UNITED CULTURAL EMPOWEREMNT AND SOCIAL COMMUNITY ORGANISATION – AFRICA

(UCESCO-AFRICA)

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST OCTOBER 2022

Henry Smith & Wilson
Certified Public Accountants
Kalson Towers
P.O. Box 9937-00100
NAIROBI

Email: info@henrysmithwilson.co.ke

UCESCO-AFRICA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2022

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UCESCO-AFRICA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2022

Organisation Information

Director	Kingsley Nyandika P.O Box 75708-00100 Nairobi, KENYA
Registered office	Kibera Drive, Off Ngong' Road Kibera Plaza, Ground Floor P.O Box 48945 - 00100 (GPO) Nairobi, Kenya TEL : + 254 726 172 393 Email Address: info@ucesco.org
Independent Auditor	Henry Smith and Wilson Certified Public Accountants P.O. Box 9937- 00100 Nairobi, Kenya.
Principal Bankers	Equity Bank Mama Ngina Street (CBD) P.O. Box 20135 - 00100 Nairobi, Kenya ,

Report of the Management

The Management submit their report together with the Audited Financial Statements of United Cultural Empowerment and Social Community Organisation (UCESCO) -Africa for the year ended 31st October 2022, which disclose the state of affairs of the organization.

Principal Activity

The Organization Principal Activity is Provision of Humanitarian Assistance to the Community Through Various Projects and Activities.

Results

The Results of the year are set out on pages 5 to 12.

Auditors

The Auditors Messrs, Henry Smith and Wilson were appointed during the year and have expressed their willingness to continue in the office.

By order of the Management

K Bingsley
.....
Director

.....
Board Chairman

UNITED CULTURAL EMPOWERMENT AND SOCIAL COMMUNITY ORGANIZATION AFRICA
(UCESCO Africa)
EXECUTIVE DIRECTOR OFFICE
Date: 09/10/2023
Tel: +254 726 172 393

Statement of Management Responsibilities

It is the responsibility of the Directors to to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the organisation as at the end of the financial year and of its operating results for that year. It also requires the directors to ensure that the company maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the organisation. The directors are also responsible for safeguarding the assets of the organisation.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards. The Board of directors is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the organisation as at 31st October 2022 and of its operating results for the year then ended. The directors further accept responsibility for the maintenance of accounting records which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal financial controls.

Nothing has come to the attention of the Board of Directors to indicate that the organisation 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 09/01/2023 and signed on its behalf by:

.....
Director

.....
Board Chairman

UNITED CULTURAL EMPOWERMENT AND SOCIAL COMMUNITY ORGANIZATION AFRICA
(UCESCO Africa)
EXECUTIVE DIRECTOR OFFICE
Date: 09/01/2023
Tel: +254 726 172 393

HENRY SMITH & WILSON
CERTIFIED PUBLIC ACCOUNTANTS KENYA

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Nairobi, Kenya.
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+254 735 240 888
Email: info@henrysmithwilson.co.ke
Website: www.henrysmithwilson.co.ke

SERVICES:
- Auditing
- Accountancy
- Taxation
- Consultancy & Business Advising
- Training & Development

PARTNERS:
- CPA. S.K. Ndegwa (Managing)
- CPA. W.M. Mutero
- CPA. P.M Njathi
- CPA. S. Muturi
- CPA. P.T. Ndegwa

REPORT OF THE INDEPENDENT AUDITORS TO THE DIRECTORS OF UCESCO-AFRICA

Report on the Financial Statements

We have audited the accompanying financial statements of United Cultural Empowerement and Social Community Organisation-Africa, set out on pages 5 to 12 which comprise the balance sheet as at 31st October 2022, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards on Auditing. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

Auditor's Responsibility

Our responsibility is to express an independent opinion of these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on our professional judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of financial affairs of the company as at 31st October 2022 and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards.

Report on Other Legal Requirements

As required by theLaw we report to you, based on our audit, that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and

iii) The company's balance sheet and income statement are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's opinion is CPA. **Peter Muigai Njathi**, Practising Certificate No. P/1420

Henry Smith & Wilson

Henry Smith & Wilson
Certified Public Accountants (Kenya)
Nairobi

11/01/2023

HENRY SMITH & WILSON
Certified Public Accountants (K)
11 JAN 2023
P.O. Box 9937 - 00100, NAIROBI

STATEMENT OF COMPREHENSIVE INCOME

	NOTES	2022 KES	2021 KES
Income	3	**11,786,307**	**831,967**
Expenditure			
Project Costs	(4a)	10,174,522	170,925
Administrative Expenses	(4b)	1,097,208	673,433
Other Operating Expenses	(4c)	476,448	621,910
Financial Expenses	(4d)	34,865	45,209
Total Expenses		**11,783,043**	**1,511,477**
Surplus/ (Deficit) before Tax		**3,264**	**(679,510)**
Tax		(979)	192,566
Surplus/ (Deficit) of the Year		**2,285**	**(486,945)**

STATEMENT OF FINANCIAL POSITION

	NOTES	2022 KES	2021 KES
ASSETS			
Fixed Assets	2	488,602	193,375
Current Assets			
Tax Recoverable	5	-	192,566
Trade Receivable	6	-	46,667
Cash and Bank Balances	7	436	10,587
Total Current Assets		**436**	**249,820**
Current-Liabilities			
Trade and Other Payables	8	50,979	482,000
Total Current Liabilities		**50,979**	**482,000**
Net Current Assets		**(50,543)**	**(232,181)**
		438,058	**(38,806)**
FINANCED BY:			
EQUITY			
Accumulated Retained Earnings	SCE	(484,660)	(486,945)
Donations		339,500	-
Director's Long Term Account	9	583,218	448,139
TOTAL LIABILITIES AND RESERVES		**438,058**	**(38,806)**

The financial statements on pages 5 to 12 were approved for issue by the Board on.9./..0.1../2023 and were signed on its behalf by:-

.....

Board Chairman

STATEMENT OF CHANGES IN EQUITY

	Accumulated Retained Funds KES	Total KES
For The Year Ended 31st October 2022		
At 1st November 2021	(486,945)	(486,945)
Surplus for the Year	2,285	2,285
At 31st October 2022	(484,660)	(484,660)
For The Year Ended 31st October 2021		
At 1st November 2020	-	-
Deficit for the Year	(486,945)	(486,945)
At 31st October 2021	(486,945)	(486,945)

UCESCO-AFRICA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2022

STATEMENT OF FINANCIAL POSITION

	NOTES	2022 KES	2021 KES
ASSETS			
Fixed Assets	**2**	488,602	193,375
Current Assets			
Tax Recoverable	**5**	-	192,566
Trade Receivable	**6**	-	46,667
Cash and Bank Balances	**7**	436	10,587
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Surplus for the Year	2,285	2,285
At 31st October 2022	(484,660)	(484,660)
For The Year Ended 31st October 2021		
At 1st November 2020	-	-
Deficit for the Year	(486,945)	(486,945)
At 31st October 2021	(486,945)	(486,945)

CASH FLOW STATEMENT

	2022 KES	2021 KES
Cash flows from operating activities		
Deficit for the year	2,285	(486,945)
Add:		
Depreciation	84,873	37,625
Decrease / (increase) in:		
Trade and other Receivables	46,667	(46,667)
Increase / (decrease) in:		
Trade and other Payables	(431,021)	482,000
Decrease / (increase) in:		
Tax Recoverable	192,566	(192,566)
Cash generated from operations	(104,631)	(206,552)
Cash flows from investing activities		
Increase in PPE	(380,100)	(231,000)
	(380,100)	(231,000)
Cash flows from financing activities		
Increase / (decrease) in:		
Borrowings	135,079	448,139
Donations	339,500	
	474,579	448,139
Net Increase in cash and cash equivalents	(10,152)	10,586
Cash and cash equivalents at 1st November 2021	10,587	-
Cash and cash equivalents at 31st October 2022	436	10,587

NOTES

1. Accounting policies

The financial statements are prepared in accordance and comply with International Financial Reporting Standards and under the historical cost convention, and are presented in the functional currency, Kenya Shillings (Shs). The Principal Accounting Policies adopted in the preparation of these statements are

a) Income Recognition

Income is recognised when it is received.

b) Property, plant and equipment

All categories of property, plant and equipment are initially recognised at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated using the reducing balance method to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates:

	Rate %
Computer and Accessories	25.0
Furniture and Fittings	10.0
Office Equipment	10.0

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of

c) Impairment

determine whether there is any indication that those assets have suiffered an impairment loss. if any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss is recognised in the statement of income whenever the carrying amount of the asset exceeds its recoverable amount.s.

d) Receivables

Trade receivables are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off when all reasonable steps hto recover them have failed.

e) Trade payables are stated at their nomial value.

f) Currency

The financial statements are presented in Kenya Shillings (Kshs). Transactions during the year are translated at the exchange rates prevailing at the date of the transactions.

g) Accruals and Prepayments

Accrual:

Accrual concept states that Income nad Expenses must be recorded in the Accounting records and reported in the financial statements of the period to which they relate. Accruals are accrued expenses, they have not yet been paid for. Accruals are current liabilities.

Prepayment

The payment of a debt in full before it is due OR payments wach have been on on eAccounting period, but should not be charged against profit until a later period because they relate to that later period. If we pay for something that relates to next Accounting priod, we use a prepayment sto transfer that charge forward to the next period. Prepayments are Current Assets.

NOTES (Continued)

2 Property, Plant and Equipment

	Computers & Accessories	Furniture & Fittings	Office Equipments	Total
Rate	**25.0%**	**10.0%**	**10%**	**KShs**
COST				
As at 1st November 2021	50,000	146,000	35,000	231,000
Additions	148,500	116,600	115,000	380,100
As at 31st October 2022	198,500	262,600	150,000	611,100
DEPRECIATION				
As at 1st November 2021	15,000	18,250	4,375	37,625
For the year	45,875	24,435	14,563	84,873
As at 31st October 2022	60,875	42,685	18,938	122,498
NET BOOK VALUE				
As at 31st October 2022	**137,625**	**219,915**	**131,063**	**488,603**
As at 31st October 2021	**35,000**	**127,750**	**30,625**	**193,375**

NOTES (Continued)

	2022 KES	2021 KES
3 INCOME		
Bank Donations		
Citadel-SC Office of the State Treasurer	6,892,851	-
Other Donors	2,200,347	831,967
Unrestricted Contracting Ltd	1,788,110	-
Charities Aid Foundation-America	599,488	-
Cash Donations		
International	274,010	-
Merchandise Sales	31,000	-
Kenya	500	-
Total Income	**11,786,307**	**831,967**
4 EXPENDITURE		
(4a) Projects		
a) Citadel Medical Camp	5,511,249	-
b) Samburu	2,873,981	-
c) Scholarship	542,785	-
d) Other Projects	372,841	-
e) Peggy Lucas	318,354	-
f) Paradise Center	220,170	-
g) Shining Hope	146,030	-
h) Silver Spring	70,485	-
i) Dental Medical Camp	46,769	-
j) Outreach and Community Project	42,300	170,925
k) Havillah Center	26,858	-
l) New Horizon	1,600	-
m) Great Hope School	1,100	-
Total Projects Costs	**10,174,522**	**170,925**
(4b) Administrative Expenses		
Salaries and Wages	596,300	485,360
Office Expenses	239,296	68,068
Marketing	82,039	72,380
Audit Fees	50,000	10,000
Micro-Business	44,700	-
Depreciation	84,873	37,625
Total Administrative Expenses	**1,097,208**	**673,433**
(4c) Other Operating Expenses		
Merchandise	141,940	-
Transport	64,468	13,760
Farewells and Celebrations	64,140	-
Repair and Maintenance	13,900	28,550
Rent	192,000	390,000
Furniture and Equipments	-	146,000
Utilities	-	43,600
Total Other Operating Expenses	**476,448**	**621,910**

NOTES (Continued)	2022 KES	2021 KES
(4d) Financial Expenses		
Bank Charges	34,865	32,700
M-Pesa	-	12,509
Total Financial Expenses	**34,865**	**45,209**
Total Expenses	**11,783,043**	**1,511,477**
5 Taxation		
Surplus/ (Deficit)	3,264	(679,510)
Add Back:		
Depreciation	84,873	37,625
Less:		
Provison for wear and tear	(84,873)	
Adjusted Taxable Income	3,264	(641,885)
Tax Charge 30%	979	(192,566)
Tax Payable	**979**	**(192,566)**
6 Trade Receivables	-	46,667
7 Cash and Cash Equivalents		
Cash at Bank	**436**	**10,587**
8 Trade and other Payables		
Audit Fee	50,000	32,000
Tax Payable - (Note 5)	979	-
Trade Payables	-	450,000
Total Payables and Other Payables	**50,979**	**482,000**
9 Director's Long-Term Account		
Amount B/F	448,139	-
Current Year	135,079	448,139
Total	**583,218**	**448,139**