



ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



KHAN ASSOCIATES

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**Bravo Shoes Community Support
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ORGANISATION INFORMATION

BOARD OF DIRECTORS:

Mr. Yesigye Brian Bravo (Chairperson)
Ms. Rukundo Sarah-(Secretary)
Ms. Nakitto Nina Denise- (Treasurer)
Ms. Biira Jesca-Member
Mr. Ayebare Solomon-Member
Ms. Nguna Sadra-Member
Ms. Kamaria Ann Kaka-Member

REGISTERED OFFICE:

Plot 12 Luwum Street
City Centre Complex
1st Floor Suite 9
P.O. Box
107062,
Kampala

BANKER:

KCB Uganda Limited

AUDITORS:

KHAN Associates
Certified Public Accountants of Uganda
Plot 13, Buganda Road, Mukwano Courts Building
2nd Floor, suite 208
P.O Box 36238
Kampala
Uganda

BOARD OF DIRECTORS' REPORT

The Board of Directors present their report together with the financial statements for the year ended 31 December, 2021, which disclose the state of affairs of Bravo Shoes Community Support Limited

INTRODUCTION

Bravo Shoes Community Support (BSCS) is a non-profit organization dedicated to improving the lives of vulnerable children in Uganda. The organization works in partnership with the government to empower communities and prioritize the needs of children, with a focus on preventing unnecessary separation of children from their families within their communities. BSCS was founded by the CEO of Bravo Shoes Company, Mr Brian Yesigye Bravo, who himself rose from humble beginnings as a street vendor to a successful business leader mobilized other likeminded individuals to support these efforts.

The primary mission of BSCS is to support vulnerable children by addressing the two key challenges they face: lack of education and poverty within their families. The organization plans to address these issues through a comprehensive and holistic approach, by providing education and economic empowerment programs. BSCS believes that education in all forms can break the cycle of ignorance and poverty, and aims to uplift children and have a positive impact on other aspects of society, such as reducing prenatal deaths through girls' education.

MISSION

Bringing hope for social and economic inclusion to less privileged and unserved children and vulnerable women.

VISION

Building strong communities where less privileged and underserved children and vulnerable women are given an opportunity for social and economic inclusion.

OBJECTIVES

The objectives of the Organisation include among others the following;

- (a) Establish functional systems for comprehensive, participatory and inclusive integrated development plans and frameworks;
- (b) Provide community participatory programmes to improve education, poverty and economic empowerment for the beneficiaries and their caretakers;
- (c) Monitor and evaluate the visibility; effectiveness of programmes; and performance of the organization;
- (d) Strengthen the capacity of BSCS to effectively and efficiently deliver on its set goals and objectives; and

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- (e) To develop and promote networks, collaborations and partnerships for innovative development planning and programming.
- (f) Mobilise resources to support beneficiaries
- (g) Build a strong governance system to support management in strategic issues.

KEY CHALLENGES

- Inadequate teachers in some schools compared to the pupils. This is aggravated by having few female teachers in some schools.
- Whereas in some of the school pupil enrolment is high. In other schools dropouts are on the rise;
- Feeding Teachers and pupils at lunch is still a problem;
- High rates of teacher absenteeism and late coming incidents;
- Inadequate classrooms i.e. St. Kizito Primary School has an enrolment of 1167 pupils and has only 9 classrooms;
- Many of the teachers take lightly the issue of appraisal; and,
- Most of the schools Lack latrines.¹


GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that; funds are available to finance future operations and realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

DIRECTORS

The present directorship of the Organisation is set out on page 1.

BY ORDER OF THE BOARD



SECRETARY

Date: 17/04/2023

¹ Josephine Nabugoomu, (2018). [Adolescent maternal nutrition and health in Uganda: voices from the community.](https://uwspace.uwaterloo.ca/bitstream/handle/10012/12946/N)
<https://uwspace.uwaterloo.ca/bitstream/handle/10012/12946/N>

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STATEMENT OF FINANCIAL POSITION

	Note	2021 Ushs
<u>ASSETS</u>		
Non-current assets		
Property, Plant and equipment	6	27,037,500
		27,037,500
Current Assets		
Pre-payments	7	3,000,000
Cash and Cash Equivalent	8	99,863,986
		102,863,986
Total Assets		129,901,486
<u>EQUITY AND LIABILITIES</u>		
Capital employed		
Capital funds	10	27,037,500
Accumulated funds		96,713,328
		123,750,828
Current Liabilities		
Accounts Payable	9	6,150,658
		6,150,658
Total equity and liabilities		129,901,486

The significant accounting policies and notes on pages **8** to **13** form an integral part of these financial statements.

The financial statements were signed on behalf of the Board on 17 / 04 /2023 by;



TREASURER



CHAIRPERSON

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STATEMENT OF ACCUMULATED FUNDS (General Funds)

	Capital fund U.Shs.	Accumulated funds U.Shs.	Total U.Shs.
As at 1st January 2021	-	-	-
Transfer to general fund		96,713,328	96,713,328
Capital additions during the year	34,000,000	-	34,000,000
Depreciation charge for the	(6,962,500)	-	(6,962,500)
As at 31 December, 2021	27,037,500	96,713,328	123,750,828

The significant accounting policies and notes on pages **8** to **13** form an integral part of these financial statements.

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STATEMENT OF CASHFLOWS

	Notes	2021 Ushs
Cash flows from operating activities		
Excess(Deficit) at year end		96,713,328
Adjustments for:		
Depreciation on property, plant and equipment	6	6,962,500
Operating profit before working capital changes		103,675,828
Increase / (Decrease) in Receivables	7	(3,000,000)
Increase / (Decrease) in Payables	10	6,150,658
Net cash generated from operating activities		106,826,486
Tax paid		-
Net cash generated from operations		106,826,486
Cash flows from investing activities		
Purchase of Assets	6	(34,000,000)
Net cash (used in) investing activities		(34,000,000)
Cash flows from financing activities		
Increase / (Decrease) in Capital fund	10	27,037,500
Increase / (Decrease) in General Fund		-
Net cash (Used in) financing activities		27,037,500
Net (decrease) in cash and cash equivalents		99,863,986
Cash and cash equivalents at 1st January		-
Cash and cash equivalents at 31st December	8	99,863,986

The significant accounting policies and notes on pages **8 to 13** form an integral part of these financial statements.

1.0 SIGNIFICANT ACCOUNTING POLICIES

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

1.1 Basis of accounting

The fund accountability statement has been prepared using the modified cash basis of accounting. Revenues are recorded when credited in the bank statement. Expenses are recorded when paid except when management provides for those it can reliably estimate and relate to the period under review.

1.2 Basis of preparation

Statement of compliance

The Financial Statements have been prepared in accordance with and comply with International Financial Reporting Standards for Small and Medium Sized Entities, the Companies Act, 2012 and the NGO Act 2016.

1.3 Basis of measurement

The Financial Statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment whenever it happens.

1.4 The financial and presentation currency

The financial statements are presented in Ugandan shillings (Ushs) which is the organisation's functional currency.

1.5 Provisions and contingencies

Provisions are recognised when the organisation has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation, where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset and the amount recognised for the reimbursement shall not exceed the amount of the provision.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.6 Property, Plant and Equipment

Items of property and equipment cost is expensed to the statement of income and expenditure in totality in the year of acquisition. An assets schedule is maintained tracking the usage of assets overtime. A capital fund account reflecting the net book value is held to counter balance net book asset net book value.

The asset information is held in the asset register which is regularly updated to provide information for decision making.

Depreciation is charged on a reducing balance basis at rates calculated to write off the cost of each asset to its residual value over its expected useful life as follows but this is not charged to the statement of income and expenditure as the organisation adopted cash basis accounting:

Computers and accessories	25.00%
Furniture and fittings	12.50%
Equipment	20.00%

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively if appropriate.

An asset register is regularly updated to provide information about the asset.

1.7 Taxation

Hope Partners Africa is registered as a non-profitable organisation whose objective is to mobilize, sensitize, train and bridge the gap between the vulnerable communities and individuals through provision of education and other social support.

1.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.9 Income

Income comprises of grants from donors, Membership subscriptions and interest received on bank balances which is recognised when received by the organisation and deposited in its bank account.

1.10 Translation of foreign currencies

Foreign currency transactions if any are translated into the functional currency (Uganda shilling) using the exchange rates prevailing at the date of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end are recognised in the Income and expenditure account as other incomes which is used to meet the organisation's objective and in accordance to the terms in the agreement with the donor.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE	2021 Ushs.
2.0 <u>Income</u>	
Donations	453,659,000
	453,659,000
3.0 <u>Program expenses</u>	
Community engagements and Needy children identification	36,292,720
School fees	27,219,540.00
Scholastic materials	9,073,180
School visitation	9,526,839
Support to Kids' Needy Families (Social economic Support)	43,097,605
	125,209,884
4.0 <u>Employment Costs</u>	
Salary	108,878,160
Social Security -Employer contribution (10% Nssf)	10,887,816
	119,765,976
5.0 <u>General Administrative Expenses</u>	
Organisation development and capacity building	25,404,904
Telecommunication Costs	5,426,000
Bank and transactional charges	566,450
Office Utilities- Water & Power	1,365,300
Office -Rent	3,000,000
Staff Welfare	2,432,600
Stationary and Printing	1,243,000
Legal Fees	3,425,000
Accounting service fees	4,000,000
Membership and subscriptions	1,234,000
Capital expenditure	34,000,000
Staff Medical expenses	4,357,600
Publicity and & Community engagements	25,514,958
	111,969,812

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NOTES TO THE FINANCIAL STATEMENTS-Continued

6.0 Property Plant and Equipment

	Furniture and Fittings 12.5% U.Shs	Equipment 20.0% U.Shs	Computers 25.0% U.shs	Total U.Shs
<u>COST / VALUATION</u>				
As at 1st January 2021				
Additions	3,500,000	22,000,000	8,500,000	34,000,000
Disposals	-	-	-	-
As at 31st December, 2021	3,500,000	22,000,000	8,500,000	34,000,000
<u>DEPRECIATION</u>				
As at 1st January 2021				
Charge for the Period	437,500	4,400,000	2,125,000	6,962,500
As at 31st December, 2021	437,500	4,400,000	2,125,000	6,962,500
<u>NET BOOK VALUE</u>				
As at 31St December, 2021	3,062,500	17,600,000	6,375,000	27,037,500

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NOTES TO THE FINANCIAL STATEMENTS-Continued

NOTES

	2021
	Ushs
7.0	
<u>Pre-payments</u>	
Pre-paid rent	3,000,000
	<u>3,000,000</u>
8.0	
<u>Cash and cash Equivalents</u>	
Cash at hand	235,000
Cash at bank	99,628,986
	<u>99,863,986</u>
9.0	
<u>Accounts payable</u>	
Audit Fees payable	4,000,000
Other payables	2,150,658
	<u>6,150,658</u>
10.0	
<u>Capital Funds</u>	
Opening balance	-
Additions during the period	34,000,000
Depreciation charge for the year	(6,962,500)
Closing balance	<u>27,037,500</u>
Capital funds reflects how capital assets are being utilized	
11.0	
<u>Committed Funds</u>	
Committed Funds	96,713,328
	<u>96,713,328</u>

Committed funds relate to funds budget for but not spent as at close of the year

12.0 Financial reporting period

The financial reporting period is a twelve months period to 31 December, 2021.

13.0 Reporting currency

The reporting currency is in Uganda shillings (Ushs).