

**LOCAL KID NON GOVERNMENTAL ORGANIZATION**

**FINANCIAL STATEMENTS**

**31ST DECEMBER 2021**

**LOCAL KID NON GOVERNMENTAL ORGANIZATION  
REPORT AND FINANCIAL STATEMENTS  
31ST DECEMBER 2021**

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**Table of Content**

Organisation Information	1
National Coordinator's report	2
National coordinator's responsibilities	3

**Financial Statements**

Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes in Funds	6
Statements of Cashflows	7
Notes to the Financial Statements	8-15

**LOCAL KID NON GOVERNMENTAL ORGANIZATION  
REPORT AND FINANCIAL STATEMENTS  
31ST DECEMBER 2021**

---

**Information**

**Non-governmental organisation**

**Registered office :** Local Kid Non-Governmental Organization.  
Kisoro District,  
Nyamirima village near LC 1.  
256-750889338

**Banker :** World remit

**Director** Chiara Katende  
Heide Forstreuter

**Country Coordinator:** Turyahebwa Diana

**FOR YEAR ENDED 31ST DECEMBER 2021**

**LOCAL KID NON GOVERNMENTAL ORGANIZATION  
REPORT AND FINANCIAL STATEMENTS  
31ST DECEMBER 2021**

---

**Report and Financial Statements**

The management submit their report together with the financial statements 31ST DECEMBER 2021 , which show the state of affairs of non-governmental organisation known as Local Kid Non Governmental

**Vision**

To provide education to local people and to accompany them on their way to better living conditions in independence.

**Principal Activities**

The principal activities of the NGO are two:

1. Provision of Educational support to vulnerable children.
2. Training and development of leadership skills (Tailoring)

**Results**

The results of the NGO for the period are shown in the statement of comprehensive income and expenditure on page 5 :

	<b>2021</b>
	<b>"Ugx"</b>
Surplus or deficit	7,707,300
<b>Surplus for the year</b>	<b><u><u>7,707,300</u></u></b>

**Management**

The management which held office to the date of this report are shown on page 1.

**By Order of the Board**

.....  
Director

**LOCAL KID NON GOVERNMENTAL ORGANIZATION  
REPORT AND FINANCIAL STATEMENTS  
31ST DECEMBER 2021**

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**STATEMENT OF NATIONAL COORDINATORS' RESPONSIBILITIES**

NGO law requires the national coordinators to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the NGO as at the end of the financial year and of the profit or loss of the NGO for that year. In preparing those financial statements the national coordinators are required to:

1. Select suitable accounting policies and then apply them consistently;
2. Make judgements and estimates that are reasonable and prudent;
3. State whether applicable accounting standards have been followed;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the NGO will continue in business.

The national coordinators are responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the NGO, and to enable them to ensure that the financial statements comply with the NGO's Act. They are also responsible for safeguarding the assets of the NGO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Nothing has come to the attention of management to indicate that the NGO will not remain a going concern for at least twelve months from the date of this statement:

Signed on behalf of the board of national coordinators by;

.....  
**Director**

.....  
**Country coordinator**

**LOCAL KID NON GOVERNMENTAL ORGANIZATION  
REPORT AND FINANCIAL STATEMENTS  
31ST DECEMBER 2021**

---

**Statement of Financial Position**

	Notes	2021 "Ugx."
<b>Non Current Assets</b>		
Property & equipment	8	5,670,000
<b>Current Assets</b>		
Cash and bank balances	9	2,037,300
		<b>2,037,300</b>
<b>Total Assets</b>		<b>7,707,300</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Retained reserves	11	2,037,300
Capital fund	11	5,670,000
<b>Current Liabilities</b>		
Accounts payable	12	-
<b>Total Equity and liabilities</b>		<b>7,707,300</b>

.....  
**National Coordinator:**

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 3 to 12

**LOCAL KID NON GOVERNMENTAL ORGANIZATION  
REPORT AND FINANCIAL STATEMENTS  
31ST DECEMBER 2021**

---

**Statement of Financial Performance**

	Notes	2021 "Ugx."
Income	3	59,852,000
<b>Total inflows</b>		<b>59,852,000</b>
Less: Capital expenditure		0
<b>Recurrent income</b>		<b>59,852,000</b>
<b>Expenses</b>		
Program expenses	4	(19,991,940)
Administration expenses	5	(22,805,295)
Professional fees	6	(2,000,000)
Personnel expenses	7	(6,780,000)
<b>Operating surplus before depreciation, finance Costs</b>		<b>8,274,765</b>
Net finance costs	8	(567,465)
<b>Surplus or deficit before depreciation</b>		<b>7,707,300</b>
Depreciation		-
<b>Net Surplus or deficit for the year</b>		<b>7,707,300</b>

The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 3 to 12

**LOCAL KID NON GOVERNMENTAL ORGANIZATION  
REPORT AND FINANCIAL STATEMENTS  
31ST DECEMBER 2021**

---

**Statement of Changes in Funds**

	Capital fund	Retained reserves	Total
	"Ugx."	"Ugx."	"Ugx."
At 1st January 2021	-	-	-
Additions	5,670,000		5,670,000
Surplus for the year		2,037,300	2,037,300
At 31st December 2021	<b>5,670,000</b>	<b>2,037,300</b>	<b>7,707,300</b>

The Statement of Changes in equity is to be read in conjunction with the notes to and forming part of the Financial Statements set out on Pages 3 to 12



**LOCAL KID NON GOVERNMENTAL ORGANIZATION  
REPORT AND FINANCIAL STATEMENTS  
31ST DECEMBER 2021**

**Statement of Activity**

	Notes	2021 "Ugx."
<b>Cashflows from Operating Activities</b>		
Surplus/ deficit		2,037,300
Depreciation	7	-
		<b>2,037,300</b>
<b>Cash Received from Operating Activities</b>		
Accounts payables		-
<b>Net cash received from operating activities</b>		<b>2,037,300</b>
<b>Cashflows from Investing Activities</b>		
Land		<b>(5,670,000)</b>
<b>Net cash used in investing activities</b>		<b>(5,670,000)</b>
<b>Cash Flows from Financing Activities</b>		
Capital fund		5,670,000
<b>Net cash flow used in financing activities</b>		<b>5,670,000</b>
Net increase in cash and cash equivalents		<b>2,037,300</b>
<b>Movements in Cash and Cash Equivalents</b>		
At 1st January 2022		-
Increase in cash and cash equivalents		2,037,300
<b>At 31ST DECEMBER 2021</b>	<b>10</b>	<b>2,037,300</b>

The statement cash flow is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 3 to 12

# LOCAL KID NON GOVERNMENTAL ORGANIZATION REPORT AND FINANCIAL STATEMENTS 31ST DECEMBER 2021

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## Notes to the Financial Statements (Cont'd)

### 1 Significant Accounting Policies

The principal accounting policies adopted in the preparations of these financial statements are set out below:- (Not for profit organisation)

#### (a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires directors to exercise judgment in the process of applying the NGO's accounting policies. Although these estimates are based on the directors' best knowledge of current events and actions, actual results may differ from those estimates. Accounting policy 2 below on 'significant accounting judgments and key sources of estimation uncertainty' highlights the areas that involve a higher level of judgement, or where the estimates or assumptions used are significant to the financial statements.

#### (b) Basis of Preparation

The financial statements of (LOCAL KID NON GOVERNMENTAL ORGANIZATION) are prepared under the historical cost basis of accounting as modified to include revaluation of certain assets. The principal accounting policies are set out below

#### (i) Income Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and/or performance of services, in the ordinary course of business. However this organisation receives income inform of Donation from Nigeria

The NGO recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The NGO bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement.

#### (ii) Translation of Foreign Currencies

Transactions in foreign currencies during the period are converted into Uganda Shillings at rates ruling at the transactions' dates. Monetary assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Uganda Shillings at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the surplus and loss account in the period in which they arise. If applicable

**LOCAL KID NON GOVERNMENTAL ORGANIZATION  
REPORT AND FINANCIAL STATEMENTS  
31ST DECEMBER 2021**

---

**Notes to the Financial Statements(Contuined)**

**(iii) Property and Equipment**

All categories of property, plant and equipment are initially recorded at cost. Buildings are subsequently carried at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Any revaluation increase arising on the revaluation of buildings is recognised in other comprehensive income and accumulated in the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset

Depreciation is calculated on a straight line basis at annual rates estimated to write off the cost or valuation of property, plant and equipment over their expected useful lives. The annual depreciation rates in use are on the following bases:

	%	Years
Buildings	NA	NA
Motor Vehicle	NA	NA
Computer & Equipment	NA	NA
Machinery	NA	NA
Furniture and fittings	NA	NA
Plant and equipment	NA	NA
Land	NA	NA

**LOCAL KID NON GOVERNMENTAL ORGANIZATION  
REPORT AND FINANCIAL STATEMENTS  
31ST DECEMBER 2021**

---

**Notes to the Financial Statements (Continued.....)**

**Significant Accounting Policies (Continued.....)**

**(iv) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and cash at bank.

**(v) Trade payables**

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

**LOCAL KID NON GOVERNMENTAL ORGANIZATION  
REPORT AND FINANCIAL STATEMENTS  
31ST DECEMBER 2021**

---

**Notes to the Financial Statements (Continued.....)**

**2 Significant Accounting Policies (Continued.....)**

**Taxation N/A**

**Current Tax**

Tax on the profit or loss for the period comprises current tax and deferred tax charge/credit. Current tax is provided on the results for the period as adjusted for tax in accordance with the tax legislation.

**Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences are utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from good will or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the NGO expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities

**Current and Deferred Tax for the Year N/A**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income

The prevailing tax rates are used to determine deferred tax

**LOCAL KID NON GOVERNMENTAL ORGANIZATION  
REPORT AND FINANCIAL STATEMENTS  
31ST DECEMBER 2021**

**Notes to the Financial Statements (Continued)**

	<b>2021 "Ugx."</b>
<b>3 Income</b>	
Donations	59,852,000
	<b>59,852,000</b>
<b>4 Program Expenses</b>	
Aid expenses	2,440,000
Birthday parties	5,562,000
Farming	453,000
Scholastic materials	7,688,440
School fees	2,151,500
Tailoring expenses	1,697,000
	<b>19,991,940</b>
<b>5 Adminstrative expenses</b>	
Telephone expenses	734,725
Cleaning & Sanitation	193,000
Condelence	140,000
General office expenses	2,327,170
Meals	11,393,400
Medical expenses	291,500
Printing & Stationary	385,700
Rent expenses	3,300,000
Repairs & maintenance	68,000
Security expenses	930,000
Storage	330,000
Transport	2,199,700
Water	512,100
	<b>22,805,295</b>
<b>6 Professional Fees</b>	
Architecture exp	2,000,000
	<b>2,000,000</b>
<b>7 Personnel expenses</b>	
Salaries & wages	6,780,000
	<b>6,780,000</b>
<b>8 Finance Costs</b>	
Bank charges & mobile money charges	567,465
	<b>567,465</b>

**LOCAL KID NON GOVERNMENTAL ORGANIZATION  
REPORT AND FINANCIAL STATEMENTS  
31ST DECEMBER 2021**

Notes to the Financial statements (Continued)

**9 Property & Equipment**

	Land "Ugx." 0.0%	Total "Ugx."
<b>Depreciation rates</b>	0.0%	
<b>Cost</b>		
At 1st January 2021	-	-
Additions	5,670,000	5,670,000
At 31ST DECEMBER 2021	<u>5,670,000</u>	<u>5,670,000</u>
<b>Depreciation</b>		
At 1st January 2021	-	-
Depreciation	-	-
At 31ST DECEMBER 2021	<u>-</u>	<u>-</u>
<b>Net Book Value</b>		
At 31ST DECEMBER 2021	<u>5,670,000</u>	<u>5,670,000</u>

**10 Cash and Cash Equivalents**

The cash and cash equivalents comprise of the following:-

**Cash and Bank Balances:**

Cash at hand	2,037,300
Cash at bank	-
	<u>2,037,300</u>

**11 Funds**

Capital fund	5,670,000
Surplus or deficit	2,037,300
	<u>7,707,300</u>

**12 Current liabilities**

Accounts payable	-
	<u>-</u>

**LOCAL KID NON GOVERNMENTAL ORGANIZATION  
REPORT AND FINANCIAL STATEMENTS  
31ST DECEMBER 2021**

**Notes to the Financial Statements (Cont.....)**

**13 Risk Management Objectives And Policies (cont'd)**

**Credit Risk (cont'd)**

Individual limits are set based on internal or external information in accordance with limits set by the management. The utilisation of credit limits is regularly monitored

There is no exposure to this risk in each financial asset

Cash and Bank balances therefore are as follows:

	<b>2021 "Ugx"</b>
	2,037,300
<b>Total</b>	<u><u><b>2,037,300</b></u></u>

The NGO's exposure to credit risk based on the above schedules is currently considered to be negligible.

**b) Liquidity Risk N/A**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the NGO's management maintains flexibility in funding by maintaining availability funds to sub contractors under



**LOCAL KID NON GOVERNMENTAL ORGANIZATION  
REPORT AND FINANCIAL STATEMENTS  
31ST DECEMBER 2021**

**Notes to the Financial Statements (Cont.....)**

**13 Risk Management Objectives And Policies (cont'd)**

**c Liquidity Risk (cont'd)**

	<b>2021</b>
	<b>"Ugx"</b>
<b>Trade Payables</b>	
Current	NA
1-30 days	
31- 60 days	
61 - 90 days	
<b>Total</b>	<b>-</b>

Ultimate responsibility for liquidity risk management rests with the board of directors. The NGO manages liquidity risk by maintaining banking facilities and through continuous monitoring of forecast and actual cash flows.

The NGO manages this risk by maintaining adequate cash balances in the bank, banking facilities and by continuously monitoring budgets and actual cash flows