and other irregularities.

The Board of Members willingly accept the responsibility for the annual financial statements. These statements have been prepared using appropriate accounting policies supported by prudent judgments and estimates, in alignment with Institute of Certified Public Accountants of Uganda and as mandated by the Companies Act.

The Board of Members are confident that the Financial Statements present an accurate and fair view of the Organisation’s financial status and operational results. They also acknowledge their responsibility for maintaining accounting records upon which the preparation of the financial statements relies, as well as ensuring robust internal financial control systems.

As of the date of this statement, the Board of Members have not identified any issues that suggest the organization will not remain a going concern for at least the next twelve months

GRACE AGABA
BOARD MEMBER,CEO & FOUNDER

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF CHILDCARE SUPPORT AND EDUCATION

Opinion

We have audited the financial statements of CHILDCARE SUPPORT AND EDUCATION ORGANISATION set out on pages 6 to 13, which comprise the statement of financial position as at 31 December 2019 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion,the financial statements present fairly, in all material respect, the financial position of CHILDCARE SUPPORT AND EDUCATION ORGANISATION as at 31 December 2019 and its financial performance and cash flows for the year then ended in accordance with international financial reporting standards for small and medium sized-

Basis of Opinion

We conducted our audit in accordance with international standards on Auditing. My responsibilities under those standards are further described in the Auditor`s Responsibilities for the Audit of the financial statements section of our report. We are independent of the organisation in accordance with the international ethics standards board for accountantscode of ethics for proffesional accountants (Part A and B) (IESBA Code) and other independence requirements applicable to performing audit of financial statements in Uganda. We have fulfilled our other ethical responsibilities in accordance with the IESBA code and in accordance with other ethical requirements applicable to performing audits in Uganda. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Resiponsibilities of the project management in the audit of financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act Cap 110 organisation`s Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.In preparing the financial statements, the directors are responsible for assessing the organisation'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 organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, I exercise professional judgement 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 theorganisation's internal control.

-Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

We communicate with the directors 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF CHILDCARE SUPPORT AND EDUCATION ORGANISATION (CONT'D)

Report on other legal requirements

As required by the Ugandan Companies Act, 2012 we report to you except as indicated on page 4, based on our audit, that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
(ii) in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
(iii) the organisation's statement of financial position and statement of profit or loss and retained earnings are in agreement with the books of account.

Roberaikes & Co
Certified Public Accountant
P.O.BOX 70509 Clock Tower
Kampala Uganda

STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2019 Shs	2018 Shs
Donations and Grants	3	51,000,000	43,810,000
Program costs	4	32,900,000	36,860,000
Administration costs	5	7,785,619	5,543,710
Employment Costs	6	15,268,050	14,278,500
Surplus/Deficit for the year		**-4,953,669**	**-12,872,210**
Accumulated funds at start of the year		-9,541,336	3,330,874
Accumulated funds at end of the year		**-14,495,005**	**-9,541,336**

STATEMENT OF FINANCIAL POSITION

	Notes	2019 Shs	2018 Shs
EQUITY AND LIABILITIES			
Equity and Reserves			
Accumulated Funds		-14,495,005	-9,541,336
Total Equity and Reserves		**-14,495,005**	**-9,541,336**
Current Liabilities			
Other payables	8	16,413,913	12,022,210
Total Equity and liabilities		**1,918,908**	**2,480,874**
REPRESENTED BY			
Non-current assets			
Property and equipment	9	1,860,000	2,430,000
Current assets			
Cash and cash equivalents	7	58,908	50,874
Total Current Assets			
Total Assets		**1,918,908**	**2,480,874**

Director **Director**

STATEMENT OF CHANGES IN NET ASSETS/EQUITY

Year Ended 31 Dec 2019

	Accumulated Funds Shs	Total Shs
At Start of the year	-9,541,336	-9,541,336
Surplus or deficit in the year	-4,953,669	-4,953,669
At end of the Year	**-14,495,005**	**-14,495,005**

STATEMENT OF CASH FLOWS

	Notes	2019 Shs	2018 Shs
Cash flows from operating activities			
Surplus or Deficit for the year		-4,953,669	-12,872,210
Adjustments for:			
Depreciation on property and equipment	9	570,000	570,000
Changes in working capital:			
- trade and other payables		4,391,703	12,353,084
Net cash generated from operating activities		**8,034**	**50,874**
Increase in cash and cash equivalents		**8,034**	**50,874**
Cash at start of the period		50,874	
At end of year		**58,908**	**50,874**

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 years presented, unless otherwise stated.

1. **General information**

Childcare Support & education organisation is incorporated in Uganda under the Ugandan entity`s Act, 2012 as a limited by Guarantee, and is domiciled in Uganda with a license from NGO board on file no. MIA/NB/2014/07/1250 .The address of its registered office is at Kigando LC1 Nyarubanga Parish, Kanoni Sub-county, Kazo County, Kazo District. with P O Box 130 Ibanda. Its acitivities are:- children and youth programs, sanitation and hygiene programs, empowerement programs.

2a) **Basis of preparation**

The financial statements of Childcare Support and education organisation have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME's). They have been prepared under the historical cost convention

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

These financial statements comply with the requirements of the Companies Act, 2012. The statement of profit or loss and retained earnings represent the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

Going concern

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

The organisation meets its day to day working capital requirements through funding from its shareholders. The directors consider it appropriate to prepare the financial statements on a going concern basis which assumes that the organisation will be in operational existence for the foreseeable future.

Based on the financial performance and position of the organisation and its risk management policies, the directors are of the opinion that the organisation is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

b) **Key sources of estimation uncertainty**

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

- Impairment of trade receivables - the directors review the portfolio of trade receivables on an annual basis. In determining whether receivables are impaired, the directorss make judgement as to whether there is any evidence indicating that there is a measurable decrease In the estimated future cash flows expected.

- Useful lives of property and equipment - directors review the useful and residual values of the items of property and equipment on a regular basis. During the financial year, the directorss determined no significant changes in the useful lives and residual values.

c) **Revenue recognition**

Restricted grants are recognised as income over the period neccesary to match them with the related costs which they are intended to compesate, on a systemetic basis.
-Un Restricted grants, donations and contribution are recognised as revenue when received

d) **Property and equipment**

All equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

NOTES: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the organisation and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintainance are charged to the statement of profit or loss and retained earnings during the financial period in which they are incurred.

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

	Rate
Furniture	15%
Computers	25%

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

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

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

e) **Financial liabilities**
Financial liabilities are initially recognised at the transaction price (less transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are susequently measured at amortised cost using the effective interest method.

f) **Cash and cash equivalent**
For the purposes of the statement of cashflows, cash and cash equivalents comprise cash in hand, deposits held at call with banks.

NOTES TO FINANCIAL STATEMENTS

		2019 Shs	2018 Shs
3	**Income from Grants and fundraising**		
	Fundraising from shareholders & Board Members	500,000	
	Grace Agaba and partnership with other NGOs	50,500,000	43,810,000
	Total Income	**51,000,000**	**43,810,000**
4	**Program Costs**		
	End of Year Newsletter & Report Printing		3,000,000
	Design, Printing of Awareness Posters, Workshop Banners	500,000	
	Girl Child Education Sponsorship_Destiny Primary School	6,000,000	4,860,000
	Girl Child Education Sponsorship_Destiny Secondary School	6,000,000	4,500,000
	Facilitation of Internship with Trainers of Skills Training	4,500,000	5,500,000
	Part Contribution of Primary & Secondary Teachers' Salaries	7,000,000	5,000,000
	Construction of Buildings (Destiny Primary School)	8,900,000	14,000,000
	Total Program costs	**32,900,000**	**36,860,000**
5	**Administration Costs**		
	Office Rent	3,800,000	3,800,000
	Printer Papers	549,000	301,900
	Office Stationary and printing	800,000	120,900
	Office internet	1,200,000	200,000
	Depreciation cost	570,000	570,000
	Post office suscription	120,000	120,000
	Emails & Website hosting	600,000	300,000
	Bank charges	146,619	130,910
	Total operating costs	**7,785,619**	**5,543,710**
6	**Employment cost**		
	Staff Salaries & Casual workers	10,980,000	10,980,000
	Staff welfare	4,288,050	3,298,500
	Total Employment costs	**15,268,050**	**14,278,500**
7	**Cash and cash equivalent**		
	Cash at bank	58,908	50,874
8	Other payables	16,413,913	12,022,210

9 **Property and Equipment**

	Furniture & Equipment	Computer Equipment	Total
	25%	30%	
Cost as at 01.Jan.2019	1,800,000	1,200,000	3,000,000
Additions			
Disposals			
Total Cost 31.Dec.2019	**1,800,000**	**1,200,000**	**3,000,000**
Depreciation			
As at 01.Jan.2019	270,000	300,000	570,000
Charge for the year	270,000	300,000	570,000
Disposals			
As at 31.Dec.2019	**540,000**	**600,000**	**1,140,000**
NBV 31.Dec.2018	1,530,000	900,000	2,430,000
NBV 31.Dec.2019	**1,260,000**	**600,000**	**1,860,000**