

Yoba for Life Foundation

Annual Report and Financial Statements For the year ended 31 December 2021

Audited By:



3 June 2022

Table of Contents

Acronyms	1
1.0 Corporate Information.....	1
2.0 Directors' Report.....	2
3.0 Chairman's Report	3
4.0 Statement of Directors Responsibility	7
5.0 Report of the Independent Auditor to the Members of Yoba for Life Foundation.....	8
6.0 Statement of Comprehensive Income	11
7.0 Statement of Financial Position	12
8.0 Statement of Cash Flows	13
9.0 Significant Accounting Policies	14
10.0 Notes to the Financial Statements	17

ACRONYMS

SNV	-	Netherlands Development Organisation
TIDE	-	The Inclusive Dairy Enterprise
Ushs	-	Ugandan Shillings
DDA	-	Dairy Development Authority

1.0 CORPORATE INFORMATION

1.1 PRINCIPLE PLACE OF BUSINESS

SNV TIDE Project Offices Mbarara
Plot 10, Haji Kasaka Rd
Kamukuzi, Mbarara
P.O. Box 37748, Kampala

1.2 DIRECTORS

1. Prof Remco Kort	Chairman
2. Dr. Nieke Westerik	Secretary
3. Dr. Alex Paul Wacoo	Treasurer
4. Dr. Wilber Sybesma	Member
5. Susan Atyang	Member

1.3 BANKERS

DFCU Bank
Kyambogo Branch
P. O. Box 70
Kampala

1.4 AUDITORS

Nnawuba and Associates, CPAs
Plot 57B Rubaga road, Kampala
P. O. Box 14066, Mengo, Uganda
Tel. +256-393 2367703/ +256-755-000864
Email: info@nnawuba.com

2.0 DIRECTORS' REPORT

The directors submit their report and the audited financial statements for the year ended 31 December 2021 which disclose the state of affairs of Yoba for Life Foundation ("the company").

2.1 PRINCIPAL ACTIVITIES

The principal activity of the company is to empower resource poor communities through the production of probiotic yoghurt.

2.2 RESULTS

The results of the company for the period are shown in the Statement of Comprehensive Income on page 11 and the Statement of Financial Position on page 13.

2.3 DIRECTORS

The names of directors who held office to the date of this report are shown on page 1.

In accordance with the Company's Articles of Association, no director is due for retirement by rotation.

2.4 AUDITORS

The Auditors, Nnawuba and Associates, being eligible for re-appointment have expressed their willingness to continue in office in accordance with Section 167 (2) of the Companies' Act 2012 ("The Companies Act of Uganda").

2.5 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the directors at a meeting held on 3rd of June 2022.

By Order of the Board



SECRETARY
KAMPALA

3rd of June 2022

3.0 ANNUAL NARRATIVE REPORT

3.1 Introduction

At the beginning of 2020, Yoba for Life foundation and SNV/TIDE signed a Memorandum of Understanding for continued partnership in the TIDE II project. The focus of the activities of Yoba for Life remains to deepen the school yoghurt program and offer support to probiotic yoghurt producers within the TIDE II geographical scope towards business enterprise development and professionalization. Due to COVID-19 pandemic in 2021 and the associated closure of schools for most of the year, an amended work plan was executed. Fifty five (55) producers were supported on business plan development, while 18 producers upgraded both the quality and the quantity of their production through processing and acquisition by eleven (11) producers the Q-mark certification from the Uganda National Bureau of Standards (UNBS). This report provides a summary of the activities conducted and the associated results obtained in 2021 by Yoba for Life under SNV/TIDE

3.2 The impact of the covid-19 pandemic

At the beginning of February 2021, schools re-opened after close to a year of closure. Not long after however, another lockdown ensued due to the increased spread of COVID-19 in and outside the country. The pandemic and the associated strict lockdown greatly affected the activities of the Yoba for Life foundation in Uganda. The demand for probiotic yoghurt Yoba yoghurt decreased as schools in the country closed. When they opened, it was in a phased manner. The supply of probiotic yoghurt was affected as well, as producers faced difficulties in accessing the raw materials for yoghurt production, and were limited to distribute their products to the market in their vicinity since public transport was stopped.

The natural process of adjusting business practices to the new situation, such as an increased emphasis on home-to-home deliveries, was catalyzed by Yoba's support on business planning, innovative marketing trainings, larger market access due to quality certified producers and Yoba yoghurt advertisement through a bunny spot-advert which continued to air on TV West. In the third quarter of the year, the government started to open up public transport and to open the economic activities in the country in a phased manner. This facilitated movement of people and goods and increased activity in major towns in the country, thus triggered the yoghurt businesses to grow again.

The total Yoba yoghurt production volumes by the end of 2021 in the TIDE core area stand at 22,360 liters per week (the production in the country currently stands at 42,265 liter/week), a 50.5% increase from the 11,060 liters at the end of 2020.

3.2 Support on UNBS certification

Throughout 2021, 18 producers continued to receive support from Yoba for Life Foundation under SNV-TIDE grant in order to acquire the UNBS Q-Mark. By the end of 2021, eleven (11) producers had been certified by Uganda National Bureau of Standards (UNBS). Six (6) are at non conformances correction level or post audit report level. One (1) is due for UNBS audit on 21st January 2022. These were also followed up and trained in systems management, GMP and GHP practices. The list of the producers and the costs they incurred to attain UNBS certification can be found in table 1. Producers who supplied to schools received priority. The support provided by the Yoba for Life foundation included:

- Legal registration support: Uganda Registration Services Bureau (URSB) registration, email address account set-up, online UNBS registration and application for certification, purchase of UNBS normative standards related to yoghurt production, Uganda Revenue Authority (URA) payment registration.
- Support on audit by UNBS: pre-audit checklist support, guide producers on answering technical questions, label and brand improvement support, linkages to certified fumigation service providers, employee medial certificate processing support.
- Sampling and testing: support in sample preparation, sample delivery to UNBS, results follow up, results interpretation to producers, guide on post audit report writing of correction measures.
- Development of quality monitoring tools: process flow chart, production process description, personal hygiene instructions, equipment cleaning instructions, market monitoring instructions.

Name of Company	Location/District	UNBS application Status
Yoba producers supported since January 2021		
Selected Excel Company Limited	Kabaale	Certified, 2021
Bismillah Bazizane Dairy Co. Ltd	Kyenjojo	Audit scheduled for 21st January 2022
Rukungiri Dairy Farmers Cooperative Union, Mpororo Yoghurt	Rukunjiri	Non-conformance correction level
Kasabe Extra Ltd, WowCow Yoghurt	Kiruhura	Non-conformance correction level
Maggideon, Golden cream yoghurt	Ntungamo	Non-conformance correction level
Neema Mixed Farm, Neema yoghurt	Masaka	Certified, 2021
Dovek Enterprizes, Dovek	Masaka	Non-conformance correction level
Yoghurt Obionet Enterprises Ltd, Blessed	Ntungamo	Non-conformance correction level
Yoghurt Just Milk Yoghurt	Kiruhura	Certified, 2021
Yoba Producers supported since July 2020		
Abesigana Kashari Dfcs Ltd, Abba	Mbarara	Certified, 2021
Nunu Yoghurt	Mbarara	Certified, 2021
Karera Young Traders, K-Yoba	Sheema	Certified, 2021
Tiana Foods Limited, Tian Yoghurt	Mbarara	Certified, 2021
Kesha Nana Services, Milkboy Yoghurt	Mbarara	Certified, 2021
Awa Foods Limited, Awa Yoghurt	Isingiro	Certified, 2021
Jobyamu Star Services Ltd, BMJ yoghurt	Ibanda	Certified, 2021
Bontao Uganda Limited	Mbarara	Non-conformance correction level
Intercity Dairy Farm	Bushenyi	Certified, 2021

3.3 Preparation of school yoghurt programs 2022

District program coordinators went back to schools in February 2021. In order to observe Standard Operating Procedures and avoid congestion, classes resumed in phases. It was difficult for the program to run at all in some schools.

A total of 1282 school visits were conducted in the first and second quarters of 2021 in both the TIDE II, Kampala and Wakiso area before schools were closed again due to increasing cases of covid-19 pandemic in the schools. The vast majority of schools which had been on the school yoghurt program before the COVID-19, had pledged to resume the program when the schools will fully open again. In addition, field officers visited the school milk Local Capacity Builders (LCBs) and district officials in their respective districts of operation to ensure alignment and good collaboration in the coming year.

Throughout 2021, a TV advert featuring bunny cartoons to promote the consumption of probiotic yoba yoghurt at school and at home was aired on TV-West. Field officers who moved to schools and producers noticed that there was much awareness in the community about the advert, which helped them promote the program.

In October 2021, a meeting took place with Eyal from Vital Tomosi's Dairy (Milkman). He promised to discuss the Memorandum of Understanding with the board of the company, but there will be more to discuss when some results can be shown especially after schools open in 2022. Irrespective of the school yoghurt program, Eyal considers to use probiotic yoba culture for general production in the near future to differentiate himself on the market.

3.4 Trainings and capacity building for YOBA staff

A two-day online training workshop on "Good Hygiene and Good Manufacturing Practices" was organized by UNBS on 6th -7th July. Four (4) Yoba for Life staff attended and were equipped with knowledge and skills to put into practice for the benefit of the Yoba yoghurt producers during the Q-mark certification process. The trained staff were awarded with certificates at the end of the course.

In August, two (2) Yoba staff attended an online training on Management systems awareness as organized by UNBS. The staff gained knowledge on the procedures that would help them guide producers to implement management systems, the Standards Act, the Regulations made thereunder, product control and testing in accordance with the certification scheme of the UNBS to facilitate business growth.

Five (5) Yoba staff members attended a capacity building training on business plan formulation and profitability calculations organised by the organisation in Mbarara. Members were equipped with knowledge on how to formulate, implement and monitor a simple and practical business plan. The skills were immediately applied as each staff member prepared several business plans for Yoba producers.

3.4 Workshops, learning visits and exhibition

A UNBS facilitated workshop guided the yoghurt producers (35) about the UNBS certification process, quality considerations, and market approach to boost the yoghurt business enterprise. The Dairy development Authority (DDA) trained the yoghurt producers in pre-certification process and donated the SOPs manuals for small scale and cottage industries to each of the participants for further guidance during processing. Practical marketing skills for new and emerging products while keeping the cost of operations minimal and how to run day to day business was conducted by experienced proprietor of Silgad Investments limited (Red star Wines and Enturire) trained the producers in. The producers left inspired and more committed to pushing their products deep into the market to boost their sales. Producers committed to work on quality, safety and market yoghurt in the schools working with the respective Yoba District Program Coordinators.

Kabula business hub exhibition provided avenue where awareness about the existing services and products offered by Yoba for Life Foundation in partnership with TIDE 2 was created. Seven (7) brands of yoghurt namely; Awa, ID farm fresh, Milkboy, Nunu, Abba, Zaabu and Supper yoghurt were present to show case their products.

Thirty-six (36) participants from thirty (30) none UNBS certified yoghurt producers attended an exchange learning visit. They learnt from two (2) UNBS certified yoghurt producers of Nunu and Awa yoghurt how to strategically position a micro small cottage yoghurt processing unit for UNBS certification

3.5 Business planning

A total of 55 producers were supported to develop and or review business plans including an action plan and a profitability calculation in 2021. The core aim of the business plans is an internal objective of helping producers to understand their own business, and to develop a vision as well as concrete steps to expand and professionalize their business. The exercise was eye-opening for some producers (who often do not keep record books), and important conclusions were drawn about their business management. For example, some businesses had to look into cost reduction, while others had to look into which markets were lucrative for them, and whether they were selling at a profit making price.

3.6 The YOBA team in Uganda

From January 2021 onwards, the Yoba for Life Africa Coordinator, Nieke Westerik reduced physical presence in Uganda. The day-to-day management tasks were handed over to the new Uganda Project Coordinator Arinda Nelson. The Finance & Admin officer Caroline Natuhwera received additional responsibilities. Comfort Rowena, District Project Coordinator located in Kampala and Wakiso, received an additional role of Monitoring and Evaluation. The Africa Coordinator Nieke Westerik will continue to provide intensive back-up support to the Yoba Uganda team, and will provide strategic direction to the activities undertaken by the team.

Remco Kort
.....
Chairman, Board of Directors

4.0 STATEMENT OF DIRECTORS RESPONSIBILITY

The Companies Act (1,2012), laws of Uganda requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its operating results for that year. It also requires the directors to ensure the company keeps proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors are ultimately responsible for the internal control. The directors delegate responsibility for internal control to management. Standards and systems of internal control are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of the Company's assets. Appropriate accounting policies supported by reasonable and prudent judgments and estimates, are applied on a consistent basis and using the going concern basis. These systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the Companies Act of Uganda). The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the Board of Directors on 3rd June 2022 and signed on its behalf by:

Remco Kort
.....
Chairman

Type text here

5.0 REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF YOBA FOR LIFE FOUNDATION BOARD

Opinion

We have audited the Financial Statements of the Yoba for Life Foundation, which are presented in pages 11 to 18 and comprise the Statement of Financial Position as at 31 December 2021, and the Statements of Comprehensive Income and 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 accompanying financial statements give a true and fair view of the financial position of the Yoba for Life Foundation as at 31 December 2021, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Yoba for Life Foundation 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.

Other information

Management is responsible for the other information. The other information comprises the Chairman's Report and any other reports published together with the financial statements and are not financial statements. 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. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF YOBA FOR LIFE FOUNDATION BOARD [cont'd]

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles (GAAP) and with such internal controls the board 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, the directors are responsible for assessing the ability of Yoba for Life Foundation to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the financial reporting process of Yoba for Life Foundation.

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 scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 internal controls of Yoba for Life Foundation.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 ability of Yoba for Life Foundation 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 Yoba for Life Foundation to cease to continue as a going concern.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF YOBA FOR LIFE FOUNDATION BOARD [cont'd]

- 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 a true and fair view.

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.

Report on Other Legal Requirements

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by Yoba for Life Foundation, so far as appears from our examination of these books.
- The financial statements are in agreement with the books of account.

Other Matter

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Accounts Laws of 2009 to 2016 and for no other purpose.

We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement accountant responsible for the audit resulting in this independent auditor's report is CPA Stephen Nnawuba-P0266.

Nnawuba & Associates

Certified Public Accountants

P.O. Box 3258

Kampala, Uganda

Date:

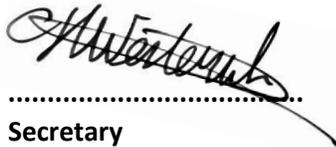
6.0 STATEMENT OF COMPREHENSIVE INCOME

		2021	2020
	Notes	Ushs	Ushs
Grant Income	10.1	440,429,920	281,492,885
Other Income	10.2	176,728	7,309
Funds available for operations		<u>440,606,648</u>	<u>281,500,194</u>
Operational Expenses	10.3	(429,164,401)	(289,859,177)
Financial Costs	10.4	(406,250)	(387,025)
Total Expenses		<u>(429,570,651)</u>	<u>(290,246,202)</u>
Operational Surplus/(Deficit) for the year		<u><u>11,035,997</u></u>	<u><u>(8,746,008)</u></u>

7.0 STATEMENT OF FINANCIAL POSITION

	Notes	2021 Ushs	2020 Ushs
ASSETS			
Current Assets			
Cash and Cash Equivalents	10.7	15,046,919	8,330,922
Debtors	10.8	4,570,000	-
TOTAL		19,616,919	8,330,922
FUNDS AND LIABILITIES			
Retained Earnings	10.6	17,616,919	6,580,922
Creditors & Accrual	10.5	2,000,000	1,750,000
TOTAL		19,616,919	8,330,922

The Financial Statements on pages 11 to 18 were approved by the Board of Directors on 12/06.....2022 and signed on its behalf by:-



Secretary

Remco Kort

Member

The notes from page 14 to 18 form an integral part of the Financial Statements

8.0 STATEMENT OF CASH FLOWS

	2021	2020
	Ushs	Ushs
Cash flow from Operating Activities		
Surplus/ Deficit for the year	11,035,997	(8,746,008)
Increase in Payables	250,000	250,000
Increase in Debtors	(4,570,000)	-
	<hr/>	<hr/>
Net cash generated from Operating Activities	6,715,997	(8,746,008)
	<hr/>	<hr/>
Net change in cash and cash equivalents	6,715,997	(8,746,008)
	<hr/>	<hr/>
Add Opening Cash & Cash equivalents	8,330,922	17,076,930
	<hr/>	<hr/>
Cash & Cash Equivalent at year end	15,046,919	8,330,922
	<hr/> <hr/>	<hr/> <hr/>

9.0 SIGNIFICANT ACCOUNTING POLICIES

9.1 Status of the Accounting Entity

Yoba for Life Foundation is a company limited by guarantee that was incorporated with limited liability on the 9th of May 2017 located at the SNV – TIDE Project Office on Plot 10 Haji Kasaku Road, Mbarara. It is engaged in the promotion of local production of probiotic yoghurt in resource poor communities.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied.

9.2 Basis of Preparation

The financial statements of Yoba for Life Foundation have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) with early adoption of the 2015 amendments to the standard.

The financial statements have been prepared under the historical cost convention

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

9.2.1 Revenue Recognition

Contributions were recorded as revenue in the period in which they are received or the period in which a pledge is received. Any pledges receivable are closely reviewed each month to determine whether the amount is still collectible and whether the balance of the pledges receivable is adequately reserved with the allowance for doubtful pledges.

Grants which are classified as exchange transactions with the grantor will be recognized as revenue when the grant money is earned. This will generally be determined by the costs reportable to the grantor. Each restricted grant will be set up as a separate cost center to allow for accurate and consistent recording of the expenses of each grant.

Grant Income

The company received a Grants of UGX 341.4 million from SNV and UGX 99 million from YOBA (NL) which were to be used in financing the company's activities as per the Acceleration Plan. A total of UGX 429.5 million was utilized in the business, leaving a balance of UGX 11 million as retained earnings as at 31 December 2021.

9.2.2 Translation of Foreign Currencies

Transactions in foreign currencies during the year are converted into Uganda Shillings (functional currency) at rates ruling at the transaction dates. Assets and Liabilities at the statement of financial position 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 statement of profit or loss in the year in which they arise.

9.2.3 Property, Plant and Equipment

An inventory of all property and equipment will be maintained. The inventory document will contain sufficient information for insurance and grant requirements.

Fixed Assets and Depreciation

The general capitalization policy is that all equipment and other fixed assets costing in excess of Ugx 1,000,000 will be recorded as an asset. To determine if a repair or improvement will need to be capitalized, the following additional factor needs to be considered: Does the expenditure extend the useful life of the asset repaired or improved if the value was in excess of Ugx 1,000,000

All capital assets will be depreciated over their estimated useful lives. The straight line basis will be used, with depreciation charged beginning in the month that the asset is placed in service. Some sample estimated lives are:

Computers and related equipment	33.3%
Office furniture	20%
Building and building improvements	2.5%
Parking lot and landscaping	10%

All capital assets purchased with grant or other restricted funds will be cataloged.

9.2.4 Donated Materials and Services

Generally donated materials, assets and services will not be recorded in the accounting records. Any donated assets which would meet the definition to be capitalized, will be recorded as revenue and as a fixed asset.

9.2.5 Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks and financial assets with maturities of less than 91 days, net of bank overdrafts, money market lines and restricted cash balances.

Restricted cash balances are those balances that the Company cannot use for working capital purposes as they have been placed as a lien to secure borrowings.

In the statement of financial position, bank overdrafts are included within borrowings in current liabilities.

9.2.6 Current Tax and Deferred tax Income

The tax expense for the year comprises current and deferred tax. Tax is recognised in comprehensive income or in equity, except to the extent that it relates to items recognised in equity. In this case, the tax is also recognised in other comprehensive income and equity.

The current income tax charge is calculated on the basis of tax rates and the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on temporary differences (other than temporary differences) associated with unremitted earnings from foreign subsidiaries and associates to the extent that the investment is essentially permanent in duration, or temporary differences associated with the initial recognition of goodwill arising between the tax bases of assets and liabilities and their carrying amounts in the financial

statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized.

9.2.7 Financial Audit

The Accountant will contact the independent accountants as soon as the country coordinator signs the audit engagement letter to begin planning the scheduling and work needed to complete the audit. The Accountant will ensure that adequate space is provided for the independent accountants to work in our offices. This would include one or more large tables, space to keep our records provided to the independent accountants, light and electrical outlets.

9.2.8 Debt

Board approval is required for incurring any debt of Yoba for Life Foundation other than operating trade payables and budgeted payroll payables. The Country coordinator will be authorized to negotiate such debt as needed by the Board of Directors.

Any loan covenants and restrictions will be reported to the Board when the debt is authorized. The Accountant will periodically review these covenants and report to the country coordinator if there are any violations or potential violations of the covenants.

9.2.9 Reserves and Designated Funds

Yoba for Life Foundation will build and maintain an operating reserve to assist in maintaining financial stability. The target for the operating reserve will be six months of general operating expenses. This will be a cash reserve held separately from other funds of Yoba for Life Foundation. The reserve may be invested consistent with the investment policy of Yoba for Life Foundation. Any income of the reserve fund will stay in the reserve fund.

The Board of Directors may designate portions of the net assets of Yoba for life Foundation for specific purposes.

9.2.10 Compliance

In order to continue receiving government grants and restricted donations, Yoba For Life Foundation must have systems in place to ensure compliance with the restrictions imposed by those grants and restricted donations.

The Accountant is designated as Yoba for Life Foundation's compliance officer and will be responsible for overseeing the compliance with all applicable grant restrictions.

The country coordinator will be responsible for communicating the nature of all donor restrictions to the Accountant. This information will used to ensure that the General Ledger restricted donations account will reflect the restricted donations and the spending of those restricted amounts, as appropriate.

10.0 NOTES TO THE FINANCIAL STATEMENTS

10.1 Revenue

	2021	2020
	Ushs	Ushs
Revenue		
Grant from SNV	341,418,390	231,872,366
Grant from YOBA	99,011,530	49,620,519
Total	440,429,920	281,492,885

10.2 Other Operating Income

Interest Income (DFCU)	176,728	7,309
Total	176,728	7,309

10.4 Operational Expenses

Field Consultancy fees	164,071,460	136,792,852
Field expenditure (travel and airtime)	88,036,004	59,781,125
IEC Material	5,503,200	1,479,200
Snacks team meetings	2,367,000	1,282,000
Hardware purchase	1,700,000	49,000
Printing and photocopying	25,000	-
UNBS registration for yoghurt producers	83,749,262	59,867,500
Annual returns	90,000	-
Exchange learning and exhibition	5,046,000	-
UNBS trainings	1,000,000	-
Yoba Sachet clearance	3,000,000	-
Promotional Uniforms	165,000	780,000
NGO Registration fees	2,000,000	770,000
Branded T-shirts	-	3,200,000
Yoghurt sampling/ Sample subsidy	24,085,275	37,500
Audit fees	2,000,000	1,950,000
Workshop for yoghurt producers	6,337,000	-
Advertising	32,800,000	23,820,000
Replacement old Yoba culture	7,189,200	50,000
Total	429,164,401	289,859,177

10.5 Finance Costs

	2021	2020
	Ushs	Ushs
Bank charges	406,250	387,025
Total	406,250	387,025

10.6 Creditors and Prepayments

Audit fees payable	2,000,000	1,750,000
Total	2,000,000	1,750,000

10.7 Retained Earnings

Balance brought forward	6,580,922	15,326,930
Income	440,606,648	281,500,194
Less: Expenditure	(429,570,651)	(290,246,202)
Total	17,616,919	6,580,922

10.8 Cash and Cash Equivalentents

Cash at bank	15,024,419	8,302,322
Cash at hand	22,500	28,600
Total	15,046,919	8,330,922

10.9 Debtors

Advance to Nabukalu-Yoghurt producer	4,570,000	-
Total	4,570,000	-