

INSIEME SI PUO (ISP IN AFRICA)

**AUDIT REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31-DECEMBER-2023**

**Audited By
Hillary & Hills
Certified Public Accountants**

Insieme Si Puo (ISP in Africa)
Annual report and financial statements
For the year ended 31st December 2023

The reports and statements set out below comprise the financial statements presented to members:

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Insieme Si Puo (ISP in Africa)
Annual report and financial statements
For the year ended 31st December 2023

Company Information

Country of incorporation and domicile

Uganda

Nature of business and principal activities

NGO Activities

Country Representative

Stefania Ceruso

Registered Office:

Plot 45, Kisugu Rd, Namuwongo
P.Obox 71890 Kampala
Uganda

Principal Bankers:

Stanbic Bank
Forest Mall Branch
Kampala

Auditor:

Hillary & Hills
Certified Public Accountants
PO Box 34138
Kampala
Uganda

Director's Report

The Director has pleasure in presenting their report together with the audited financial statements for the year ended 31st December 2023 which disclose the state of affairs of NGO.

Principal Activities

The principal activity of the NGO remains that of NGO activities.

Results

The results for the year are set out on page 6

Directorship

The Regional Programme Officer who held office during the year and to the date of this report are set out on page 1.

Auditor

Hillary & Hills, Certified Public Accountants, has expressed willingness to be re-appointed as auditor for the next financial year in accordance with Section12(2) of the NGO Regulation 2017.

By order of the board

Repouio Cense

Country Representative

Kampala - Uganda

15.05

..... 2024



Statement of Director's Responsibilities

The Directors are required by the NGOs' Act, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the NGO as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

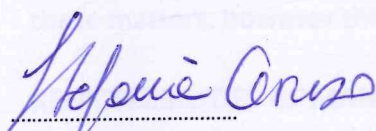
The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial controls established by the NGO and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the NGO and all employees are required to maintain the highest ethical standards in ensuring the NGO's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the NGO is on identifying, assessing, managing and monitoring all known forms of risk across the NGO. While operating risk cannot be fully eliminated, the NGO endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The directors are of opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The directors are satisfied that the NGO has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independent auditing and reporting on the NGO's financial statements. The financial statements have been examined by the NGO's external auditor and their report is presented on pages 4 and 5.

The financial statements set out on page 6 to 12, which have been prepared on the going concern basis, were approved by the Country Representative on 15.5.2024 and were signed on their behalf by:


Country Representative





1st Floor Agip House,
Plot 9 Kampala Road
P.O.Box 34138, Kampala

Firm No. AF0120

Hillary and Hills
Certified Public Accountants

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Email: info@hillaryandhills.com
Website: www.hillaryandhills.com

**INDEPENDENT REPORT OF THE AUDITORS TO THE DIRECTORS OF INSIEME SI PUO
(ISP IN FRICA) FOR THE YEAR ENDED 31st DECEMBER 2023.**

OPINION ON AUDITED FINANCIAL STATEMENTS

We have audited the financial statements of **Insieme Si Puo (ISP in Africa)**, which are the statement of financial position as at 31st December 2023 the statement of changes in affairs and statement of cash flows for the period ended , and a summary of significant accounting policies and other explanatory notes. In our opinion the financial statements give a true and fair view of the financial affairs of Insieme Si Puo (ISP in Africa) as at 31st December 2023 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the companies Act 2012 and the NGO Act.

BASIS OF OPINION

We conducted our audit in accordance with International Standards of Auditing (ISAs) and Guidelines issued by the Institute of Certified Public Accountants of Uganda. Our responsibilities under those standards are further described in Auditor's responsibilities for the audit of financial statements section of our report. We are independent of Insieme Si Puo (ISP In Africa) in accordance with the International Ethics Standards Board of Accountant's code of ethics for professional Accountants (IESBA Code) together with ethical requirement that are relevant to our audit of financial statements in Uganda, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe

KEY AUDIT MATTER (KAM)

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the financial statements of current period. These matters were addressed in context of our audit of financial statements as whole, and in forming our opinion, and we do not provide separate opinion on these matters, however this matter has been resolved by the Management.

RESPONSIBILITIES OF MANAGEMENT & THOSE CHARGED WITH GOVERNANCE

Management is responsible for preparation and presentation of financial statement in accordance with International Financial Reporting Standards (IFRSs) and for such internal controls as management determines necessary to enable preparation of financial statements that are free from material as 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 NGO or to cease operation or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL STATEMENTS

Our objective is 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 high level of assurance, but is not a guarantee that audit conducted in accordance with ISAs will always detect material misstatement when it exists. Misstatement can arise from error or fraud and are considered material if individually or in aggregate they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of our audit in accordance with ISAs we exercised professional judgment and maintained professional skepticism throughout the audit. We also; identified and assessed risk of material misstatements of financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or override of internal controls.

Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in circumstance, but not for the purpose of expressing an opinion on the effectiveness of company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

Concluded on appropriateness of management's use of the going concern basis of accounting and based on audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast doubt on Company's inability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to related disclosures in 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. 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 manner that achieves fair presentation.

We communicated with those charged with governance regarding among other matters, the planned scope and timing of audit and significant audit findings including any significant deficiency in internal control that we identified during our audit.

We also provided those charged with governance with the statement that we have complied with relevant ethical requirements regarding independence, and communicated with the all relationship 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 determined those matters that were of most significance in audit of financial statements of current period and are therefore 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 circumstance, we determine that the matter should not be communicated in our report because the adverse consequence of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As a requirement, We report to you, based on our audit, that the NGO has been conducted effeciently, And:

- (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 NGO , so far as appears from our examination of those books; and
- (iii) The NGO's statement of Comprehensive Income, Statement of financial position and Statement of cashflows are in agreement with the books of account.

The engagement practitioner on the audit resulting in this independent auditor's report is CPA Rwigyema Ndeze Hillary -P0161

Hillary & Hills
Certified Public Accountants
P.O.Box 34138
Kampala

HILLARY & HILLS
Certified Public
Accountants

Date: 15/05/2024

Insieme Si Puo (ISP In Africa)

**Statement of Receipt and Expenditure
For the year ended 31st December 2023**

	Notes	2023 Shs	2022 Shs
<i>Receipts</i>			
Donor funds	8	3,060,059,183	2,444,265,764
Other income	8	18,283,450	108,683,222
		<u>3,078,342,633</u>	<u>2,552,948,986</u>
Other income			
Sale of honey	8	885,000	-
Exchange gain		46,186,539	-
<i>Expenditure</i>			
Project	12	2,700,285,017	2,639,000,736
Running	11	461,444,292	496,237,183
		<u>3,161,729,309</u>	<u>3,135,237,919</u>
Grand total			
		<u><u>(36,315,138)</u></u>	<u><u>(582,288,933)</u></u>
Surplus (Deficit) for the year			

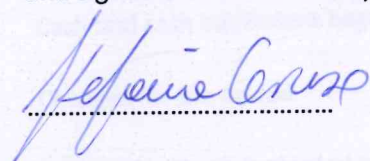
Insieme Si Puo (ISP In Africa)

Statement of Financial Position As at 31st December 2023

	Notes	2023 Shs	2022 Shs
Fixed Assets	1.b	338,273,772	351,665,649
Prepayments - Lease	7	21,616,162	21,886,364
		<u>359,889,934</u>	<u>373,552,013</u>
Current Assets			
Cash at hand	9	32,066,001	2,500,062
Cash at bank	9	120,441,370	174,267,235
		<u>152,507,371</u>	<u>176,767,297</u>
Current liabilities			
Accrued expenses	10	10,128,250	11,735,117
		<u>10,128,250</u>	<u>11,735,117</u>
Net Assets		<u>502,269,055</u>	<u>538,584,193</u>
Capital Employed			
Accumulated fund	5	311,949,301	311,949,301
General fund	6	190,319,754	226,634,892
		<u>502,269,055</u>	<u>538,584,193</u>

Report of the independent auditors is on Page 4 - 5.

The financial statements were approved by the Board of Trustees on 15.5.2024
and signed on their behalf by:



Country Representative.



Insieme Si Puo (ISP In Africa)

Statement of cash flows
For the year ended 31st December 2023

	Notes	2023 Shs	2022 Shs
Operating activities			
Surplus (shotage) as per financial statements		(36,315,138)	(582,288,933)
Adjustments for:			
Lease prepayments		270,202	270,202
Prior period adjustment	8	380	32,833,932
Depreciation	1(b)	25,391,497	26,514,996
		<u>(10,653,058)</u>	<u>(522,669,803)</u>
<i>Cash before working capital changes</i>			
Change in payables	10	<u>(1,606,867)</u> (12,259,925)	<u>2,194,333</u> (520,475,470)
		<u>(12,259,925)</u>	<u>(520,475,470)</u>
<i>Net cash from operating activities</i>			
Investing activities			
Purchase of property and equipment	1(b)	<u>(12,000,000)</u>	<u>(93,806,000)</u>
		<u>(12,000,000)</u>	<u>(93,806,000)</u>
<i>Net cash from investing activities</i>			
Financing activities			
Funds from donors		-	-
Miscellaneous funding		-	-
<i>Net cash from financing activities</i>			
		<u>(24,259,925)</u>	<u>(614,281,470)</u>
Net change in cash and cash equivalents		<u>176,767,297</u>	<u>791,048,767</u>
Cash and cash equivalent beginning of the year		(24,259,925)	(614,281,470)
Changes for the period		<u>152,507,372</u>	<u>176,767,297</u>
Cash and cash equivalent at the end of the year		<u>152,507,372</u>	<u>176,767,297</u>

Insieme Si Puo (ISP In Africa)
Notes to the Financial Statements
For the year ended 31st December 2023

- 1 Principal Accounting Policies:
- a) Accounting convention
The financial statements are prepared on a historical basis of accounting and in accordance with International Financial Reporting Standards, issued by International Financial Accounting Standards Board (IASB).

- b) Property, plant and equipment
All property, plant and equipment is stated at cost less depreciation and accumulated impairment. Depreciation is calculated on reducing balance basis to write off the cost of each asset over their to write off the cost of each asset over their estimated useful life.

The annual rates are;

%

Buildings	
Motor vehicle, Motor cycles	25.00
Computers	40.00
Furniture & fittings, Equipment, Machinery	20.00

Cost	Buildings	Computers	Office equipment	Motor vehicles	Generator	Motor cycle	Hostel Equipment	
As at 01.01.2023	286,750,000	24,360,650	41,211,600	260,052,147	21,091,021	4,640,000	18,271,638	656,377,056
Additions	-	12,000,000	-	-	-	-	-	12,000,000
Deductions	286,750,000	36,360,650	41,211,600	260,052,147	21,091,021	4,640,000	18,271,638	668,377,056
Depreciation								
As at 01.01.2023	18,977,274	22,105,096	32,586,113	201,094,076	18,940,819	4,586,882	6,421,147	304,711,407
Disposal	2,108,586	5,702,222	1,078,186	14,739,518	268,775	13,280	1,481,311	25,391,877
For the year	21,085,860	27,807,318	33,664,299	215,833,594	19,209,594	4,600,162	7,902,458	330,103,284
Sub total								
Net Book Value								
As at 31st December 2023	265,664,140	8,553,332	7,547,301	44,218,553	1,881,427	39,839	10,369,180	338,273,772
As at 31st December 2022	267,772,726	2,255,554	8,625,487	58,958,071	2,150,202	53,118	11,850,491	351,665,649

- c) The accounts are presented in Uganda Shillings, rounded off to the nearest Shilling
- d) The NGO was re-newed under the Non Governmental Organisation Statute 1989 under NGO registration S.5914/256
- e) Foreign currency translations
All foreign currency transactions during the year have been converted to Uganda Shillings at the rate ruling on the date of transaction.
Assets and liabilities expressed in foreign currency are translated into Uganda Shillings at the rate of exchange ruling at the balance sheet date. Net exchange difference from conversion are recognised in the surplus and deficit account in the year in which they arise.

Insieme Si Puo (ISP In Africa)
Notes to the Financial Statements (Cont'd)
For the year ended 31st December 2023

	2023	2022
	Shs	Shs
7 Operating lease		
Opening balance	21,886,364	22,156,566
Charge for the year	270,202	(270,202)
Balance	<u>21,616,162</u>	<u>21,886,364</u>
8 Donations		
Insieme Si Puo -Italy	2,957,074,345	2,444,265,764
Coopi	62,320,838	100,017,722
Sad	40,664,000	
Other cash donations	18,283,450	8,665,500
	<u>3,078,342,633</u>	<u>2,552,948,986</u>
Donation and other receipts is recognised on cash basis.		
9 Cash and bank balances;		
a Cash at hand		
Cash on hand- Kampala	14,643,213	1,051,924
Cash on hand- Moroto	16,423,809	565,100
Cash on hand- Euro -Kampala	998,980	883,038
	<u>32,066,002</u>	<u>2,500,062</u>
Moroto and Kampala cash balance combined.		
b Bank balances		
Bank balance ;Shs Kampala	103,094,992	30,174,098
Bank balance ;Shs Moroto	7,329,514	127,520,895
Coopi - Euro	127,360	61,782
Bank balance Euro	9,889,504	16,510,460
	<u>120,441,370</u>	<u>174,267,235</u>
Cash and cash equivalents include cash at hand and at bank.		
10 Payables		
Audit	4,500,000	4,000,000
NSSF payable	2,558,481	3,342,569
PAYE payable	3,069,769	4,397,548
WHT payable	821,904	
	<u>10,128,250</u>	<u>11,735,117</u>

Payables are recognised at fair value.

Insieme Si Puo (ISP In Africa)
Notes to the Financial Statements (Cont'd)
For the year ended 31st December 2023

11 Expenditure

Description

Food Security

Food distribution -Moroto
Feeding programme -Central schools
Food and Milk distribution
Food distribution
Food distribution -vulnerable families

Code

**2023
Shs**

**2022
Shs**

60314a	90,020,500	171,535,126
60314b	38,484,000	40,977,000
60314	133,628,347	152,436,151
60314K	17,500,000	
60314c	89,310,000	18,346,000

368,942,847

383,294,277

Education and Child protection

Support of MOPSS -Moroto
Construction of kitchen
Repair solar systems
Scholarships
Assuring education -early marriages
YOLRED -Child soldiers
Training teachers
UBI Scholastic Materials (Union of Italian Buddhist)
Training teachers

60613	-	31,803,748
60619	-	209,375,755
60619a	38,866,300	-
SAD	955,820,063	884,789,232
60617	1,634,500	21,229,001
P60630	21,160,916	15,399,500
P60553b	82,640,670	46,798,370
60588a	-	6,180,000
60629	80,820,909	530,900
	<u>1,180,943,358</u>	<u>1,216,106,506</u>

Access to water

Drilling new borehole and repair old ones
Drilling new borehole and repair old ones
Improve access to water
Improve access to water
Improve access to water
Repair rain water harvest
Irrigation systems

P60422/D	201,747,012	219,867,600
60422d	-	2,188,300
60612a	-	32,464,360
60612b	-	55,777,231
60612c	-	29,396,380
60519d	3,208,400	20,987,800
60637	36,917,000	-
	<u>241,872,412</u>	<u>360,681,671</u>

1,791,758,617

1,960,082,454

Sub total c/f

Insieme Si Puo (ISP In Africa)
Notes to the Financial Statements (Cont'd)
For the year ended 31st December 2023

12 Expenditure		2023	2022
Description	Code	Shs	Shs
Balance brought forward		2,351,348,603	2,460,960,401
Health			
Support to healthcare centre	60633	107,177,477	64,894,883
Medical centre-St.Rita	60576	477,000	40,070,000
Sickle cells project support	60622	52,772,800	62,750,952
ICEME health centre 3	60650	23,308,491	-
Kids in need 2	60656	48,563,000	-
Kids in need 1	60638	30,407,100	-
Paper beading training	60543	7,547,780	-
Choose life home bestcare	60655	100,000	-
Construction of kitchen	P60619	816,100	-
Health centres Tapac and Amaler	60648	51,582,000	-
Purchase of hand crafts pieces	60534	150,000	-
Rehabilitation Our lady Consolata	60155	2,311,000	-
St.Jude home	60335E	14,579,580	-
Fuel Landcruiser -Moroto	60413a	318,000	-
St. Jude Home Roof repair	606335E	4,414,900	-
Works ar Wandago Toilet	60636b	4,271,186	-
Water bill -Kampala	60663	140,000	-
Training	BB03/01/U03	-	52,000
Seeds for schools and farmers	BA02-05	-	664,000
Medicine and medical supplies	BA32	-	230,000
Rehabilitation our Lady of Consolata	P60155	-	2,291,000
Health Centre-Mirembe Maria	P6611	-	250,000
Paper beads training	P60543	-	6,837,500
Subtotal		<u>348,936,414</u>	<u>178,040,335</u>
Grand Total:Project costs		<u>2,700,285,017</u>	<u>2,639,000,736</u>

12. Foreign currency translations

All foreign currency transactions during the period have been converted to shillings at the rates ruling on the date of the transaction. Assets and liabilities expressed in foreign currency are translated into Uganda Shillings at the rate of exchange ruling at the balance sheet date.

Insieme Si Puo (ISP In Africa)

Notes to the Financial Statements (Cont'd)

For the year ended 31st December 2023

		2023	2022
		Shs	Shs
13. Running costs			
Audit fees		4,500,000	4,000,000
Computer software	BDO	1,220,000	-
Legal and interpretation and other	CA07	33,451,135	43,032,352
Vehicle hire	BC03	-	100,000
Groceries	CA05	30,226,008	20,589,101
Office utilities	CA04	3,245,600	3,560,038
Airtime phone & internet	BH02	-	2,132,900
Stationery	CA02/BH01	972,700	1,016,000
Casuals	CB03	150,000	-
Salaries-Gross	AA0	183,876,076	238,623,809
NGO NSSF 10% contribution	CB05	18,387,608	23,862,376
Office phone bills	CA03	1,066,000	835,000
Wages	AA0/3/5/6	2,093,450	9,499,000
Office expense	CA01	23,101,365	17,750,900
Bank charges	2(A/B/B2),CA06	2,607,876	1,622,657
M/V Maintenance and insurance	CC01/03/04	63,226,586	41,232,702
Maintenance costs	CA11/BA11	61,546,609	52,811,350
Motor vehicle fuel	3D/CB11/CC	3,882,500	7,797,800
Security	CB04	30,000	-
Delivery and shipping	CA08	30,000	203,000
Transport		-	195,000
Staff medical	CB08	863,700	468,000
Travel expenses	CB06	-	120,000
Local service tax		1,305,000	-
Depreciation and Lease charge		25,662,079	26,785,198
Total running costs		<u>461,444,292</u>	<u>496,237,183</u>