
GOLDEN BOOTS UGANDA LIMITED

AUDITED FINANCIAL STATEMENTS AS AT 1ST
JULY 2021 TO 31ST DECEMBER 2021

MKJIM & ASSOCIATES CPA

**GOLDEN BOOTS UGANDA LIMITED FINANCIAL STATEMENTS AS AT 1ST JULY 2021
TO 31ST DECEMBER 2021**

Table of Contents	Page
Directors, Officers And Administrators	3
Statement of the Board of Directors' Responsibility for the Financial Statements for the Year ended 1 st July 2021 to 31 st December 2021	7
Report of the Board of Directors for the Period ended 1 st July 2021 to 31 st December 2021	8
Independent Auditor's Report to the Director of Golden Boots Uganda Limited as at 1 st July 2021 to 31 st December 2021	9
Golden Boots Uganda Limited Statement of Payment and Receipt as at 1 st July 2021 to 31 st December 2021	13
Golden Boots Uganda Limited Statement of Financial Position as at 1 st July 2021 to 31 st December 2021	14
Golden Boots Uganda Limited Statement of Changes In Equity as at 1 st July 2021 to 31 st December 2021	15
Golden Boots Uganda Limited Statement of Cash Flows as at 1 st July 2021 to December 2021	16
Golden Boots Uganda Limited Notes To Financial Statements as at 1 st July 2021 to 31 st December 2021	17

DIRECTORS, OFFICE LOCATION, BANKERS AND AUDITORS

CO-FOUNDER

Kisirisa Muhammed

Director

REGISTERED OFFICE

Lubiri Triangle
Mwanga II Kisenyi

BANKERS

Stanbic Bank
Kawempe Branch

AUDITORS

Mkjim & Associates
Equatorial Mall
Level 5
P.O.Box 37365 Kampala Uganda
Webmail: Jim@mkjimassociates.com
Email: mwesigwajim@gmail.com

RESULTS OF THE PERIOD ENDED 1ST JULY 2021 TO 31ST DECEMBER 2021

	31st December 2021	June 2021
Net Surplus / (Deficit) for the year	<u>2,469,658</u>	- <u>7,076,876</u>

INDEPENDENT AUDITOR:

The organization's Auditor Mkjim & Associates has indicated willingness to continue in office in accordance with the Ugandan Companies Act, 2012

BY ORDER OF BOARD

.....
DIRECTOR



**MANAGEMENT ASSERTIONS ON THE FINANCIAL STATEMENTS OF
GOLDEN BOOTS UGANDA LIMITED YEAR ENDED 1ST JULY 2021 TO 31ST
DECEMBER 2021**

The management of Golden Boots Uganda Limited is required to prepare Financial Statements for each financial year that gives a true and fair view of the state of affairs of the Organisation's funds as at the end of the financial year and of its operational results that comply with the requirements of the funding partners. Management is responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of Organisation. Management is also responsible for safeguarding the assets of the Organisation.

Management therefore, accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with the International Financial Reporting Standards. Management is of the opinion that the financial statements for the year ended 1st July 2021 to 31st December 2021, give a true and fair view of the state of affairs of the funded activities and operational results at the Organisation. Management further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal controls.

Management confirms that all receipts received during the year ended 1st July 2021 to 31st December 2021 were used for the intended purposes in accordance with the Organisation's agreements between Golden Boots Uganda Limited and funding partners. Management certifies that there were no irregularities involving the management and staff of Golden Boots Uganda Limited, and that the financial statements of the Organisation for the year ended 1st July 2021 31st December 2021 are free of material misstatements.

This assertion is certified by management of Golden Boots Uganda Limited and signed on

7th January 2022
..... its behalf by:

[Signature]
.....
Director



STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1ST JULY 2021 TO 31ST DECEMBER 2021

The directors are required by the Non-Government Organisations Act, to maintain proper accounting records, and are responsible for the content and integrity of the Financial Statements for each financial year and related financial information included in this report, which give a true and fair view of the state of affairs of the organisation, as at the end of the financial year and of the statement of Comprehensive Income of the organization for that year.

In preparing those Financial Statements the directors are required to:

- (a) Select suitable accounting policies and then apply them consistently.
- (b) Make judgments and estimates that are reasonable and prudent.
- (c) State whether applicable accounting standards have been followed.
- (d) Prepare the Financial statements on the going concern basis unless it is inappropriate to presume that the Organisation will continue in business for the foreseeable period of time.

They are also responsible for safeguarding the assets of the organization and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Nothing has come to the attention of the Board to indicate that the organization will not remain a going concern for at least twelve months from the date of this statement.

This statement was approved by the board on 7th January 2022 and signed on behalf of the Board by;

[Signature]
Director



**REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD ENDED
1ST JULY 2021 TO 31ST DECEMBER 2021**

The Executive Committee Members submit their report and the Audited Financial Statements of Golden Boots Uganda Limited for the year ended July-December 2021, which disclose the state of affairs of the organization.

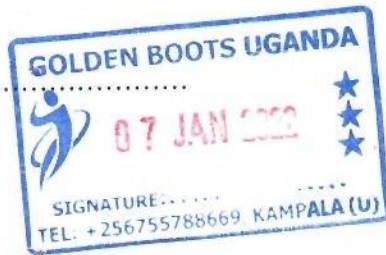
Results

The results for the period ended 1st July 2021 to 31st December 2021 are reflected in the Statement of Comprehensive Income

Approval of financial statements

The Financial Statements were approved by the Executive Committee on/...../.....
Fm January 2022

.....
[Signature]
Director



**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTOR OF GOLDEN BOOTS
UGANDA LIMITED AS AT 1ST JULY 2021 TO 31ST DECEMBER 2021**

To the Directors of Golden Boots Uganda Limited

Audit opinion

We have audited the Financial Statements of Golden Boots Uganda Limited , which comprise the statement of Financial Position as at 1st July 2021 to 31st December 2021, and the statement of Payment and receipt , 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 our opinion the Organizational Financial Statements give a true and fair view of the state of the financial affairs of the Organization as 1st July 2021 to 31st December 2021, and of its Performance, Cash Flows for the period then ended and are in accordance with International Financial Reporting Standards (IFRSs) and the requirements Uganda Companies Act 2012.

Basis for Opinion

We conducted our audit in accordance with international Standards on Auditing (ISAs) and Guidelines Issued by the Institute of Certified Public Accountants of Uganda. Our 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 Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our 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

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 year. These matters were addressed in the context of 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.

We did not identify any key audit matters during the audit

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTOR OF GOLDEN BOOTS
UGANDA LIMITED**

Other information

The director is responsible for other information. The other information comprises the report of the Director but does not include the financial statements and my auditor's report.

Our opinion on the financial statements does not cover other information and we do not express our form of Assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the 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 we have performed, we conclude that there is a material Misstatement of this other information; we are required to report that fact. We have nothing to report in this Regard.

Responsibilities of Management and those Charged with governance

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines 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, management is responsible for assessing the Organization'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 management either intends to liquidate the Organization or to cease Operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Organization's final reporting process.

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 our Opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTOR OF GOLDEN BOOTS
UGANDA LIMITED**

Auditor's Responsibilities for the Audit of the financial statements (continued)

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 our 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 Organization internal control.

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

Conclude on the appropriateness of management'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 organizational ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our Opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

Conclude on the appropriateness of management'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 Organization ability 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 transaction and events in a manner that achieves fair representation. 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 we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTOR OF GOLDEN BOOTS
UGANDA LIMITED**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

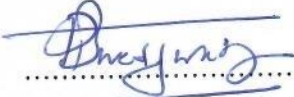
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our Independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the NGO's Act of Uganda we report to you, based on our audit that;
2. i. We have obtained all the information and explanations, which to the best knowledge and belief were necessary for the purpose of the audit.
3. ii. In our opinion, proper books of account have been kept by the Association, so far as appears from our examination of those books.
4. iii. The Association's Statement of Financial Position and Comprehensive Income are in agreement with the books of account.
5. Comprehensive Incomes are in agreement with the books of account

The engagement partner on the audit resulting in this independent auditor's report is CPA Mwesigwa Jim


.....

CPA Mwesigwa Jim - P0361


.....

Mkjim & Associates
Certified Public Accountant

Date: *Kifu/Sanway/2022*
.....

REF:07007 2022/MKJIM/GBUL/05



**GOLDEN BOOTS UGANDA LIMITED STATEMENT OF PAYMENT AND RECEIPT AS
AT 1ST JULY 2021 TO 31ST DECEMBER 2021**

	Notes	Dec-21 6 Months Shs	Jun-21 Shs
INCOME			
Income	1	<u>34,652,375</u>	<u>41,010,726</u>
		<u>34,652,375</u>	<u>41,010,726</u>
EXPENDITURE			
Expenses	2	<u>32,182,717</u>	<u>33,933,850</u>
		<u>32,182,717</u>	<u>33,933,850</u>
Surplus/(Deficit) for the year		2,469,658	7,076,876

GOLDEN BOOTS LIMITED STATEMENT OF FINANCIAL POSITION AS AT 1ST JULY 2021 TO 31ST DECEMBER 2021

	Notes	Dec-21 Shs 6 Months	Jun-21 Shs
ASSETS			
Bank & Cash at Hand	3	4,350,551	1,603,526
Property, plant & Equipment	4	5,195,983	5,473,350
		<u>9,546,534</u>	<u>7,076,876</u>
REPRESENTED BY:			
FUNDS & LIABILITIES			
General fund	7	9,546,534	7,076,876
Accounts payable		-	
		<u>9,546,534</u>	<u>7,076,876</u>

**GOLDEN BOOTS LIMITED STATEMENT OF CHANGES IN EQUITY AS AT 1ST JULY
2021 TO 31ST DECEMBER 2021**

SCE 30TH JUNE 2021

	GENERAL FUND SHS	TOTAL SHS
Balance as at 01 st Jul 2020	-	-
Surplus/(Deficit) for the year	7,076,876	7,076,876
Balance as at 30th June 2021	7,076,876	7,076,876

SCE 31ST DECEMBER 2021

	GENERAL FUND SHS	TOTAL SHS
Balance as at 01 st Jul 2021	7,076,876	7,076,876
Surplus/(Deficit) for the year	2,469,658	2,469,658
Balance as at 31st December 2021	9,546,534	9,546,534

**GOLDEN BOOTS LIMITED STATEMENT OF CASH FLOWS AS AT 1ST JULY 2021 TO
31ST DECEMBER 2021**

	31ST DECEMBER 2021 Ushs 6 Month	2021 Ushs
Operating Cash Flows		
Surplus/(Deficit) for the year	2,469,658	7,076,876
Depreciation	277,367	621,650
Loss on disposal of fixed assets	-	-
Cash flow from operations before changes in working capital	<u>2,747,025</u>	<u>7,793,899</u>
(Increase)/Decrease in Receivables	-	-
Increase/(Decrease) in Payables	-	-
Net cash inflow/(outflow) from operating activities	<u>2,747,025</u>	<u>7,793,899</u>
Tax paid	-	-
Interest paid	-	-
Net cash flow before return on investment and servicing of finance	<u>2,747,025</u>	<u>7,793,899</u>
Investing activities		
Purchase of fixed assets	-	-
Proceeds from disposal of fixed assets	-	-
Net cash outflow from investing activities	<u>-</u>	<u>-</u>
Net cash inflow/(outflow) before financing activities	<u>2,747,025</u>	<u>7,793,899</u>
Financing activities		
Credit extension	-	-
Dividends	-	-
Net cash outflow from financing activities	<u>-</u>	<u>-</u>
(Decrease)/increase in cash and cash equivalents	<u>2,747,025</u>	<u>7,793,899</u>
Movement in Cash & Cash Equivalent		
Cash and cash equivalents at the beginning of the period	1,603,526	-
(Decrease)/increase in cash and cash equivalents	-	1,603,526
Cash and cash equivalents at the period end	<u>4,350,551</u>	<u>1,603,526</u>

GOLDEN BOOTS UGANDA LIMITED NOTES TO FINANCIAL STATEMENTS AS AT 1ST JULY 2021 TO 31ST DECEMBER 2021

SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these Financial Statements are set out below:

a) Basis of accounting

The Financial Statements have been prepared in accordance with and comply with International Financial Reporting Standards for Small and Medium-sized Entities as issued by the International Accounting Standards Board (IASB)

b) Basis of preparation

- i. The Financial Statements have been prepared in accordance with and comply with International Financial Reporting Standards for Small and Medium-Sized Entities and the Companies Act of Uganda
- ii. Basis of measurement.
The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment.
- iii. The financial and presentation currency.
The financial statements are presented in Uganda shillings (Ush) which is the Organization's functional currency. All information presented in shillings has been rounded to the nearest thousand.

c) Use of Significant estimates and judgments

The preparation of Financial Statements in conformity with international Financial Reporting Standards for small and Medium-Sized Entities requires the use of judgments, estimates and assumptions that affect the application of policies and reported assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the reported period. Although the estimates and associated assumptions are based on the directors' best knowledge of current events, actions and historical experiences, actual results ultimately may differ from those estimates. Management identifies all significant accounting policies and those that involve high judgments as documented in note 21.

d) Taxation

Judgment is required in determining the provision for income taxes due to complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of the business. The Organization recognizes liability for anticipated audit issues based on estimate of whether additional taxes will be due. Where the final tax output of these matters is different from the amounts initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which determination is made.

GOLDEN BOOTS UGANDA LIMITED NOTES TO THE FINANCIAL STATEMENTS

	Notes	Dec-21 6 Months Shs	Jun-21 Shs
INCOME	1		
Trocaire		-	21,850,000
Donation-Antoine Chiquet		-	1,640,544
Money from the co-founder		-	17,520,182
International Youth Foundation		34,652,375	-
TOTAL		<u>34,652,375</u>	<u>41,010,726</u>
 EXPENSES	 2		
Transport and Fuel		5,621,350	4,219,500
Face masks		-	744,000
Sanitary pads		-	952,000
Water,glucose and gift bags		2,304,000	598,000
Sanitizer and temperature gun		-	520,000
First aid		-	500,000
Welfare for Coaches,mc,guards,press media and Social media influencers		3,600,000	1,550,000
Car hire		-	3,000,000
Venue hire		400,000	2,000,000
Platform hire		-	500,000
Tents		-	400,000
Decoration		-	200,000
Balls,Bibs,cones,Whistles,Timer watches,Head gear Gloves ,Protective Pads,Ropes,Ludo and Chess boards		5,380,000	
Chairs and tables hire		-	133,000
Public address System		-	450,000
Photography and video graphy hire		-	500,000
Branding and designing		-	3,317,000
Sports Equipment		-	-
Certificates		-	272,000
Communication/Air time ,internet and radio calls		1,700,000	572,000
Meals and refreshments		1,000,000	3,918,500
Banners		-	2,800,000
Website design and maintenance		-	1,260,000

Casual Wages	-	1,858,000
Legal fees	-	750,000
Workshops,Capacity building and introductory meetings	-	818,000
Printing and Stationery	900,000	870,200
Repairs & Maintenance	-	610,000
Facilitation Fees	11,000,000	-
Depreciation	277,367	621,650
Total Expenses	<u>32,182,717</u>	<u>33,933,850</u>

CASH AND CASH EQUIVALENTS 3

Cash at hand	-	
Cash at bank	4,350,551	1,603,526
	<u>4,350,551</u>	<u>1,603,526</u>

NOTE 4: PROPERTY PLANT AND EQUIPMENT 30TH JUNE 2021

	COMPUTER EQUIPMENT	SPORTS EQUIPMENT & OTHER	TOTAL
Cost/Valuation	Ushs	Ushs	Ushs
Cost/Valuation	-	-	-
Additions	3,900,000	2,195,000	6,095,000
Disposals	-	-	-
At 30th June 2021	3,900,000	2,195,000	6,095,000
Depreciation			
Depreciation Rate	12%	7.0%	
Accumulated dep	-	-	-
On Disposal	-	-	-
Charge for the year	468,000	153,650	621,650
At 30th June 2021	468,000	153,650	621,650
Net book value as at 30/06/2021	3,432,000	2,041,350	5,473,350

NOTE 4: PROPERTY PLANT AND EQUIPMENT 1ST JULY 2021 TO 31ST DECEMBER 2021

	COMPUTER EQUIPMENT	SPORTS EQUIPMENT & OTHER	TOTAL
Cost/Valuation	Ushs	Ushs	Ushs
	-	-	-
Cost/Valuation	3,900,000	2,195,000	6,095,000
Disposals		-	-
At 31 December 2021	3,900,000	2,195,000	6,095,000
Depreciation			
Depreciation Rate	12%	7.0%	
Accumulated dep	468,000	153,650	153,650.00
On Disposal	-	-	-
Charge for the year	205,920	71,447	277,367
At 31 December 2021	673,920	225,097	899,017
Net book value as at 31/12/2021	3,226,080	1,969,903	5,195,983

GOLDEN BOOTS UGANDA LIMITED NOTES TO THE FINANCIAL STATEMENTS AS AT 1ST JULY 2021 TO 31ST DECEMBER 2021

Accounting policies continued

The Organization recognizes the net future tax benefit related to differed income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of differed income tax assets requires the Organization to make significant estimates related to expectations of future taxable incomes. Estimates of future taxable incomes are based on forecast cash flows from operations and the application of existing tax laws in the jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Organization to realize the net differed tax assets recorded at the end of the reporting period could be impacted.

e) Property, Plant and Equipment

Items of property and equipment are recorded at cost less accumulated depreciation and impairment losses. Cost includes expenditure that are directly attributable to the acquisition of the assets, the cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bring the asset to a working condition for its intended use.

Buildings and land are subsequently shown at market value based on triennial valuations by external independent values less subsequent depreciation. Increases in the carrying amount of land and buildings arising on revaluation are credited to a revaluation reserve. Decreases that offset previous increases of the same assets are charged against the revaluation reserve.

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is recognized in the income statement in the year the asset is de-recognized.

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:

Name of the assets	average useful life (% of depreciation)
Buildings	5%
Tools and equipment	12.5%
Furniture and fittings	12.5%
Motor vehicle	25%
Computers and accessories	33.3%

GOLDEN BOOTS UGANDA LIMITED TO THE FINANCIAL STATEMENTS AS AT 1ST JULY 2021 TO 31ST DECEMBER 2021

Financial year end, and adjusted prospectively if appropriate; when an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognized in profit and loss in the current period. The decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in the revaluation surplus in equity.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognized

f) Financial Instruments

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise

Financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables. Financial instruments are recognized initially at fair value plus for instruments not at fair value through profit and loss, any direct attributable transaction costs. Subsequent to initial recognition, financial instrument are measured as described below

Cash and cash equivalents comprise of cash balances and deposits, bank overdrafts that are repayable on demand and an integral part of the Organization's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flows.

g) Classification

The church classifies financial assets and financial liabilities into the following categories:

Loans and receivables

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through the statement of comprehensive income, which shall not be classified out of the fair value through the statement of comprehensive income category.

Initial recognition and measurement

Financial instruments are recognized initially when the Organization becomes a party to the contractual provisions of the instruments.

The Organization classifies financial instruments, or their component parts on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through the statement of comprehensive income, transaction costs are included in the initial measurement of the instrument. Regular way purchases of financial assets are accounted for at trade date

Subsequent measurement

Loans and receivables are subsequently measured at amortized cost, using the effective interest method, less accumulated impairment losses

De-Recognition

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Organization has transferred substantially all risks and rewards of ownership.

h) Advances to the employees

These financial assets are classified as receivables.

i) Trade and other trade receivables

Trade receivables are measured on initial recognition at fair value, and are subsequently measured at amortized cost. Appropriate allowances for estimated irrecoverable amounts are recognized in statement of comprehensive income when there is objective evidence that the asset is impaired. The amount of the provision is recognized in the statement of comprehensive income.

j) Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortized cost.

k) Cash and cash equivalents

Cash and cash equivalents comprise of 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. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position.

Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Tax is recognized in the profit and loss account unless it relates to items recognized directly in equity.

Current income tax is the amount of income tax payable on the profit for the year determined in accordance with the Ugandan Income Tax Act.

Income

l)

m) Transfers from donors are recognised in the financial statements when received in the designated donor bank account. Other receipts are recognised in the financial statements when received by the Organisation.

n)

o) **Translation of foreign currencies**

Foreign currency transactions

Foreign currency transactions if any are translated into the functional currency (Ugandan 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 recognized in the profit and loss account.