
Cherish Uganda

Annual Report and Audited Financial Statements

For the year ended 31st March 2020.

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Cherish Uganda

Annual Report and Audited Financial Statements for the Year ended 31st March 2020

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Cherish Uganda

Annual Report and Audited Financial Statements for the Year ended 31st March 2020

Company Information

CHIEF EXECUTIVE OFFICER	: Brent Phillips
COUNTRY DIRECTOR	: Sam Dratema
REGISTERED OFFICE	: Cherish Uganda : P.O Box 150, : Plot 63, Garuga Road, : Kampala, Uganda
PRINCIPAL BANKERS	: Standard Chartered Bank Uganda Limited : P.O Box 7111 : Kampala Uganda
INDEPENDENT AUDITOR	: Bawunha & Badebye Certified Public Accountants (Uganda) : Plot 399/4 Ntinda- Naalya Road : P.O Box 9752 : Kampala, Uganda
LEGAL COUNCILS	: Oars & BT Advocates : Plot 13 -15 Kira Road, : P.O Box 27917 : Kampala, Uganda

Cherish Uganda

Annual Report and Audited Financial Statements for the Year ended 31st March 2020

Report of the directors

Introduction

The Directors of Cherish Uganda submit their report together with the audited financial statements for the year ended 31st March 2020, which discloses the state of affairs in the names of Cherish Uganda “the Company.”

Background

Cherish Uganda is an initiative of Cherish a Child. Cherish a Child is an international not for profit organization based in the UK that was set up in 2007 to primarily act as the umbrella organization that would finance, influence and develop local NGOs in different African nations. The national NGOs are targeted at meeting the specific needs of orphaned children with HIV and partnering with local communities to provide meaningful and sustainable ways to eradicate poverty. Cherish Uganda’s Board of Directors delegated the day to day running of Cherish Uganda to a local CEO

Principal Activities

Cherish Uganda focuses on serving children especially those directly affected by HIV with a well-rounded approach meeting physical, emotional, educational and spiritual needs

Vision Statement

“We envision a story of redemption for orphaned & vulnerable children living with HIV/ AIDS”.

Mission Statement

Cherish exists to create hope and a future for children living with HIV/ AIDS”

Objectives

- Establish a sustainable village community equipped to provide holistic care for orphaned, abandoned and at high-risk children living with HIV/AIDS and their siblings.
- Improve health and access to healthcare for children living with HIV/AIDS and their communities.
- Offer education and vocational learning to children and communities directly affected by HIV/AIDS.
- Extend physical, educational, spiritual and economic support to families affected by HIV/AIDS.
- Advocate for the equality, value and improvement of necessary service delivery for children and communities most affected by HIV/AIDS.
- Influence mindsets and beliefs by telling a story that establishes real HOPE for children and adults living with HIV/AIDS.
- Strengthen existing health, education, financial and spiritual institutions among communities where high HIV prevalence and poverty co-exist

Results

The results of financial performance are set out on page 10.

Cherish Uganda

Annual Report and Audited Financial Statements for the Year ended 31st March 2020

Report of the directors (Continued) Achievements and Challenges

Cherish Uganda achieved the following during the financial year ended 31st March 2020.

Achievements from Health Centre

- WORLD AIDS day celebrations were successful; We received donations from Pepsi, NIC and individuals. We had a run to create HIV awareness
- Cherish Uganda management received anti-malaria treatment drugs from UCBHCA
- Cherish Uganda management received approval from MOH to start receiving Family Planning products from Mildmay
- Cherish Uganda management received a customer care training by Mildmay and by Esther.
- Cherish Uganda management was able to organize a workshop where HIV clients were brought together
- Cherish Uganda management excelled in the Laboratory External Quality assurance by HUQAS and UVRI
- Took the doctor for a HIV Comprehensive and care.
- Cherish Uganda management conducted antenatal classes
- Cherish Uganda management gave awareness to mothers who bring children for immunization
- Cherish Uganda management conducted training from Defeat TB project about TB
- Cherish Uganda management Conducted CMEs every month
- Cherish Uganda management recruited a new doctor for the health centre.
- HIV Outreach to Kirombe, Bulega Pentecostal Church, ROKO, Nsinde village
- Servicing of Chemistry and Electrolyte equipment
- Moon light Outreach at sinde, we worked on 71 clients and got 2 positives.
- Cherish Uganda management made Patnerships with Kisubi Hospital, Nsamizi Hospital, Grade B Entebbe and Waggagai
- Cherish Uganda management organised a workshop for expecting motherd introducing them to our partner hospitals
- Cherish Uganda management held follow up home visits every month for HIV clients
- Cherish Uganda management held a meeting with LC1s on the peninsular and other influential people in the community

Achievements from Family strengthening programs

- Successful reintegration of a long-stayed child in the homes back to her family
- Reinstated a new boarding Life for all former children in Cherish Homes after resettlement.
- Recruited new Student Life leaders having 1 per 10 students who would holistically disciple children.
- New Boarding Life schedules which would enhance the wellbeing of a child and develop their cognitive abilities
- Successful Home visits to different families
- Made over 100 Home Visits to families in the process of enrollment at the school to have the right students in the schools back to the mission of CU.
- Successfully paid school fees for all resettled children each term in their respective schools
- Successful school visits to all resettled children in their respective schools to monitor progress.
- Created Care Plans to holistically care for each family better.
- Discovering of theft done by some key leaders on the team which had challenges in the way we cared for our families rising budgets and would fail to meet the needs of the families appropriately. This helped us come up with better ways of mitigating the problem hence new leadership was put in place
- Successfully paid transport for all resettled children to their medical appointments as per the partnership Agreement terms and conditions to the specific families.

Cherish Uganda

Annual Report and Audited Financial Statements for the Year ended 31st March 2020

Report of the directors (Continued) Achievements and Challenges

- We were able to counsel all students to redirect their behaviours and help them with coping mechanisms on psychosocial issues.
- Had different engagement activities which promote creativity and a holistic care for children

Achievements from Education department

- Students sat for PLE and UCE examinations
- Secondary setups of new building
- Uniform to students
- Classroom renovations
- 10 Computer Donations
- Started boarding section for primary
- Income generation from Primary & Sec School fees payment

Challenges faced during the year

- Limited for funding for conducting planned outreaches
- Lots of debtors who didn't pay
- Lack of Ambulance services
- Lost some of HIV clients
- Lack of Vaccine fridge which makes our immunization program un effective.
- Long distances to families and impassable roads this affected the care to these families
- Lost staff and this brought about challenges in planned activities due to a change in new leadership.
- Lack of enough funding to appropriately meet all the planned activities.
- Gaps in leadership due to prolonged sickness of High School HM and termination of HM Primary
- Limited funding to programs
- Some parents failed to pay the little school fees
- Having to transport candidates daily to registered centers for PLE and UCE exams

Cherish Uganda

Annual Report and Audited Financial Statements for the Year ended 31st March 2020

Report of the directors

Approval of Financial Statements

The audited financial statements were approved at a meeting held by Cherish Uganda Management on ____/____/2021

By the order of the directors

Date:

External Auditors

Bawunha & Badebye Certified Public Accountants were re-appointed auditors of Cherish Uganda during the year and have expressed their willingness to continue in office.

By Order of the Board
Board Chairman.

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Cherish Uganda

Annual Report and Audited Financial Statements for the Year ended 31st March 2020

Statement of Management Responsibilities and Approvals

The Directors are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of Cherish Uganda as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with Generally Acceptable Accounting Principles.

The financial statements are prepared in accordance with Generally Acceptable Accounting Principles and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

Management acknowledges that they are ultimately responsible for the system of internal financial control established by management and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Organization and all employees are required to maintain the highest ethical standards in ensuring the Organization's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Organization is on identifying, assessing, managing and monitoring all known forms of risk across the organization. While operating risk cannot be fully eliminated, the Organization endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

Management is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Nothing has come to the attention of Management to indicate that Cherish Uganda will not remain a going concern for at the twelve months from the date of this financial statements.

The financial statements set out on pages 10 to 23, which have been prepared on the going concern basis, were approved by the management team on _____ and were signed on its behalf by:

Director

Director

Date

Date

Independent Auditor's Report

To management of Cherish Uganda.

Report on the financial statements for the year ended 31 March 2020

Opinion

We have audited the financial statements of Cherish Uganda which comprise the statement of financial position as at 31 March 2020, and the statement of Income and Expenditure, statement of changes in Reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies set on pages 10 to 23.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Cherish Uganda as at 31 March 2020, and its financial performance and its cash flows for the year then ended in accordance with the Generally Acceptable Accounting Principles.

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 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.

We have nothing to report in this regard.

Other Information

Management is responsible for the other information. The other information comprises Management's report, strategic achievements and status, funder accountability statements but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any 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 our 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.

The following are the other information

Report of the directors, strategic achievements and challenges, appendices to the financial statements as attached

Independent Auditor's Report

Responsibilities of Management and Those Charged with Governance for the Financial Statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Generally Acceptable Accounting Principles, 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 financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit 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. We also carry out the following procedures:

- 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.
- 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 purposes of expressing an opinion on the effectiveness of the internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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 entity's 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 transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We remain solely responsible for our audit opinion.

Communicate with those charged with governance among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that the auditor identified during the audit.

Provide the Management 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.

Independent Auditor's Report

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

Report on other Legal and Regulatory requirements

The Uganda Companies Act, 2012 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- 1) 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;
- 2) In our opinion proper books of account have been kept by the organization, as far as appears from our examination of those books and;
- 3) The financial statements agree with the books of account

The engagement partner on the audit resulting in this independent auditor's report is CPA Fred Bawunha – P0150.

**Bawunha & Badebye
Certified Public Accountants
Kampala**

**CPA Fred Bawunha
Engagement Partner**

Date:

Cherish Uganda

Annual Report and Audited Financial Statements for the Year ended 31st March 2020

Statement of Income and Expenditure.

Particulars	Notes	2020 Ushs '000	2019 Ushs '000
Receipts			
Restrictied	10	1,053,717	1,793,160
Unrestricted	10	2,167,091	1,957,115
Other receipts	11	96,728	87,508
Total incomes		3,317,537	3,837,783
Capital Expenditure			
Property, Plant and Equipment	2 (a)	931,758	1,791,028
		931,758	1,791,028
Payments			
Employee costs	12	1,670,491	1,378,488
SWAT Direct Operational Costs	13	42,040	42,768
Education Direct Operational Costs	14	73,353	102,792
Akaloosa Direct Operational Costs	15	374	54,655
Drugs, Medical and Nursing	16	64,269	64,850
Adminstrative Costs	17	535,097	461,527
Fund raising, Marketing and Publicity Costs	18	35,545	55,020
Total expenditure		2,421,169	2,160,100
Excess Payments over Receipts		(35,390)	(113,345)
Excess Payments over Receipts and OCI			
Unrealised forex gains/losses			
Total Excess Payments over Receipts and OCI			
Excess Payments over Receipts		(35,390)	(113,345)

The notes set out on pages 14 to 23 form an integral part of these financial statements

Refer to the segregated financial statements set out on pages 25 to 27

Cherish Uganda

Annual Report and Audited Financial Statements for the Year ended 31st March 2020

Statement of Financial Position

Particulars	Notes	2020 Ushs '000	2019 Ushs '000
Assets			
Non-Current Assets			
Property and Equipment	2	6,530,285	5,677,176
Intangible Assets	3	3,573	3,970
Work in Progress		-	270,033
Total Non-current assets		6,533,858	5,951,179
Current Assets			
Advances and Prepayments	4	34,960	34,409
Cash and Cash Equivalents	5	35,744	680,937
Stock	6	-	-
Total current assets		70,703	715,346
Total Assets		6,604,561	6,666,525
Financed by;			
Accumulated fund and liabilities			
Revaluation funds		1,664,188	1,664,188
Capital funds		4,869,670	4,377,833
General funds		(433,423)	271,647
		6,100,435	6,313,668
Current liabilities			
Payables and accruals	8	234,919	325,793
Deferred income	9	269,207	27,064
		504,126	352,857
Total Accumulated fund and liabilities		6,604,561	6,666,525

The notes set out on pages 14 to 23 form an integral part of these financial statements

Refer to the segregated financial statements set out on pages 25 to 27

The financial statements on pages 10 to 23 were approved by Management on _____ and were signed on its behalf by:

Director

Director

Date

Date

Cherish Uganda

Annual Report and Audited Financial Statements for the Year ended 31st March 2020

Statement of Changes in Reserves

Particulars	Capital Fund Ushs '000'	General Fund Ushs '000'	Revaluation Reserve Ushs '000'	Total Ushs '000'
At as 1st April 2018	2,778,158	540,956	1,664,188	4,983,302
Adjustments restated 01.01.2018	(68,719)	(155,958)	-	(224,677)
Prior year adjustments	296,346	-	-	296,346
Additions	1,516,346	-	-	1,516,346
Deprecation for the year	(144,298)	-	-	(144,298)
Surplus for the year	-	(113,351)	-	(113,351)
As At 30th March 2019	4,377,833	271,647	1,664,188	6,313,668
At as 1st April 2019	4,377,833	271,647	1,664,188	6,313,668
Additions	1,166,408	-	-	1,166,408
Prior year adjustments	(432,339)	(669,680)	-	(1,102,019)
Deprecation for the year	(242,232)	-	-	(242,232)
Surplus for the year	-	(35,390)	-	(35,390)
As at 30th March 2020	4,869,670	(433,423)	1,664,188	6,100,435

The notes set out on pages 14 to 23 form an integral part of these financial statements

The prior year adjustment relates to unreconciled difference of

- 454,149,856 shillings passed on the general fund to correct unrestricted deferred income of the general operation.
- 472,483,773 shillings passed on the general fund to correct restricted deferred income of the general operation.
- 307,561,000 shillings to correct capital fund account of the general operations
- 257,000 shillings to correct the capital fund for the hospital operations.

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Statement of Cash Flow

Particulars	Notes	2020 Ushs '000'	2019 Ushs '000'
Excess of receipts over payments		(35,390)	(113,351)
Adjustment for non-operating activities		-	8,251
Depreciation and amortization		242,232	-
Prior year adjustments to PPE	2	-	-
Capital Expenditure		-	(1,516,348)
Working Capital Adjustments			
(Increase)/Decrease in Stock	6	-	96,527
Increase in Receivables	4	(551)	37,471
Decrease in Payables	8	(90,874)	(829,857)
Increase in Deferred income	9	242,143	(325,739)
Net cash flows from operating activities		357,561	(2,643,046)
Investing Activities			
Acquisition of fixed assets	2	(1,166,408)	1,516,348
Construction of Building	7	270,033	270,033
Movement in capital fund		491,837	-
		(404,538)	1,786,381
Financing Activities			
Prior year adjustment to general fund		(669,680)	-
Net increase in cash and cash equivalents		(716,657)	(856,665)
Cash and Cash Equivalents at the start of the year		680,936	1,537,601
Cash and Cash Equivalents at the end of the year		35,721	680,936

The notes set out on pages 14 to 23 form an integral part of these financial statements

Cherish Uganda

Annual Report and Audited Financial Statements for the Year ended 31st March 2020

Significant Accounting policies

1) (a) Reporting Entity

Cherish Uganda was set up in the republic of Uganda, the address of the reporting entity is

Cherish Uganda,
Plot 63, Garuga Road,
P.O. Box 150,
Kampala.

1) (b) Basis of Preparation

a) Statement of compliance

The financial statements have been prepared in accordance with Generally Acceptable Accounting Principles and the manner required by the Cherish Uganda and Finance and Accounting Manual.

b) Basis of measurement

The measurement basis applied in the historical cost basis, except where otherwise stated.

c) Functional and presentation currency

The financial statements are presented in the Ugandan shillings expressed in thousands, which is the Organization's functional currency.

1) (c) Summary of Significant accounting policies

The principal accounting policies adopted in the preparation of those financial statements are set out below. These policies have been applied consistently throughout the year, except where otherwise stated.

a) Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Organization's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within current and future financial years. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The critical areas of accounting estimates and judgements in relation to the preparation of these financial statements are as set out below.

Property and equipment

Critical judgement are made by management in determining the useful lives and residual values to property and equipment based on the intended use of the assets and the economic lives of those assets. Subsequent changes in circumstances or the prospective utilization of the assets concerned could result in the actual useful lives of residual values differing from initial estimates.

Going Concern

The Organization's management has made an assessment of the Organization's ability to continue as going concern and is satisfied that the Organization has resources to continue in operation for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the

Cherish Uganda

Annual Report and Audited Financial Statements for the Year ended 31st March 2020

Significant Accounting policies

Organization's ability to continue as going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

b) Effects of Covid 19

During the year, a highly infectious respiratory disease COVID 19 caused by a new virus called corona virus broke out in China and was announced by the end of December 2019. The rate of spread of this disease has forced various governments and businesses to take serious actions to contain the disease. These actions may have a serious impact on the financial statements where as it is difficult to estimate the financial effect attributed to COVID 19 on the company at this stage, management is aware of the implications of this epidemic and is currently deliberating how to factor in the estimation models. The total expected losses from COVID 19 cannot be quantified at this time.

c) Translation of foreign exchange currencies.

Transactions in foreign exchange are translated into the Ugandan shillings at the spot exchange rate at the date of the transaction. Monetary assets and liabilities are denominated in foreign currency at the reporting date. Foreign exchange gains and losses arising from such transactions are recognized in the statement of other Comprehensive Incomes.

d) Post-employment Benefits

Contribution to National Social and Security Fund

Cherish Uganda contributes to the National social security fund (NSSF). Contributions to the terminal benefits are charged to the statement of income and expenditure.

e) Property and Equipment

Items of property and equipment are measured at cost less accumulated depreciation and Accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly Attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Management and directors review the residual value and useful life of an asset at the year end and any change considered to be appropriate in accounting estimate is recorded through the Statement of Comprehensive Income. Depreciation is calculated on a Straight line basis, at annual rates estimated to write-off carrying values of the assets over their expected useful lives.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining profit for the year. An item of property plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing asset will flow to the Organization and the renovation replaces an identifiable part of the asset. Major renovations are depreciated over the remaining useful life of the related asset.

Nature of assets	Depreciation and amortization method	Useful life
Furniture and fittings	Reducing balance	8 years

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Significant Accounting policies

Equipment	Reducing balance	4 years
Motor Vehicle	Reducing balance	4 years
Buildings	Reducing balance	20 years
Computer equipment	Reducing balance	3 years

f) Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at amortized cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

g) Capital Commitments

Capital plans refer to the planned capital expenditure by management soon. Management is currently planning for the following;

- Construction of a maternity ward for the clinic.
- Renovation of the primary section.

h) Deferred income

Deferred income is recognized as a current liability in the statement of financial position. The account comprises of income received from donors for specific activities under the projects. Deferred income is recognized as income when expenditure on projects and activities as required by the donor have been completed.

i) Capital reserve

The capital fund is an account where all asset movements for the entity are recognised. All movements to the account correspond to non-current account movements

j) Revaluation reserves

Revaluation reserves are used to record the movements in the carrying amounts of fixed assets that have been revalued by management

k) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

l) Account payable

The balance on this account relates to unpaid balances due to the service rendered and supplies received by the end of the accounting period

m) Provisions

Provisions for liabilities are recognized when there is a present obligation (legal or constructive) resulting from a past event, it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the monetary value of the obligation. Where the Organization expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any

Cherish Uganda

Annual Report and Audited Financial Statements for the Year ended 31st March 2020

Significant Accounting policies

reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

n) Grants and donations.

Grants received are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes the expense as the related costs incurred for which the grants are intended to compensate.

o) Expenses

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably and is independent from transactions with equity participants. This means, in effect, that recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets.

p) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

q) Subsequent events

Management intends to change the education model that was adopted earlier. In the due course, Cherish Primary and Secondary schools have remained closed despite the Ministry of Education and Sport in August 2020 allowed all schools to open for only candidate classes. Management is still surveying the appropriate model and curriculum to adopt before classes can be resumed. This has no impact on the ability of Cherish Uganda to continue on a going concern.

Cherish Uganda restructured the management team. Cherish reduced the number of staff and departments that were involved in the daily running of business. The departments were reduced from 5 to 3 and the staff population was reduced to 48 people. Management believes that the restructure will enable Cherish Uganda to operate more efficiently and effectively

Cherish Uganda

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Notes to the financial Statements

Note 2: Property, Plant & Equipment

Particulars	Land Ushs '000	Building Ushs '000	Plant and Machinery Ushs '000	Computer Equipment's Ushs '000	Fixture and Furniture Ushs '000	Motor Vehicle Ushs '000	Total Ushs '000
Costs							
As at 30/03/2019	2,217,491	3,411,556	218,079	244,495	385,253	125,015	6,601,889
Additions	-	1,126,939	16,836	-	22,632	-	1,166,408
Disposal	-	-	-	-	-	-	-
As at 30/03/2020	2,217,491	4,538,495	234,915	244,495	407,885	125,015	7,768,297
Depreciations							
As at 30/03/2019	-	510,287	165,380	149,227	83,120	88,163	996,177
Prior year adjustment	-	-	-	-	-	-	-
Charge for the year	-	157,542	23,434	11,108	33,612	16,139	241,835
As at 30/03/2020	-	667,829	188,814	160,335	116,732	104,302	1,238,012
NBV							
As at 30/03/2019	2,217,491	2,901,269	13,168	80,795	427,601	36,852	5,677,176
As at 30/03/2020	2,217,491	3,870,667	46,101	84,160	291,153	20,713	6,530,285

Cherish Uganda

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Notes to the financial statements

	Budget 2020 Ushs '000'	General 2020 Ushs '000'	Health 2020 Ushs '000'	Total 2020 Ushs '000'	Actual 2019 Ushs '000'
Note 2(a): Asset Additions					
Buildings	-	239,569	-	239,569	1,367,365
Cherish Heart	-	642,243	-	642,243	270,033
Plant and Machinery	-	17,526	-	17,526	-
Furniture and Fittings	18,850	16,301	1,827	18,128	106,133
Motor Vehicle	-	-	-	-	6,145
Office/Home Equipment	17,000	9,672	-	9,672	11,415
Computer Equipment	2,000	4,620	-	4,620	25,900
Intangible Assets	-	-	-	-	4,037
	37,850	929,931	1,827	931,758	1,791,028
Note 3: Intangible Assets					
Cost at the start of the year	-	4,037	-	4,037	-
Additions	-	-	-	-	4,037
Cost at the end the year	-	4,037	-	4,037	4,037
Amortization B/f	-	(67)	-	(67)	-
Charge for the year	-	(397)	-	(397)	(67)
Accumulated Amortization	-	(464)	-	(464)	(67)
	-	3,573	-	3,573	3,970
Note 4: Advances and Prepayments					
Staff working advances	-	-	1,000	1000	1,178
Hope Hospital Control account	-	-	-	-	33,216
Un deposited funds	-	652	77	729	-
Cherish General control account	-	-	33,216	33,216	-
Debtors	-	15	-	15	15
	-	667	34,293	34,293	34,409
Note 5: Cash and cash equivalents					
Cash at hand	-	635	-	635	89
cash at bank	-	33,653	1,456	35,108	680,848
<i>Cash flow statement reconciliation</i>					
Standard Chartered bank - Restricted funds		3,172	-	3,172	154,878
Standard Chartered bank - General funds		10,026	-	10,026	64,374
Standard Chartered bank - Brent Phillips account		1,301	-	1,301	-
Standard Chartered bank - 1160 · Larissa		-	-	-	-
Standard Chartered bank - Sam Dratema account		823	-	823	-
Standard Chartered bank - British pounds account		14,098	-	14,098	5,045
Standard Chartered bank - United states dollars		4,232	-	4,232	451,108
Standard Chartered bank - CUH		-	1,456	1,456	5,443
Petty cash		635	-	635	89
	-	34,288	1,456	35,744	680,937
Note 6: Stock					

Cherish Uganda

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Notes to the financial statements

	Budget 2020 Ushs '000'	General 2020 Ushs '000'	Health 2020 Ushs '000'	Total 2020 Ushs '000'	Actual 2019 Ushs '000'
Food stuffs	-	-	-	-	-
Closing balance	-	-	-	-	-

Note 7: Capital work in progress

Balance at the start of the year	-	270,033	-	270,033	344,430
Constructions	-	642,243	-	642,243	270,033
Transfer to Property and Equipment	-	(912,276)	-	(912,276)	(344,430)
Closing balance	-	-	-	-	270,033

Note 8: Payables and accruals

Hospital Control Account	-	21,255	-	21,255	21,255
PAYE Payable	-	23,528	-	23,528	54,530
NSSF Payable	-	15,670	-	15,670	45,128
LST Payable	-	2,830	-	2,830	-
Sundry Creditors	-	81,799	-	81,799	1,396
Salary Payable	-	80,836	-	80,836	194,484
Audit fees payable	-	9,000	-	9,000	9,000
Closing balances	-	234,919	-	234,919	325,793

Note 9: Deferred Income

Restricted	-	153,367	-	153,367	3,095
Unrestricted	-	115,840	-	115,840	23,969
Closing balances	-	269,207	-	269,207	27,064

Reconciliation of deferred income

Restricted deferred income is;					
Restricted cash and cash equivalents	-	21,502	-	21,502	-
Add: Restricted outstanding payables	-	131,865	-	131,865	-
Restricted Deferred income balance	-	153,367	-	153,367	-
Unrestricted deferred income is					
Unrestricted cash and cash equivalents	-	12,786	-	12,786	-
Add: Unrestricted outstanding payables	-	103,054	-	103,054	-
Unrestricted Deferred income balance	-	115,840	-	115,840	-
Total deferred income	-	269,207	-	269,207	-

Note 10: Donations

Restricted	604,259	1,053,717	-	1,053,717	1,793,160
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Cherish Uganda

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Notes to the financial statements

	Budget 2020 Ushs '000'	General 2020 Ushs '000'	Health 2020 Ushs '000'	Total 2020 Ushs '000'	Actual 2019 Ushs '000'
Unrestricted	1,291,840	2,167,091	-	2,167,091	1,957,115
	1,896,099	3,220,809	-	3,220,809	3,750,275

Note 11: Other Incomes

Other incomes	80,000	21,679	67,328	89,006	87,508
Sale of fixed Assets	-	1,887	-	1,887	-
Foreign exchange gains	-	5,835	-	5,835	-
	80,000	29,401	67,328	96,728	87,508

Note 12: Employments costs

Gross Salary	1,468,679	1,430,040	-	1,430,040	1,153,780
Casual Labor	3,040	15,011	6,485	21,496	9,502
NSSF 10%	146,868	142,037	-	142,037	113,572
Staff Benefits	-	5,948	6,118	12,066	10,428
Staff Welfare	16,500	9,506	145	9,651	37,881
Staff training	11,660	3,997	1,802	5,799	14,139
Staff Meals	43,650	37,863	165	38,028	24,757
Staff Uniforms	6,610	5,390	110	5,500	6,366
Staff retreats	11,100	1,212	746	1,958	2,350
Other Staff Costs	-	817	255	1,072	5,713
Local Service Tax	-	2,830	-	2,830	-
Staff Recruitment	300	16	-	16	-
	1,708,407	1,654,666	15,825	1,670,491	1,378,488

Note 13: CLP department costs

Resettlement	2,400	5,754	-	5,754	1,679
School fees	30,960	15,492	-	15,492	17,511
School In take	-	377	-	377	6,886
School Supplies	750	1,061	-	1,061	140
Home intake	-	-	-	-	88
Home Visits	26,280	19,207	-	19,207	7,485
Community Support	-	59	-	59	1,981
Community Programme	-	91	-	91	165
SWAT Family Days	3,000	-	-	-	6,833
	63,390	42,040	-	42,040	42,768

Note 14: Education Direct Operating costs

Direct operational Costs	-	23	-	23	841
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Notes to the financial statements

	Budget 2020 Ushs '000'	General 2020 Ushs '000'	Health 2020 Ushs '000'	Total 2020 Ushs '000'	Actual 2019 Ushs '000'
School Uniform	29,945	11,172	-	11,172	6,476
School Children Food	95,850	31,099	-	31,099	45,208
School Children's training, Tours and Events	61,821	16,609	-	16,609	8,412
Children Engagement tool	18,486	294	-	294	-
Classroom Essentials	95,298	4,736	-	4,736	16,582
School Children's Firewood	8,510	1,427	-	1,427	8,329
Enterprise Direct Costs	-	80	-	80	760
Other school Costs	1,000	7,913	-	7,913	16,184
	310,910	73,353	-	73,353	102,792

Note 15: Akaloosa Direct Operational Costs

Akaloosa Children's Food	-	-	-	-	34,229
Akaloosa Groceries	-	-	-	-	1,488
Akaloosa Clothing	-	-	-	-	5,511
Akaloosa Children's Special Eve	35,421	-	-	-	5,072
Children Engagement Tools	-	-	-	-	2,033
Akaloosa Firewood and Utensils	1,200	-	-	-	3,602
Individual Child Package	-	-	-	-	734
Akaloosa Direct Operational Costs	-	-	-	-	856
Akaloosa Other costs	-	-	-	-	854
Grooming (Haircuts)	1,350	374	-	374	276
	37,971	374	-	374	54,655

Note 16: Drugs, Medical and Nursing

Laboratory Supplies	-	-	6,239	6,239	7,906
Pharmaceutical supplies	-	-	482	482	6,322
Medical Supplies	-	-	23,780	23,780	26,234
Laboratory, Pharmaceutical and Medical	-	23,054	2,573	25,627	22,668
Medical Stationery	-	-	1,595	1,595	245
Medical Specialists Fees	-	-	-	-	1,475
Counselling department	2,250	-	100	100	-
Medical appointments	16,490	6,113	333	6,446	-
	18,740	29,167	35,102	64,269	64,850

Note 17: Administrative Costs

Repairs and Maintenance	88,900	63,213	922	64,135	59,512
Travel Costs	68,270	68,301	1,101	69,402	64,190

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Notes to the financial statements

	Budget 2020 Ushs '000'	General 2020 Ushs '000'	Health 2020 Ushs '000'	Total 2020 Ushs '000'	Actual 2019 Ushs '000'
Workers' Compensation	15,688	-	-	-	18,424
Professional fees	18,200	32,658	3,000	35,658	57,051
Communication Costs	29,662	33,248	3,393	36,641	28,353
Utilities	47,400	34,184	1,312	35,496	32,064
Stock expense	209,670	121,696	-	121,696	-
Small Equipment	34,550	22,297	1,033	23,330	15,167
Stationery, Printing and Photocopying	20,020	81,873	475	82,347	50,449
Office Expenses	-	24,949	1,479	26,427	36,304
Registration and Subscription	3,000	8,356	-	8,356	9,172
Bank Charges	4,800	1,694	20	1,715	1,647
Penalties	-	255	-	255	-
Motor Vehicle Insurance	6,920	5,271	-	5,271	5,199
Meeting Costs	-	23,395	-	23,395	18,143
Sustainability Expenses	-	-	-	-	52,596
Other Costs	7,579	459	513	972	13,256
	554,659	521,850	13,247	535,097	461,527

Note 18: Fundraising, Marketing and Publicity Costs

Hospitality and Entertainment	9,786	26,523	-	26,523	-
Promotional Materials	2,220	4,950	780	5,730	211
Other Marketing Costs	2,500	720	2,168	2,888	51,886
Euro Class Team	-	-	-	-	16
Community and International day	-	-	319	319	2,636
Networking costs	3,250	86	-	86	271
	17,756	32,279	3,267	35,545	55,020

Cherish Uganda

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Appendix to the financial statements – Segmented Profit or Loss Statement

Particulars	Notes	General 2020 Ushs	Health 2020 Ushs	Actual 2020 Ushs	Actual 2019 Ushs
Receipts					
Restricted		1,053,717	-	1,053,717	1,793,160
Unrestricted		2,167,091	-	2,167,091	1,957,115
Other receipts		29,401	67,328	96,728	87,508
Total incomes		3,250,209	67,328	3,317,537	3,837,783
Capital Expenditure					
Property, Plant and Equipment		929,931	1,827	931,758	1,791,028
Payments					
Employee costs		1,654,666	15,825	1,670,491	1,378,488
SWAT Direct Operational Costs		42,040	-	42,040	42,768
Education Direct Operational Costs		73,353	-	73,353	102,792
Akaloosa Direct Operational Costs		374	-	374	54,655
Drugs, Medical and Nursing		29,167	35,102	64,269	64,850
Administrative Costs		521,850	13,247	535,097	461,527
Fund raising, Marketing & Publicity Costs		32,279	3,267	35,545	55,020
Total expenditure		2,353,728	67,441	2,421,169	2,160,100
Excess Payments over Receipts		(39,449)	(1,940)	(35,390)	(113,345)
Excess Payments over Receipts					
Unrealized forex gains/losses					
Total Excess Payments over Receipts		-	-	-	-
Excess Payments over Receipts		(39,449)	(1,940)	(35,390)	(113,345)

Cherish Uganda

Annual Report and Audited Financial Statements for the Year ended 31st March 2020

Appendix to the financial statements – Segmented Statement of Financial Position

Particulars	General 2020 Ushs	Health 2020 Ushs	Actual 2020 Ushs	Actual 2019 Ushs
Notes				
Assets				
Non-Current Assets				
Property and Equipment	6,410,952	119,333	6,530,285	5,677,176
Intangible Assets	3,573	-	3,573	3,970
Work in Progress	-	-	-	270,033
Total Noncurrent assets	6,414,525	119,333	6,533,858	5,951,179
Current Assets				
Advances and Prepayments	667	34,293	34,960	34,409
Cash and Cash Equivalents	34,282	1,456	35,738	680,937
Stock	-	-	-	-
Total current assets	34,955	35,748	70,703	715,346
Total Assets	6,449,479	155,082	6,604,561	6,666,525
Financed by;				
Accumulated fund and liabilities				
Revaluation funds	1,664,188	-	1,664,188	1,664,188
Capital funds	4,750,337	119,590	4,869,670	4,377,833
General funds	(469,171)	35,492	(433,423)	271,647
	5,945,354	155,081	6,100,435	6,313,668
Current liabilities				
Payables and accruals	234,919	-	234,919	325,793
Deferred income	269,207	-	269,207	27,064
	504,126	-	504,126	352,857
Total Accumulated fund and liabilities	6,449,479	155,082	6,604,561	6,666,525

Cherish Uganda

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Appendix to the financial statements – Segmented Statement of Reserves

Statement of Changes in Fund Balances - General

Particulars	Capital Fund Ushs '000'	General Fund Ushs '000'	Revaluation Reserve Ushs '000'	Total Ushs '000'
At as 1st April 2018	2,461,776	334,755	1,664,188	4,460,719
Adjustments restated 01.01.2018	68,878	-	-	68,878
Prior year adjustments	251,868	-	-	251,868
Additions	1,514,225	-	-	1,514,225
Deprecation for the year	(124,381)	-	-	(124,381)
Surplus for the year	-	(100,549)	-	(100,549)
As At 30th March 2019	4,172,366	234,206	1,664,188	6,070,760
At as 1st April 2019	4,172,366	234,206	1,664,188	6,070,760
Additions	1,164,961	-	-	1,164,961
Prior year adjustments	(360,628)	(669,928)	-	(1,030,556)
Deprecation for the year	(226,362)	-	-	(226,362)
Surplus for the year	-	(33,449)	-	(33,449)
As at 30th March 2020	4,750,337	(469,171)	1,664,188	5,945,354

Statement of Changes in Fund Balances - Hospital

Particulars	Capital Fund Ushs '000'	General Fund Ushs '000'	Revaluation Reserve Ushs '000'	Total Ushs '000'
At as 1st April 2018	316,382	50,234	-	366,616
Adjustments restated 01.01.2018	(137,157)	-	-	(137,157)
Prior year adjustments	(27,416)	-	-	(27,416)
Additions	2,123	-	-	2,123
Deprecation for the year	(19,917)	-	-	(19,917)
Surplus for the year	-	(12,802)	-	(12,802)
As At 30th March 2019	134,015	37,432	-	171,447
At as 1st April 2019	134,015	37,432	-	171,447
Additions	1,445	-	-	1,445
Prior year adjustments	(257)	257	-	-
Deprecation for the year	(15,870)	-	-	(15,870)
Surplus for the year	-	(1,940)	-	(1,940)
As at 30th March 2020	119,333	35,748	-	155,081

Cherish Uganda

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Appendix to the financial statements – Segmented Property plant and equipment

Particulars - General 2020	Land Ushs '000	Building Ushs '000	Plant and Machinery Ushs '000	Computer Equipment's Ushs '000	Fixture and Furniture Ushs '000	Motor Vehicle Ushs '000	Total Ushs '000
Costs							
As at 30/03/2019	2,217,491	3,313,755	92,611	239,225	359,887	125,015	6,347,984
Additions	-	1,126,939	16,836	-	21,185	-	1,164,961
As at 30/03/2020	2,217,491	4,440,694	109,447	239,225	381,072	125,015	7,512,945
Depreciations							
As at 30/03/2019	-	490,387	79,443	144,821	73,214	88,163	876,028
Charge for the year	-	153,620	13,551	10,821	31,835	16,139	225,965
As at 30/03/2020	-	644,007	92,994	155,642	105,049	104,302	1,101,993
NBV As at 30/03/2019	2,217,491	1,519,193	29,312	33,826	181,274	21,729	4,002,825
NBV As at 30/03/2020	2,217,491	3,796,687	16,453	83,583	276,023	20,713	6,410,952

Particulars - Hospital 2020	Land Ushs '000	Building Ushs '000	Equipment Ushs '000	Computer Equipment Ushs '000	Fixture and furniture Ushs '000	Motor Vehicle Ushs '000	Total Ushs '000
Costs							
As at 30/03/2019	-	97,801	125,468	5,270	25,366	-	253,905
Additions	-	-	-	-	1,447	-	1,447
As at 30/03/2020	-	97,801	125,468	5,270	26,813	-	255,352
Depreciation							
As at 30/03/2019	-	19,900	85,937	4,406	9,906	-	120,149
Charge for the year	-	3,922	9,883	288	1,778	-	15,870
As at 30/03/2020	-	23,822	95,820	4,694	11,684	-	136,019
NBV As at 30/03/2019	-	82,001	52,708	1,295	15,545	27,421	178,970
NBV As at 30/03/2020	-	73,979	29,648	576	15,129	-	119,333