UNITED CULTURAL EMPOWEREMENT AND SOCIAL COMMUNITY ORGANISATION-AFRICA (UCESCO-AFRICA)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2023

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

UCESCO-AFRICA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2023

CONTENTS

	PAGE
Organisation Information	1
Report of the Management	2
Statement of Management Responsibility	3
Report of the Independent Auditor	4
Financial statements	
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9-12

UCESCO-AFRICA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2023

Organisation Information

Director	Kingsley Nyandika P.O Box 75708-00200 Nairobi
Registered office	Kibera Drive, Off Ngong' Road Kibera Plaza, Ground Floor P.O Box 48945 - 00200 (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 2023, which disclose the state of affairs of the organization.

Principal Activity

The Organization's 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

.....
Director



Statement of Management Responsibilities

It is the responsibility of the management 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 management to ensure that the organisation maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the organisation. The management are also responsible for safeguarding the assets of the organisation.

The management 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 management 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 2023 and of its operating results for the year then ended. The management 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 management 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 ..... and signed on its behalf

.....
Director

UNITED CULTURAL EXPOSITION AND SOCIAL COMMUNITY ORGANIZATION AFRICA
(UCESCO-Africa)
EXECUTIVE DIRECTOR OFFICE
Date: 11/01/2024
Tel: +254 726 172 393

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L. S.K. Ndegwa
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L. P.M Njathi
L. S. Muturi
L. P.T. Ndegwa

UNITED CULTURAL EMPOWERMENT AND SOCIAL COMMUNITY ORGANISATION (UCESCO) - AFRICA
REPORT OF THE INDEPENDENT AUDITORS

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 Statement of Comprehensive Income, Statement of Financial Position as at October 31, 2023, Statement of Changes in Equity and Statement Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Our Opinion

In our opinion, the financial statenements referred to above present true and fair view, in all material aspects, the financial position of the organization for the twelve motnhs ended October 31, 2023 and of its performance and cash flows for the year then ended in accordance with generally Accepted Accounting Principles (GAAPs) and International Financial Reporting Standards (IFRS) where applicable and the relevant Acts.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilites under those standards are further described in the Auditors Resposibilities for the audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants(IESBA Code) together with the ethics requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with theses requirements and the ESBA Code.

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

Responsibilities of Executive Committee for the Financial Statements

The Management is responsible for the preparation of the Financial statements in accordance with International Financial Reporting Standards (IFRS).The responsibility includes designing, implementing and maintaing internal controls relevant to the preparation and fair presentation of financial statements that are free from material mistatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstaces.

UNITED CULTURAL EMPOWERMENT AND SOCIAL COMMUNITY ORGANISATION (UCESCO) - AFRICA
REPORT OF THE INDEPENDENT AUDITORS

Auditor's Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit and to report our opinion to you.

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 judgment, 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 organization'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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, 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.

Report on Other Legal Requirements

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 organization, so far as appears from our examination of those books;

iii) The Organization's Statement of Comprehensive Income and Statement of Finacial Position are in agreement with the books of accounts.

iv) The Organization is solvent and we have reasonable grounds to believe it will remain solvent in the foreseable future.

iv) Nothing has come to our attention that causes us to believe that the business has not been conducted in accordance with the provisions of the NGO Co-Ordination Act, 1990, and

The engagement partner responsible for the audit resulting in this independent auditors' report is CPA Peter Muigai Njathi- P/No. 1420



Henry Smith And Wilson
Certified Public Accountants
Nairobi

January 10, 2024

STATEMENT OF COMPREHENSIVE INCOME

	NOTES	2023 KES	2022 KES
Income	3	15,726,369	11,786,307
Expenditure			
Project Costs	(4a)	12,464,953	10,174,522
Administrative Expenses	(4b)	3,306,166	1,097,208
Other Operating Expenses	(4c)	588,500	476,448
Financial Expenses	(4d)	23,105	34,865
Total Expenses		16,382,724	11,783,043
Surplus/ (Deficit) before Tax		(656,355)	3,264
Tax		-	(979)
Surplus/ (Deficit) of the Year		(656,355)	2,284

STATEMENT OF FINANCIAL POSITION

	NOTES	2023 KES	2022 KES
ASSETS			
Fixed Assets	2	419,099	488,603
Current Assets			
Cash and Bank Balances	6	626	436
Total Current Assets		**626**	**436**
Current-Liabilities			
Trade and Other Payables	7	50,000	50,979
Total Current Liabilities		**50,000**	**50,979**
Net Current Assets		**(49,374)**	**(50,543)**
		369,722	**438,058**
FINANCED BY:			
EQUITY			
Accumulated Deficit	SCE	(1,141,016)	(484,661)
Capital Donations		339,500	339,500
Director's Long Term Account	8	1,171,238	583,218
TOTAL LIABILITIES AND RESERVES		**369,722**	**438,058**

The financial statements on pages 5 to 12 were approved for issue by the Board on..../...../2024 and were signed on its behalf by:-

(UCESCO Africa)
EXECUTIVE DIRECTOR OFFICE
Tel: +254 726 172 393

Director ..... Date 11/11/2024

STATEMENT OF CHANGES IN EQUITY

	Accumulated Retained Funds KES	Total KES
For The Year Ended 31st October 2023		
At 1st November 2022	(484,661)	(484,661)
Deficit for the Year	(656,355)	(656,355)
At 31st October 2023	(1,141,016)	(1,141,016)
For The Year Ended 31st October 2022		
At 1st November 2021	(486,945)	(486,945)
Deficit for the Year	2,284	2,284
At 31st October 2022	(484,661)	(484,661)

CASH FLOW STATEMENT

	2023 KES	2022 KES
Cash flows from operating activities		
Deficit for the year	(656,355)	2,284
Add:		
Depreciation	69,504	84,873
Decrease / (increase) in:		
Trade and other Receivables	-	46,668
Increase / (decrease) in:		
Trade and other Payables	(981)	(431,021)
Decrease / (increase) in:		
Tax Recoverable	-	192,566
Cash generated from operations	(587,832)	(104,630)
Cash flows from investing activities		
Increase in PPE	-	(380,100)
	-	(380,100)
Cash flows from financing activities		
Increase / (decrease) in:		
Borrowings	588,020	135,079
Donations	-	339,500
	588,020	474,579
Net Increase in cash and cash equivalents	188	(10,152)
Cash and Cash Equivalents at the beginning of the year	436	10,587
Cash and Cash Equivalents at the end of the year	625	436

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 set out as follows:-

Other Donations

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

c) Impairment

At each financial year end, the management will review the carrying amount of tangible assets to 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 amounts.

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 and 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, that have not yet been paid for. Accruals are current liabilities.

Prepayment

The payment of a debt in full before it is due or payments which have been on on the accounting period, but should not be charged against surplus 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 to transfer that charge forward to the next period. Prepayments are Current Assets.

NOTES (Continued)

2 Property, Plant and Equipment

Other Donations	Computers & Accessories	Furniture & Fittings	Office Equipments	Total
Rate	**25.0%**	**10.0%**	**10%**	**KShs**
COST				
As at 1st November 2022	198,500	262,600	150,000	611,100
Additions	-	-	-	-
As at 31st October 2023	198,500	262,600	150,000	611,100
DEPRECIATION				
As at 1st November 2022	60,875	42,685	18,938	122,498
For the year	34,406	21,992	13,106	69,504
As at 31st October 2023	95,281	64,677	32,044	192,002
NET BOOK VALUE				
As at 31st October 2023	**103,219**	**197,924**	**117,956**	**419,099**
As at 31st October 2022	**137,625**	**219,915**	**131,063**	**488,603**

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)

	2023 KES	2022 KES
3 INCOME		
Bank Deposits		
Citadel Foundation	10,383,885	6,892,851
Individual Donors	2,585,154	2,200,347
Peggy Lucas	719,801	-
Stonex Financial Ltd	311,673	-
Usable Brands AG Switzerland (Vera Brannen)	144,256	-
Charities Aid Foundation-America	72,270	599,488
UK Giving Foundation	4,282	-
Unrestricted Contracting Ltd	-	1,788,110
	14,221,321	11,480,797
Cash		
Cash Donations	1,410,948	274,510
Merchandise Sales	94,100	31,000
	1,505,048	305,510
Total Income	**15,726,369**	**11,786,307**
4 EXPENDITURE		
(4a) Projects		
Medical Camp	7,253,178	5,511,249
Peggy Lucas	2,595,941	318,354
Samburu	937,295	2,873,981
Other Projects	448,812	372,841
Rescue Centre Dream of Hope	321,568	-
Children's Home Paradise	275,000	220,170
New Horizon	222,140	1,600
Self Help Group	179,140	-
Volunteer Programs	74,366	-
Outreach and Community Project	67,970	42,300
Ecofarming Treeside	44,456	-
Shining Hope	25,950	146,030
Silver Spring	18,937	70,485
Great Hope School	200	1,100
Scholarship	-	542,785
Dental Medical Camp	-	46,769
Havillah Center	-	26,858
Total Projects Costs	**12,464,953**	**10,174,522**
(4b) Administrative Expenses		
Salaries and Wages	2,539,645	596,300
Marketing	411,767	82,039
Office Expenses and Supplies	185,040	239,296
Audit Fees	100,210	50,000
Depreciation	69,504	84,873
Micro-Business	-	44,700
Total Administrative Expenses	**3,306,166**	**1,097,208**
(4c) Other Operating Expenses		
Repair and Maintenance	222,145	13,900
Rent	144,000	192,000
Transport	112,255	64,468
Equipment	110,100	-
Farewells and Celebrations	-	64,140
Merchandise	-	141,940
Total Other Operating Expenses	**588,500**	**476,448**

NOTES (Continued)	2023 KES	2022 KES
(4d) Financial Expenses		
Bank Charges	23,105	34,865
Total Financial Expenses	23,105	**34,865**
Other Donations	**16,382,724**	**11,783,043**
5 Taxation		
Surplus/ (Deficit)	(656,355)	3,264
Add Back:		
Depreciation	84,873	84,873
Less:		
Provison for wear and tear	(84,873)	(84,873)
Adjusted Taxable Income	(656,355)	3,264
Tax Charge 30%	-	979
Tax Payable	-	**979**
6 Cash and Cash Equivalents		
Cash at Bank	**626**	**436**
7 Trade and other Payables		
Audit Fee	50,000	50,000
Tax Payable - (Note 5)	-	979
Total Payables and Other Payables	**50,000**	**50,979**
8 Director's Long-Term Account		
Amount B/F	583,218	448,139
Current Year	588,020	135,079
Total	**1,171,238**	**583,218**