

MEETING POINT INTERNATIONAL



AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

JWIS & CO.
Certified Public Accountants
P O Box 8300
KAMPALA
Uganda

MEETING POINT INTERNATIONAL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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MEETING POINT INTERNATIONAL

ORGANIZATION INFORMATION

BOARD OF DIRECTORS

Name	Position
Rose Busingye	Founder Member
Teddy Bongomin	Founder Member
Emmanuel Ochaya	Member
Fred Kamihanda	Founder Member
Martin Bichachi	Founder Member

REGISTERED OFFICE

Mutungo, Kampala
P. O. Box 21261,
Kampala, Uganda

BANKERS

DFCU Bank Uganda Limited
Kampala Road Branch
Kampala

KCB Bank Uganda Limited
Luwum Street Branch
Kampala

AUDITORS

JWIS & CO.
Certified Public Accountants
26 Lumumba Avenue
P O Box 8300,
Kampala, Uganda

MEETING POINT INTERNATIONAL

REPORT OF THE DIRECTORS

The Board of Directors takes great pleasure in presenting their Annual Report with the audited Financial Statements for the year ended 31 December 2020.

1. Principal activity

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.

2. Results

The operating results for the year ended 31 December 2020 are set out on page 10.

3. Auditors

JWIS & CO. Certified Public Accountants were appointed as Auditors and have expressed their willingness to continue in office.

4. Acknowledgement

The Board of Directors wishes to express its deep appreciation of the support, assistance and encouragement the Organization has received from the donors and other stakeholders. The Board of Directors further expresses its appreciation for the co-operation extended by the staff and employees during the year.

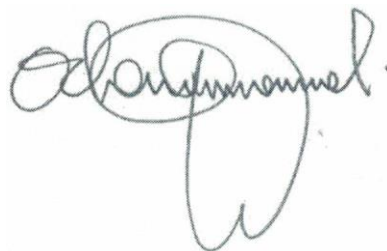
5. Approval of the financial statements

The financial statements were approved at a meeting of the Board of Directors held on ..27/04/2021

By order of the Board

Secretary

Date: 27th /04/2021



MEETING POINT INTERNATIONAL

STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES

The organization's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 December 2020, the statement of comprehensive income, the statement of changes in equity and cash flow statement for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the Uganda Companies Act.

The directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial 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. They are also responsible for safe guarding the assets of the organization.

The directors accept responsibility for the financial statements set out on the pages below, 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 requirements of the Ugandan Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs and the loss for the year ended 31 December 2020. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The directors have made an assessment of the organization's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the next twelve months from the date of this statement.

Approval of the financial statements

The financial statements of the Organization, as indicated above, were approved by the Board of Directors on ..27/04/2021.. and were signed on its behalf by:

DIRECTOR



DIRECTOR



REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MEETING POINT INTERNATIONAL

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Meeting Point International (the Organization), which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Meeting Point International as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and Companies Act, 2012.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Guidelines issued by the Institute of Certified Public Accountants of Uganda. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to note 1 which indicates how COVID 19 has affected Meeting Point International to date and resulted into certain material uncertainty relating to the future financial position, performance and cashflows of the Organization.

In response to this matter, the Organization has taken the following actions:

- Postponed some of its activities that were to be performed during the year;
- Created awareness among its stakeholders including employees and stakeholders by availing information about the virus and;
- Put in place necessary standard operating procedures (SOPs) to protect their employees and stakeholders from the pandemic.

In addition, the Crisis Management Team and continuity plan have been activated to deal with the potential negative impacts of the pandemic on the Organization's going concern.

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.

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 Company'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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. 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 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 Company to cease 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.

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 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

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

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of account have been kept by the Company so far as appears from our examination of those books; and
3. The Company'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 James Isiko.

JWIS & CO
Certified public Accountants
Kampala, Uganda

Date: 31/03/2021

MEETING POINT INTERNATIONAL

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 UGX	2019 UGX
Income			
Grant income	2	1,091,420,397	2,023,009,418
Other income	3	45,256,056	174,087,287
		<u>1,136,676,453</u>	<u>2,197,096,705</u>
Expenditure			
Programme direct costs	4	1,087,609,173	1,356,103,195
Administrative costs	5	285,826,303	605,381,622
		<u>1,373,435,476</u>	<u>1,961,484,817</u>
Deferred income		<u>(236,759,023)</u>	<u>235,611,888</u>

The accounting policies and notes on pages 11 to 16 form an integral part of these financial statements.

MEETING POINT INTERNATIONAL

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	NOTE	2020 UGX	2019 UGX
NON-CURRENT ASSETS	6	2,596,945,495	2,202,730,271
CURRENT ASSETS			
Inventory	7	119,873,340	71,171,135
Cash and bank balances	8	2,999,427,752	3,122,209,613
Trade and other receivables	9	251,809,189	387,850,609
		<u>3,371,110,281</u>	<u>3,581,231,357</u>
CURRENT LIABILITIES			
Trade and other payables	10	449,434,388	221,423,372
		<u>449,434,388</u>	<u>221,423,372</u>
NET CURRENT ASSETS		<u>2,921,675,893</u>	<u>3,359,807,985</u>
NET ASSETS		<u><u>5,518,621,388</u></u>	<u><u>5,562,538,256</u></u>
FINANCED BY:			
CAPITAL FUND	11	2,596,945,496	2,202,730,272
DEFERRED INCOME	12	2,921,675,892	3,359,807,984
		<u><u>5,518,621,388</u></u>	<u><u>5,562,538,256</u></u>

The financial statements were approved by the Board of Directors on and were signed on its behalf by:

DIRECTOR

DIRECTOR

The accounting policies and notes on pages 11 to 16 form an integral part of these financial statements.

MEETING POINT INTERNATIONAL

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 UGX	2019 UGX
OPERATING ACTIVITIES		
Deferred income	(236,759,023)	235,611,888
Profit on disposal of assets	23,724,087	(26,796,429)
Depreciation/amortisation	(126,562,848)	78,349,261
	<u>(339,597,784)</u>	<u>287,164,720</u>
CHANGES IN WORKING CAPITAL		
Inventory	(48,702,205)	(27,893,873)
Trade and other receivables	136,041,420	(320,203,325)
Trade and other payables	228,011,016	41,602,140
	<u>315,350,231</u>	<u>(306,495,058)</u>
INVESTING ACTIVITIES		
Investments	(745,202,785)	(3,255,000)
	<u>(745,202,785)</u>	<u>(3,255,000)</u>
FINANCING ACTIVITIES		
Capital fund	646,668,477	(13,565,205)
	<u>646,668,477</u>	<u>(13,565,205)</u>
Movement in net liquid assets	(122,781,861)	(36,150,543)
Cash and bank balances 1 January	3,122,209,613	3,158,360,156
Cash and bank balances 31 December	<u>2,999,427,752</u>	<u>3,122,209,613</u>

The accounting policies and notes on pages 11 to 16 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. PRINCIPLE ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated in which case presentation and restatement if necessary, in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, is adopted.

(a) Basis of preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRS).

The financial statements are prepared under the historical cost convention, as modified by the carrying amounts of available for sale investments at fair value and impaired assets at recoverable amounts.

These financial statements are presented in Uganda Shillings, which is the organization's functional currency.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the reported period. Although the estimates and associated assumptions are based on the Board of Directors' best knowledge of current events actions and historical experiences, actual results ultimately may differ from those estimates

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business. Revenue is recognised only when it is probable that the economic benefit, associated with a transaction, will flow to the organization and the amount of revenue can be calculated reliably.

Interest is recognised on a time proportionate basis taking account of the principal outstanding and the effective rate over the period to maturity when it is determined that such income will accrue to the organization.

(c) Translation of foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are expressed in Uganda Shillings, which is the Organization's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(d) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes transport and handling costs. Net realizable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

(e) Property, plant and equipment

All property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the organization; and
- The cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognized.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment. Property, plant and equipment are subsequently shown at market value, based on valuations by external independent valuers, less subsequent accumulated depreciation and impairment losses.

Increases in the carrying amount arising on revaluation are credited to a revaluation reserve. Decreases that offset previous increase of the same asset are charged against the revaluation reserve. All other decreases are charged to the profit and loss account.

Depreciation is provided to write down the property, plant and equipment, on a reducing balance basis, over their useful life, to their residual values, as follows:

Leasehold land	Over the lease period
Permanent buildings	4%
Furniture and office equipment	12.5%
Computers	33%
Motor vehicles	25%
Furniture and fittings	12.5%

The residual value and the useful life of each asset are reviewed at each financial period-end. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the disposal of an item of property, plant and equipment is included in profit or loss when the item is derecognized. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

(f) Impairment of assets

The carrying amounts of the organization's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised immediately in the profit and loss account.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the organization's accounting policy for borrowing costs.

(h) Comparatives

Comparative figures covering the previous period of trading are provided.

	2020 UGX	2019 UGX
2. GRANT INCOME		
AVSI	887,820,000	989,100,000
Support International	219,939,539	287,496,147
Solidarity Charitable	309,748,190	0
Insieme Si Puo'	52,186,250	81,116,400
Santilaro	0	177,039,720
Damiano	0	126,329,100
ABS Giovanni	0	60,310,194
Valdelka	129,666,471	126,279,420
CL Fraternity	222,687,889	0
Abbracci	36,423,289	26,941,073
CESAL	26,838,115	26,192,045
Others	197,938,068	125,460,319
Deferred income	194,636,070	0
Grants received in Advance	(441,260,699)	0
Less capital grant	(745,202,785)	(3,255,000)
	<u>1,091,420,397</u>	<u>2,023,009,418</u>
3. OTHER INCOME		
Donations	9,948,707	35,068,822
Gifts	18,246,049	13,455,287
Miscellaneous income	3,061,300	24,287,865
Profit on disposal of assets	14,000,000	26,796,429
Exchange gains/(losses)	0	74,478,884
	<u>45,256,056</u>	<u>174,087,287</u>

4. DIRECT PROGRAMME COSTS

Healthcare	195,873,726	109,840,841
Scholarships	536,943,971	880,549,763
Luigi Institute	0	26,192,057
Welcoming house	127,471,460	114,189,831
Community	81,771,082	0
Women activities	68,658,167	149,879,672
Salaries and wages	76,890,767	75,451,031
	<u>1,087,609,173</u>	<u>1,356,103,195</u>

5. ADMINISTRATION COSTS

Employment costs	148,874,923	239,682,139
Insurance	47,762,526	0
Property taxes	1,246,387	0
Utilities	6,452,435	5,436,800
Communication	7,931,896	5,746,000
Office supplies	21,406,802	35,811,522
Travel	6,129,500	3,405,000
Repairs and maintenance	36,575,338	305,185,870
Bank charges	3,235,596	4,214,291
Visibility	1,372,900	0
Audit fees	4,838,000	5,900,000
	<u>285,826,303</u>	<u>605,381,622</u>

6. PROPERTY, EQUIPMENT AND FURNITURE

	Leasehold land & buildings UGX	Motor vehicles UGX	Computers UGX	Equipment UGX	Furniture & Fittings UGX	Total UGX
Cost / valuation.						
01 January	2,180,701,515	128,250,000	50,321,000	18,672,936	38,510,152	2,416,455,603
Disposal	(223,303,571)	(66,250,000)				(289,553,571)
Additions	578,745,589	142,480,780	16,326,480	2,786,600	4,863,336	745,202,785
31 December	2,536,143,533	204,480,780	66,647,480	21,459,536	43,373,488	2,872,104,817
Depreciation						
01 January	57,259,848	100,122,777	37,984,680	5,455,496	12,902,531	213,725,332
On disposal		(66,250,000)				(66,250,000)
Charge for the year	69,763,890	42,652,001	9,458,724	2,000,505	3,808,870	127,683,990
31 December	127,023,738	76,524,778	47,443,404	7,456,001	16,711,401	275,159,322
Net book value:						
31 December 2020	2,409,119,795	127,956,002	19,204,076	14,003,535	26,662,087	2,596,945,495
31 December 2019	2,123,441,667	28,127,223	12,336,320	13,217,440	25,607,621	2,202,730,271

7. INVENTORY

Cleaning materials	23,260,765	2,515,218
Crafts	45,298,000	28,066,097
Medicines and drugs	19,900,680	21,413,552
Food items	11,155,429	7,559,271
Stationery	16,757,125	8,187,597
General sores	3,501,341	3,429,400
	<u>74,575,340</u>	<u>71,171,135</u>

8. TRADE AND OTHER RECEIVABLES

Sundry debtors	1,709,189	137,750,609
Sub lease receivable	250,100,000	250,100,000
	<u>251,809,189</u>	<u>387,850,609</u>

9. CASH AND BANK BALANCES

Bank balances	2,950,701,316	3,096,792,991
Cash on hand	48,726,436	25,416,622
	<u>2,999,427,752</u>	<u>3,122,209,613</u>

10. TRADE AND OTHER PAYABLES

Payables	8,173,689	213,384,443
Grants received in advance	441,260,699	8,038,929
	<u>449,434,388</u>	<u>221,423,372</u>

11. CAPITAL FUND

1 January	2,202,730,272	2,277,824,533
Capital grant	745,202,785	3,255,000
Disposal of assets	(224,424,713)	0
Depreciation and amortisation	(126,562,848)	(78,349,261)
31 December	<u>2,596,945,496</u>	<u>2,202,730,272</u>

12. DEFERRED INCOME

1 January	3,359,807,984	3,089,463,469
Deferred income	(438,132,092)	235,611,888
Prior year adjustment	0	42,771,556
Capital gains tax	0	(8,038,929)
31 December	<u>2,921,675,892</u>	<u>3,359,807,984</u>

13. CURRENCY

These financial statements are presented in Uganda Shillings

14. POST BALANCE SHEET EVENTS

There are no material post balance sheet events.