

MEETING POINT INTERNATIONAL



AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

External Auditors:

FELBright & Co,
Certified Public Accountants
Suite A, Above U-Save Supermarket,
Kiwatule Trading Centre,
P. O. Box 28174,
Kampala.
Tel: 0414-575043
Email: mail@felbright.com

Table of Contents

1.0 CORPORATE INFORMATION 3

2.0 REPORT OF THE EXECUTIVE DIRECTOR..... 5

3.0. AUDIT OBJECTIVES, METHODOLOGY AND PROCEDURES 7

4.0 AUDITOR’S REPORT ON MANAGEMENT COMPLIANCE..... 10

5.0. INDEPENDENT AUDITOR’S REPORT 11

6.0 STATEMENT OF FINANCIAL POSITION..... 15

7.0 STATEMENT OF PERFORMANCE 16

8.0 STATEMENT OF CASH FLOWS..... 17

9.0 PRINCIPAL ACCOUNTING POLICIES USED 18

10.0 NOTES TO THE ACCOUNTS 20

DRAFT

1.0 CORPORATE INFORMATION

1.1 Registered office

Meeting Point International Limited
Kireka (Banda B1)
P. O. Box 21261
Kampala, Uganda.

1.2 Other Statutory Information

1.2.1 Certificate of incorporation No.

1.2.2 NGO Certificate No. 4138

1.2.3 TIN: 1000075751

1.2.4 NSSF No: NS013047BUG

1.3 Registered Members

1.3.1 Ms. Rose Busingye - Executive Director

1.3.2 Ms. Teddy Bongomin - Member

1.3.3 Mr. Emmanuel Ochaya - Member

1.3.4 Ms. Vicky Aloyo - Member

1.3.5 Mr. Fred Kamihanda - Member

1.3.6 Mr. Martin Bichachi - Member

1.4 Management

1.4.1 Mr. Fred Kamihanda - Chairperson

1.4.2 Mr. Martin Bichachi - Deputy Chairperson

1.4.3 Ms. Rose Busingye - Executive Director

1.4.4 Mr. Emmanuel Ochaya - Secretary

1.4.5 Ms. Teddy Bongomin - Treasurer

1.5 Bankers

1.5.1 DFCU Bank Uganda Limited,
P. O. Box 70
Kampala

1.5.2 KCB Bank Uganda Limited
P. O. Box 7399
Kampala.

1.6 Appointed Auditors

FELBright & Co,
Certified Public Accountants,
Suite A, Above U-Save Supermarket,
Kiwatule Trading Centre,
P. O. Box 28174,
Kampala.

DRAFT

2.0 REPORT OF THE EXECUTIVE DIRECTOR

2.1 Background

MPI is a Ugandan Non-governmental organization operating in the main slums situated in the areas of Banda and Kireka, Kamuli, Naguru, Nakawa, Ntinda, Kitintale, and scattered cases of Luzira.

Its main activities have been the care of people affected and infected by HIV/AIDS and their orphans. There are 13,800 people involved in the activities of MPI, among these 2,300 registered adults (mainly women) living with HIV/AIDS, 1,100 children (several of them orphans) are directly supported by MPI.

The methodology adopted by MPI is offering an effective friendship in which people are not reduced to their conditions, problems or sicknesses; they are looked and embraced for their infinity value and dignity. The services and activities provided are important means for an experience that promotes the awareness of one's own value and therefore, enhances responsibility in facing reality as protagonist and contributes to recreate a communitarian sociality.

2.2 Why International?

When visiting the places where MPI is present, one is struck by the peculiarity of the experience of those who live there. For this reason, many people, even of different nationalities, have personally involved themselves as volunteers or supporters of the activities of MPI; this explains the choice of "International" as part of our name.

2.3 Aim and objectives

The aim is to propagate through cultural and social activities, awareness of the intrinsic value and dignity of human life at all its development stages and levels of maturity

The aim is specified into the following objectives:

- Assistance to the suffering victims of HIV/AIDS
- Commitment in poverty alleviation
- Promotion of education at all levels.

Achievements

- MPI has achieved its objectives that were recognized by many, the first was managing to put up two schools, a primary and secondary one through the necklace making. After people recognizing their value, they desired to educate their family members as they themselves are educated.
- Putting together people of different tribes and races who now live as brothers and sisters.
- Number of children supported from nursery to universities 1100.

- 84 children were received, some from streets, others abandoned orphans in Welcoming House.
- 2,300 registered patients and number of clients on antiretroviral drugs.
- Food support and shelter were provided for the old and child headed families
- Youth support and seminars were held both in Europe and Uganda.
- Improved social support, economic empowerment for household through crafts and now they are able to save their own money with 15 different VSLAs.
- 7 different prizes were won from UN, USA, Paris, Italy and Uganda.

Challenges

- MPI seems to be for women and yet it's for all human being. Men are still not free in front of the spread of HIV/AIDS. They are still shy to open up for drugs and all other support. They come when the virus is in chronic state. They come only when they are dying.
- Funds are increasingly hard to get.
- Educating human beings to be themselves is a long process; many times we become impatient to wait for this slowness.
- Difficult to be understood that development starts from this method. If a human being understands the value he or she is, everything gains value. People think that it's a weak method

Thank you

Thank God that some of our donors share the same method and some are struck by our method because they see it works. I want to thank them mainly for this support and their economic support. Like the Italian, German and Spanish donors, USAID/SCORE, ISP and private donors and friends.

With heartily gratitude,

Rose Busingye,
Executive Director.

3.0. AUDIT OBJECTIVES, METHODOLOGY AND PROCEDURES

3.1.0 Audit Objectives

The audit objectives for the assignment were to:

- 3.1.1** Examine the financial statements of Meeting Point International projects and express an opinion as to whether they are fairly presented, in all material respects and in conformity with the funding agreements, the project's status and its operational results for the period under review.
- 3.1.2** Consider the Client's internal control structure in order to assess its effectiveness towards elimination of risk of errors and fraud; and to report on significant internal control deficiencies and material weaknesses with particular reference to:
- Internal control in the Accounts Department in respect of cash counts bank reconciliations, advance control and accountability, accurate recording of transactions and reporting checks and balances of one's work.
 - Store management including receiving and issuing of items, project segregation store arrangement updating of records and stock counts.
 - Use of Accounting Manual.
 - Control over school fees.
 - Control over vehicle fuel and repairs.
- 3.1.3** Test the Client's compliance with the terms of funding agreements as part of obtaining reasonable assurance that the financial statements are free from material misstatement, the usage of funds conforms to the relevant financing agreements; and to report on any identified material instances of non-compliance.

3.2.0 Methodology and Procedures

The audit was guided by a strategically driven audit approach to meet audit objectives and some of the audit procedures carried out included: strategic operational and compliance reviews as described below:

- Reviewed terms of reference and oriented the audit team towards achieving the audit objective within the agreed time frame and agreed work plan with management.
- Prepared strategy audit document including tailored audit programs and checklists to meet audit objectives. Identified and reviewed possibilities for relevant strategic risks and evaluated the strategic control environment.
- We conducted systems based audit – tests to assess the effectiveness of the internal control system.
- We carried out substantive tests on the significant project cycles as below: Receipts from various donors and Local contributions.
- We reconciled the releases to bank statements to confirm completeness of recording.

- We obtained independent confirmation of the releases from the various donors and local contributions.

3.2.1 Expenditure:

- Vouched payments from cash books and ledgers against respective invoices, and against evidence of receipts of goods or services and whether they were checked by management for arithmetic accuracy, pricing, condition and authorization.
- Checked completeness of recording and confirmed appropriate categorization of costs to correct eligible budget lines.

3.2.2 Payment to Suppliers:

- We confirmed authorization by MPI management of the respective requisitions and fully vouched these to the supporting documents where applicable.
- We verified completeness of recording for these transactions.

3.2.3 Payroll Costs:

- We reviewed personnel files for sampled employees and agreed paid salaries to signed contracts, payroll, cashbook and staff salaries ledger and related costs ledgers.
- Verified the accuracy of recoveries of advances and agreed completeness of recording to the respective ledgers.

3.2.4 Fixed Assets

- We verified existence and status of the fixed assets by inspection.
- We vouched additions of fixed assets to ensure that they were authorized.
- We computed depreciation in accordance with the pertinent accounting policy.

3.2.5 Bank Balances

- We confirmed balances with banks through certificate of balance.
- We traced clearance of un-presented cheques by reference to bank statements after the closing date of 31st December 2017.
- We reviewed to confirm whether bank reconciliations are performed on a regular basis and reviewed by a senior official.

3.2.6 Other Audit Procedures

- We reviewed minutes for Board meetings during the year for collaborative evidence to confirm assertions of financial statements.
- We reviewed internal controls (see objective 5.1 above) as a basis for detection and reporting of frauds and suspicious transactions. Where we found issues to report to management these are reported in the accompanying Management Letter.

- We made inquiries to establish evidence of any pending litigations for or against the project and verified information for evidence of any related party transactions.
- We reviewed the financial statement of compliance with the Donor Reporting guidelines, and performed tasks to ensure reporting compliance.

3.2.7 Audit Results

Results from the audit are presented under the auditor's report on compliance with funding agreements, the auditor's report on the funds accountability statements, the audited funds accountability statements and a Management Letter to management. All these reports form an integral part of the audit report.

DRAFT

4.0 AUDITOR'S REPORT ON MANAGEMENT COMPLIANCE WITH THE KEY CONVENANTS OF THE FUNDING AGREEMENTS

Determine that all Donor funds have been used in accordance with the agreement terms.

We concluded that donor's funds are used in all material respects in accordance with respective funding agreements.

Determine that goods and services have been procured in accordance with the funding agreement.

We concluded that goods and services were procured in accordance with the relevant funding agreements and in accordance with the Donor Procurement Guidelines and MPI Guidelines

Determine that all necessary supporting documents, records and accounts have been kept in respect of all project expenditures.

We ascertained that all necessary supporting documents, records and accounts were kept in respect of all project expenditures.

Determine that the financial statement has been prepared in accordance with the International Financial Reporting Standards issued by IFAC.

We concluded that the financial statements were prepared in accordance with International Financial Reporting Standard and complied with the Operational Guidelines.

With respect of statements of expenditures, ascertain that the project maintained adequate supporting documentation to support claims for reimbursement for expenditure incurred.

We concluded that adequate supporting documentation was maintained to support claims for reimbursement for expenditure incurred.

Identify, evaluate and report on the Project's Internal Control Structure.

We reviewed the internal control structure of the project. We concluded, based on our review, that the internal control structure was reasonably adequate. Where there were weaknesses, these were mentioned to Management and discussed the appropriate action to be taken to address them.

Determine that the project management complied in all material respects with agreement terms, applicable laws and regulations.

We concluded that there were no known instances of material non-compliances with agreement terms, applicable laws and regulations.

Determine that the project monitoring reports are a reliable basis for disbursement and management of the Account and disbursements.

We reviewed and concluded that the project monitoring reports produced on the monthly basis are a reliable basis for management of the Account and for disbursements.

**5.0. INDEPENDENT AUDITOR'S REPORT
 TO THE BOARD OF DIRECTORS OF MEETING POINT INTERNATIONAL**

5.1.0 Report on the Audit of the Financial Statements

5.1.1 Opinion

We have audited the financial statements of Meeting Point International, which comprise the statement of financial position for twelve months period ended 31st December 2017, and the statement of financial performance and statement of cash flows, 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 MPI as at 31st December 2017, and its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act 2012.

5.1.2 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 Financial Statements* section of our report. We are independent of the organisation in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for professional Accountants (IESBA Code)* together with 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.

5.1.3 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.

S/N	Key Audit Matter	Our Note
1.	Fencing of property	
	We noted that developments (fencing of land) worth 46 million took place on plot 495 Nasuuti Village, Mugalu Zone 1 ,Bugerere Road which land did not belong to MPI.	The audit procedures we performed included the following <ul style="list-style-type: none"> • Reviewed MPI asset register to confirm ownership of land on Plot 495 • Reviewed contract of construction between MPI and contractor Based on our procedures above, we could not

		<p>confirm ownership of the property on which this development was made and neither is there a memorandum of understanding between MPI and the owner of this land.</p> <p>If ownership is not confirmed then the amounts spent on the land might be treated as a receivable or written off all together</p>
2.	Renewal of lease	
	<p>During the year, the lease for land at plot 64 Katale road was renewed for a period of 49 years commencing 1st December, 2016</p>	<p>According to IFRS 16, renewal of a lease term is treated like a new acquisition. This therefore necessitates that MPI does the following</p> <ul style="list-style-type: none"> • Revalue the land and buildings on this plot of land • Revalue the entire class of assets to which the lease property belongs <p>The revalued amount if incorporated in the financial statements under review may alter the picture of the accounts</p>
3.	Private use of MPI	
	<p>During our inspection of the landed property at Canon House located on Block 243 Plot 596 Kyadondo Mengo at Luzira, we observed the following;</p> <p>The building which was formerly on the land was demolished and another erected on the same piece of land. The cost of the new building was met by an organisation whose operations have no with MPI.</p>	<p>Buildings belonging to a Religious organisation which are on MPI land have not been recognised in MPI accounts. The substance of this transaction is therefore unclear as to its effects on the accounts of MPI.</p>

5.2 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 IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organisation'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 company or to cease operations, or has no realistic alternative but to do so.

Meeting Point International management is responsible for ensuring that the funds disbursements are utilized for the purposes for which it was requested for. Management is also responsible for ensuring that the Mission maintains proper accounting records that disclose the financial position at the end of the period. Management's responsibility also includes safeguarding the assets of the Mission.

Those charged with governance are responsible for overseeing the organization's financial reporting process. Management's responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these funds accountability statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

5.3 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 it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatement 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 decision 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 risk 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or,

if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe matters in our auditor's report unless law or regulation preclude 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.

5.4 Report on other legal and regulatory requirements

As required by the companies Act, 2012, we report to you based on our audit, that:

- 5.4.1 We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit; organisation so far as
- 5.4.2 In our opinion, proper books of account have been kept by the appears from our examination of those books; and
- 5.4.3 The organisation's statement of financial position and statement of comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is **CPA Emojong-Odeke Joram (P0146)**.

FELBright & Co.
Certified Public Accountants of Uganda
Kampala, Uganda.

6.0 STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	2017 -Shs-	2016 -Shs-
Noncurrent Assets			
Plant, Property and Equipment	10.1	100,716,644	22,611,545
Leasehold property	10.2	2,186,154,478	2,191,607,441
Intangible asset	10.3	4,123,722	8,247,443
		<u>2,290,994,844</u>	<u>2,222,466,429</u>
Current Assets			
Inventory	10.4	79,184,574	0
Receivables	10.5	84,392,900	67,817,600
Cash at hand	10.6	91,640,736	64,087,142
Bank balance	10.7	2,761,990,861	2,685,722,652
		<u>3,017,209,071</u>	<u>2,817,627,394</u>
		<u>5,308,203,915</u>	<u>5,040,093,823</u>
FUND AND LIABILITIES			
Fund balance			
Capital Fund	10.8	2,290,994,844	2,222,466,429
General Fund	10.9	2,759,497,050	2,162,331,598
		<u>5,050,491,894</u>	<u>4,384,798,027</u>
Liabilities			
Payables	10.10	34,930,273	34,250,708
Due to project partner	10.11	129,737,962	621,045,088
Diff in opening balance		93,043,785	
		<u>257,712,019</u>	<u>655,295,796</u>
		<u>5,308,203,913</u>	<u>5,040,093,823</u>

This financial statement and the notes which appear on pages 15 to 26 were approved by the directors and were signed by:-

Executive Director,
Kampala.

Treasurer,
Kampala.

7.0 STATEMENT OF PERFORMANCE

		2017	2016
	Notes	-Shs-	-Shs-
INCOME			
Donations and Grants	10.12	1,702,949,878	1,502,087,350
Gift money	10.13	13,078,582	75,280,246
Other Income	10.14	268,906,319	59,621,745
Interest Income	10.15	98,538	11,579,796
		1,985,033,317	1,648,569,137
EXPENDITURE			
Administration expenses	10.16	250,544,051	280,381,979
Activities costs	10.17	1,091,445,063	1,138,963,778
		1,341,989,114	1,419,345,757
Operational surplus /(Deficit)		643,044,203	229,223,380

Note: The accounts shall be read in conjunction with the notes

8.0 STATEMENT OF CASH FLOWS

	Notes	2017 -Shs-	2016 -Shs-
Cash flows from operating activities			
Operating Surplus / (deficit)		643,044,203	229,223,380
Adjustment for:-			
Prepaid lease	10.2	5,452,963	5,452,963
Depreciation	10.1	29,773,653	6,662,484
Amortisation of software	10.3	4,123,721	4,123,721
Transfer from general to capital fund		(45,878,752)	(90,897,920)
Changes in working capital			
Increase in inventory	10.4	(79,184,574)	0
Increase Receivables and prepayments	10.5	(16,575,300)	60,809,485
Decrease payables and Accruals	10.10	679,565	(210,392)
Increase in amount due to partner	10.11	(491,307,126)	547,577,368
Cash flow from operation activities		50,128,353	762,741,089
Cash flow from Investing activities			
Purchase of Fixed Assets	10.1	(107,878,752)	(90,897,920)
		(57,750,399)	(90,897,920)
Cash flow from Financing Activities			
Increases (Decrease) in capital reserves	10.8	68,528,415	74,658,752
Suspense		93,043,785	1
Net increase in cash & cash equivalent		103,821,801	746,501,922
Cash and Cash equivalent at 1.01.2017		2,749,809,795	2,003,307,873
Cash and Cash Equivalent at 31.12.2017		2,853,631,595	2,749,809,795
Cash and Bank			
Cash	10.6	91,640,736	64,087,142
Bank	10.7	2,761,990,861	2,685,722,652
		2,853,631,597	2,749,809,794

9.0 PRINCIPAL ACCOUNTING POLICIES USED

Highlighted below (in notes 9.1 to 9.14) are policies and regulations which guided preparation of the accounts

9.1 Status of accounting entity

MPI is a Ugandan Non-governmental organization registered as an entity under the Non Governmental Organisations Registration Statute; 1989. The accounts are prepared in accordance with International Financial Reporting Standards.

9.2 Basis of preparation of accounts

The financial statements are prepared on a going concern basis in compliance with International Financial Reporting Standards (IFRS). The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies.

9.3 Historical cost Convention

The financial statements are prepared under the historical cost convention which states that businesses must record and account for most assets and liabilities at their purchase or acquisition price i.e. the amount actually paid for the assets or incurred for the liability.

9.4 Accrual concept basis

Financial statements are prepared on accrual basis and hence expenses and revenues are recorded in the period they occur, whether or not cash is involved.

9.5 Going concern basis

IAS 1 considers disclosures required in relation to material uncertainties' related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

9.6 Currency of presenting the accounts (Reporting Currency)

The accounts are presented in Uganda Shillings (Ushs) which is also the functional currency.

9.7 Translation of foreign currencies

- Monetary assets and monetary liabilities that are expressed in foreign currencies are translated into Uganda shillings at the rate of exchange ruling at the balance sheet date.
- Transactions during the year are translated at the rates ruling at the time of the transaction. Gains and losses arising from the translation are dealt with in the income and expenditure statement and shown as foreign exchange gain or (loss).

- Balances held at the end of the year are translated into Uganda Shillings at the rate prevailing on 31st December 2017.

9.8 Recognition of items of Property, Plant and Equipment in the books (Fixed Assets)

- All items of Property, Plant and Equipment (PPE) recognized in the books initially at cost. Costs include borrowing costs directly attributable to the acquisition, construction or production.
- However, all property, plant and equipment are stated in the financial statements at historical cost less accumulated depreciation and impairment losses.

9.9 Depreciation

Depreciation is calculated to write off the cost of fixed assets on a reducing balance basis using annual rates determined by considering their estimated useful lives as follows.

- | | |
|----------------------------|--------|
| ▪ Buildings | 2.0% |
| ▪ Equipments and Furniture | 12.5% |
| ▪ Motor vehicles | 25% |
| ▪ Computers | 33.33% |

9.10 Accounts Receivable and prepayments

Sales not yet realised as cash are recognised in the books as debtors. Debtors are shown in the accounts net of bad debts.

9.11 Cash and Cash Equivalents

For the purposes of the cash flow statement, the year-end cash and cash equivalents comprise cash in hand and at bank, net of outstanding bank overdrafts.

9.12 Accounts payable and Accruals

All expenses must be matched in the same accounting period as the revenues they helped to earn. Consequent bills are recognised as creditors in the accounts.

9.13 Income & Expenditure

- Income is measured at fair value of consideration received or receivable. Meeting Point International generally recognizes income when earned and expenditures when incurred.
- Donations both in cash and in kind is recognised when received.

9.14 Taxation

Tax if any is computed and income tax returns filed according to the provisions of Income Tax Act Cap 340.

10.0 NOTES TO THE ACCOUNTS

10.1(a) Property, Plant and Equipment (2017)

	Furniture and Fittings	Computer Accessories	Motor Vehicle	Equipment	Total
Cost / Valuation					
At 1.1.2017	12,127,200	21,481,300	66,250,000	730,300	100,588,800
Additions	14,753,352	17,500,000	62,000,000	13,625,400	107,878,752
At 31.12.2017	26,880,552	38,981,300	128,250,000	14,355,700	208,467,552
Depreciation					
At 1.1.2017	1,946,736	14,361,167	61,578,064	91,288	77,977,255
Charge for the year	3,116,727	8,205,890	16,667,984	1,783,052	29,773,653
At 31.12.2017	5,063,463	22,567,058	78,246,048	1,874,339	107,750,908
NBV at 31.12.2017	21,817,089	16,414,242	50,003,952	12,481,361	100,716,644

10.1(b) Property, Plant and Equipment (2016)

	Furniture and Fittings	Computer Accessories	Motor Vehicle	Equipment	Total
Cost / Valuation					
At 1.1.2016	580,000	21,481,300	66,250,000	0	88,311,300
Additions	11,547,200	0	0	730,300	12,277,500
At 31.12.2016	12,127,200	21,481,300	66,250,000	730,300	100,588,800
Depreciation					
At 1.1.2016	492,384	10,801,635	60,020,752	0	71,314,771
Charge for the year	1,454,352	3,559,532	1,557,312	91,288	6,662,484
At 31.12.2016	1,946,736	14,361,167	61,578,064	91,288	77,977,255
NBV at 31.12.2016	10,180,464	7,120,133	4,671,936	639,013	22,611,545

10.2 Leasehold property

	2017	2016
	-Shs-	-Shs-
Cost 1.1.2017	2,191,607,441	2,118,439,984
Additions	0	78,620,420
Amortisation during the year	<u>(5,452,963)</u>	<u>(5,452,963)</u>
Balance at 31.12.2017	<u>2,186,154,478</u>	<u>2,191,607,441</u>

Leasehold land is comprised of land and buildings:

- On plot No.596, block 243, Nakawa division, Luzira, Kampala for 99 years starting 1st January 2012
- On plot No. 579, block 243, Kyadondo , Mengo for 99 years starting 1st June 2005
- Plot 64, Katale Road , for 49 years starting 1st December 2016
- Plot 579, block 243 Mutungo.

10.3 Intangible asset

	2017	2016
	-Shs-	-Shs-
Cost	8,247,443	12,371,164
Amortisation for the year	<u>(4,123,721)</u>	<u>(4,123,721)</u>
Balance at 31.12.2017	<u>4,123,722</u>	<u>8,247,443</u>

10.4 Inventory

	2017	2016
	-Shs-	-Shs-
Cleaning materials	3,581,644	0
Craft	55,584,800	0
Drugs	9,873,736	0
Food items	3,322,107	0
Stationary	4,384,287	0
General care	2,438,000	0
	<u>79,184,574</u>	<u>0</u>

10.5 Accounts Receivable

2017	2016
-------------	-------------

	-Shs-	-Shs-
AVSI-USA	0	3,402,000
AVSI-MILANO	50,129,600	50,129,600
Moses Ojok	0	1,112,000
Bad debts recovered	6,878,000	7,854,000
IGA to MPI Clients	5,120,000	0
Sundry Debtors	22,265,300	5,320,000
	84,392,900	67,817,600

10.6 Cash

	2017	2016
	-Shs-	-Shs-
Cash general	504,629	889,867
Advance money	5,406,577	974,566
Cash first	3,450,000	36,000,000
Cash at hand Euros	78,284,360	24,233,709
Cash at hand Dollars	3,995,169	1,989,000
	91,640,735	64,087,142

10.7 Bank

		2017	2016
		-Shs-	-Shs-
DFCU DSP Support	i	16,022,893	753,257
DFCU MPI Ushs	ii	4,049,518	9,602,562
DFCU SCORE	iii	0	5,603,071
DFCU OVC	iv	43,154,928	25,416,527
DFCU Euros	v	668,735,144	17,873,234
DFCU USD	vi	11,172,514	4,677,639
KCB MPI Ushs	vii	42,779,767	61,080,990
KCB MPI Usd	vii	31,566,764	25,162,933
KCB MPI Euros	ix	1,944,509,336	2,535,552,440
		2,761,990,864	2,685,722,652

Key

- i) DFCU Bank DSP Support- 10020110120001012
- ii) DFCU Bank SCORE – 10020110120001772
- iii) DFCU Bank MPI Ushs- 1002011010000360
- iv) DFCU Bank OVC- 1002011020001773
- v) DFCU Bank Euros-1002031020000040
- vi) DFCU Bank USD- 1002021010000277

- vii) KCB MPI Ushs – 2290241474
- viii) KCB MPI Euros- 2290241482
- ix) KCB MPI USD- 2290241490

10.8 Capital Fund

A Capital Fund is maintained equal to the written-down value of noncurrent assets. Depreciation charged to this fund.

	2017	2016
	-Shs-	-Shs-
Balance at 1.1.2017	2,222,466,429	2,147,807,677
Capital Expend. from General Fund	107,878,752	90,897,920
	2,330,345,181	2,238,705,597
Depreciation for the year	(29,773,653)	(6,662,484)
Amortisation of software	(4,123,721)	(4,123,721)
Amortisation for leasehold property	(5,452,963)	(5,452,963)
Balance at 31.12. 2017	2,290,994,844	2,222,466,429

10.9 General Fund

The balance on this account represents accumulated surpluses as follows:

	2017	2016
	-Shs-	-Shs-
Balance at 1.1.2017	2,162,331,599	2,024,006,139
Asset Purchase transfer to Capital Fund	(45,878,752)	(90,897,920)
Surplus / (Deficit) for the year	643,044,203	229,223,380
Balance at 31.12.2017	2,759,497,050	2,162,331,599

10.10 Accounts Payable

	2017	2016
	-Shs-	-Shs-
Audit fees	5,900,000	4,838,000
Accrued expenses	114,000	114,000
ARS Construction	0	12,628,361
DAMIC Technical Services	0	12,319,168
ITAL Group Ltd	0	1,609,200
Mukono Municipal Council	0	1,500,000
ABBRACI SENZA FRONTIERE	21,888,064	0
ABS GIOVANNI SCOLARO	1,815,264	0

Endeavour Africa Group	3,079,800	0
Securex Agencies	259,600	0
Vodafone	1,873,545	1,241,979
	34,930,273	34,250,708

10.11 Due to project partner

In the previous year and during the current year, MPI received a grant to be transferred to LGHS and LGPPS. However, at the end, of the financial period, this transfer had not yet been made.

10.12 Donations and Grant Income

	2017 -Shs-	2016 -Shs-
Grant income		
Project Grant (Shs)	1,253,230,490	704,719,022
	1,253,230,490	704,719,022
Fundraising		
Fundraising (Euros)	449,719,388	797,368,328
	449,719,388	797,368,328
	1,702,949,878	1,502,087,350

10.13 Gift Money

	2017 -Shs-	2016 -Shs-
Trade sales(Euro)	13,078,582	75,280,246
	13,078,582	75,280,246

10.14 Other Income

	2017 -Shs-	2016 -Shs-
Other activities (Shs)	834,273	2,441,082
Returns	0	1,112,000
Sale of necklaces to partners	0	56,068,663
Exchange gain/(loss)	268,072,046	0
	268,906,319	59,621,745

10.15 Interest income

	2017 -Shs-	2016 -Shs-
--	---------------	---------------

MEETING POINT INTERNATIONAL (Company Limited by guarantee and not having a share capital)
 Audit Report and Financial Statements for year ended 31st December 2017

Interest earned (Shs)	98,538	4,692,489
Interest earned (US \$)	0	101,490
Interest earned (Euro)	0	6,785,818
	98,538	11,579,797

10.16 Administration expenses

	2017	2016
	-Shs-	-Shs-
06 Structure	244,644,051	275,543,979
Audit fee	5,900,000	4,838,000
	250,544,051	280,381,979

10.17 Activities cost

	2017	2016
	-Shs-	-Shs-
01- Patients care	49,325,611	36,113,011
02- Scholarships	804,177,953	782,963,595
03- LGPPS/LGHS	20,675,631	0
04- Welcoming House	50,867,623	78,930,677
07- Hand craft training	13,542,220	7,973,830
10- Women's activities	90,856,025	232,982,665
	1,091,445,063	1,138,963,778

-----**END**-----